


Category:	Financial	<p style="text-align: center;">INCA Community Services Financial Policy and Procedures</p> 
Effective Date:		
Revised Date:	2/1/16, 2/1/17, 6/30/17, 2/1/18, 4/1/19	
Forms:		
Responsible: Executive Director, Financial Officer, Senior Bookkeeper, Program Directors, Program Coordinators and Supervisors.		

Cost Allocation Plan

Purpose/Introduction

INCA Community Services is a non-profit. INCA administer a variety of programs funded by Federal, State, and Local agencies. The purpose of this cost allocation plan is to summarize, in writing, the methods and procedures that INCA Community Service will use to allocate costs to various programs, grants, contracts and agreements. The following plan identifies costs associated with programs sponsored by INCA. The plan describes the programs for which cost data is needed, the methodology for identifying program-specific costs, and the procedures used to accumulate and document cost data. Cost allocation plan will be used in the budgeting process.

Only costs that are allowable, in accordance with the cost principles, will be allocated to benefiting programs by INCA Community Services, Inc.

OMB Circular A-122, "Cost Principles for Non-Profit Organizations," establishes the principles for determining costs of grants, contracts and other agreements with the Federal Government. Sample Organization's Cost Allocation Plan is based on the Direct Allocation method described in OMB Circular A-122. The Direct Allocation Method treats all costs as direct costs except general administration and general expenses.

Definitions

Direct Costs are those that can be identified specifically with a particular grant, contract, project or other cost objective and therefore are charged to that grant, contract, project, or activity. The accounting system records these costs as they are incurred within the series of accounts assigned for that purpose.

Administrative Shared Costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular grant, contract, project or activity.

General Approach

The general approach of INCA Community Services in allocating costs to particular grants and contracts is as follows:

- All allowable direct costs are charged directly to programs, grants, and activity, based on authorization requests, budgets, and usage.
- 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.

- 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.
- Equitable distribution is determined by time, square footage, actual usage, and number of employees.

Methods of Cost Allocation (See Cost Allocation Methodology)

1. Allocation based on the number of employees
2. Allocation based on actual time spent
3. Allocation based on actual usage
4. Allocation based on square footage
5. Allocation based on the number of Transaction
6. Allocation based on the number of telephones
7. Allocation based on the number of computers

Allocation of Costs

Personnel Services

Documented with timesheets showing time distribution for all employees and allocated based on time spent on each program or grant. Salaries and wages are charged directly to the program for which work has been done. Costs that benefit all programs will be allocated based on the ratio of the number of each program’s employees to total number of employees of agency (Method #1).

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

Procedure: Personnel Costs will be directly allocated to the program for which the individual’s works, with the exception of administrative shared staff. Personnel costs for employees who work for more than one program are allocated through the accounting software with individual distribution codes assigned to their payroll records, which automatically assign the distribution to the particular program in which they work. Methods of Cost Allocations Procedures will be used to allocate Shared Administrative Cost Personnel.

Shared Administrative Cost Personnel

Listed below are the position, function and method for division of salaries for the people who comprise the Administrative Shared Cost Salaries. These methods will be used for the individual’s time that cannot be allocated as actual time spent.

Position	Function	Methods
Executive Director	General Management	Actual Time Spent # of Employees
Human Resource Director	Personnel Management	Actual Time Spent

		# of Employees
Open	Secretary for the Board of Directors	Actual Time Spent # of Employees
Senior Bookkeeper	Accounting	Actual Time Spent # of transactions
Financial (Consultant)	Accounting	Actual Time Spent # of transactions
Communication and Capacity Director	Website/Social Media, Capacity Building/ Board Training/ Community Assessment	Actual Time Spent # of employees
Receptionists	Switchboard/Clerical	Actual Time Spent # of transactions
Information Technology (Consultant)	Technical Support for IT equipment	Actual Time Spent # of computers

Professional Services Costs (Consultants, Independent Contractor)

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 all programs will be allocated based on the ratio of the number of each program's employees to total number of employees of agency (Method #1).

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 number of employee.

Insurance Basis:

Property and Commercial General Liability	# of square footage
Commercial Inland Marine	# of computers
Professional Liability	# of employees
Commercial Vehicle Insurance	# of vehicles (actual)
Directors and Officers Liability	# of employees
Umbrella Insurance	# of employees

Audit

Identifiable direct audit costs are charged directly to the program. Number of dollars in each grant, contract or project; direct audit hours; expenditures audited for each program.

Copier Expenses

Expenses include rental fees, maintenance, paper, and other supplies associated. These costs are allocated based on actual percentage of usage, which can be taken from a reading directly from the equipment. All usage must have program code input prior to making copies. Costs that benefit all programs will be allocated based on the ratio of the number of each program's employees to total number of employees of agency (Method #1).

Office Supplies

Expenses are charged directly to programs for which the purchase was authorized or allocated according to combined programs used if applicable. Costs that benefit all programs will be allocated based on the ratio of the number of each program's employees to total number of employees of agency (Method #1).

Equipment

Costs are allocated directly to the program for which the purchase was authorized by the specific funding source or allocated according to combined programs usage if applicable. Procedure and method used to allocate shared administrative cost personnel equipment is as outlined in Shared Administrative Personnel Cost Chart. (Method #1)

Postage

Postage stamps are charged directly to program for which the purchase was authorized or allocated. Postage from the Bookkeeping is dispensed from a postage meter. Postage cost will be allocated based on postage logs indicating volume of usage by each program. Costs that benefit all programs will be allocated based on the ratio of the number of each program's employees to total number of employees of agency (Method #1).

Advertisement

Cost for personnel are allocated to each program based upon actual costs associated with the program. Costs that benefits all programs will as outlined in Shared Administrative Personnel Cost Chart. (Method #1)

Telephone/Cell phone

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 total number of telephones (Method #6). Costs that benefit all programs will be allocated based on the ratio of the number of each program's telephones to total number of telephones of agency (Method #6).

Cell Phones assigned to a specific program or activity is charged directly. Costs that benefit all programs will be allocated based on the ratio of the number of each program's employees to total number of employees of agency (Method #1).

IT Technical, General Maintenance and Networking

Identifiable computer and general maintenance are charged directly to program. (Method #3) Networking and maintenance cost more than one program will be allocated to those programs based on the total number of IT equipment. Costs that benefit all programs will be allocated based on the ratio of the number of each program's employees to total number of employees of agency (Method #7).

Facilities Expenses (rent, utilities, maintenance, depreciation)

Costs are allocated to each program based on the square footage of space actually dedicated and used by that specific program. Costs that benefit all programs will be allocated based on the ratio of the number of each program's employees to total number of employees of agency (Method #4).

Vehicle Costs (Maintenance, Fuel)

Allocated to the program benefiting from the vehicle costs. Costs that benefits all programs will as outlined in Shared Administrative Personnel Cost Chart. (Method #1)

Travel

Cost is allocated to the program for which the travel is conducted, based on local and out-of-area travel forms submitted, which will indicate the program supported. Costs that benefits all programs will as outlined in Shared Administrative Personnel Cost Chart. (Method #1)

Training, Conferences, or Seminars

Allocated to the program benefiting from the training, conferences or seminars. Costs that benefits all programs will as outlined in Shared Administrative Personnel Cost Chart. (Method #1)

Other Cost and Procurement of Goods (including membership dues, licenses, fees, etc.)

Procurement of goods and services are allocated to each program based on the actual amount purchased for each program according to budgeted guidelines. Costs that benefits all programs will as outlined in Shared Administrative Personnel Cost Chart. (Method #1)

Annual Cost Allocation Review

INCA Community Services cost allocation plan covers all direct and administrative shared costs, which are to be allocated, and the method used in distributing the cost.

- The allocation assigned to each program will be reviewed annually in February by the Executive Director, Financial Officer for allowability, reasonableness and allocability of costs.
- Changes to allocation arrangements may be needed due to changes in funding or variations in costs from year to year. Each program will pay for direct costs relating to that program.
- Once costs to be shared among programs are identified, a basis of allocation must be agreed upon the Executive Director and Program Directors that is fair, measurable, consistent, and supported by ongoing data collection. This data will form the audit trail.
- The agreed upon cost allocation plan will be taken to the Board of Directors for consideration.

2019 AGENCY COST ALLOCATION PLAN

Employee data as of February 1, 2019 was used to determine the number of employees to determine the Shared Administrative Personnel Cost.

Costs that benefit all programs are allocated based on a ratio of the number of employees for each program to total number of employees. It is quantitative measured by the availability of data and history on the number of employees served which is common to the benefited function during the period.

After reviewing the administration cost allocation the following percentages has been established as of Feb 1, 2019. This is based on the number of employees on Feb. 1, 2019 payroll, plus job openings.

Program	# of Employees	Comments
Head Start	68	
Head Start/SAF	2	
Early Head Start	6	
JAMM Transit	63	
RAVE	71	Does not include workshop
RSVP	3	Supported by CSBG
Weatherization/ESG/CSBG	1	Supported by CSBG
RxOklahoma/Navigator/SHIP	1	Supported by CSBG
Total Program Staff	215	
Administration	7	Includes interns
Total Employees	222	
Workshop Clients (on payroll)	17	
Total Payroll	239	

Shared Cost Allocation (including facilities cost)			
Program	#of employees	% Admin	Comments
Head Start	70	33%	HS/USDA/SAF
Early HS	6	3%	

CSBG	2	1%	CSBG/VITA/RSVP/RX -Oklahoma/NAV/WX/ ESG/Housing/RSVP
JAMM	63	30%	All Transit Programs
RAVE	71	33%	(does not include workshop clients)
Total Program Staff	215	100%	
Admin Staff	7		
Total Employees	222		

Method #2 – Allocation Based on Actual Time Spent

Actual time an individual spent on an activity, program or grant. Employees will record their time worked on their daily activity report and total of hours worked on timesheet.

Method #3 - Allocation by Actual Usage

Cost assigned to program or grant where the cost of products and services is according to the actual consumption of each.

Method #4 – Allocation based on Square Footage

Facilities costs are allocated based on square footage. Square footage for each program and general and administrative activity is considered in the analysis. Common areas are not used in calculations. Shared Administrative costs are further allocated to each program based on the square footage of each grant program to the total square footage of all grant programs.

TISHOMINGO OFFICE #1 – 202 S. Capitol

Office	Square footage	Program	Percentage
Executive Director	354	Admin	
Administrative Clerk	208	Admin	
Human Resource	277	Admin	
Bookkeeping	138	Admin	
Total Administrative		Admin	43% *** shared cost
Health/Education Managers	288	Head Start	
Director	248	Head Start	
Staff Office	160	Head Start	

Staff Office	106	Head Start	
Total Head Start	802	Head Start	34%
JAMM Office	409	JAMM	18%
Capacity Director	106	CSBG	5%
Grand Total	2294 square feet		100%

TISHOMINGO OFFICE #205 – 207 - 211 S. Capitol

Office	Square footage	Program	Percentage
RSVP Work Area	810	RSVP	
RSVP Director	244	RSVP	
RSVP Coordinator	158	RSVP	
RSVP Meeting Room	367	RSVP	
Total	1579	RSVP	100%

ATOKA OFFICE – 371 W. 10th

Office	Square footage	Program	Percentage
RSVP Coordinator	129 sq ft	RSVP	3%
Weatherization/Community Specialist/ ESG Case Worker	234 sq ft	CSBG	17%(WX - 50%, CSBG -30% ESG 15% VITA - 5%)
Community Specialist, Navigator, RxOklahoma	129 sq ft	CSBG	
Executive Director	316 sq ft	CSBG	
Total CSBG	679 sq ft		6%
RAVE	712 sq ft	DDSD	6%
JAMM Transit	712 sq ft	JAMM	
JAMM Operations Director	396 sq ft	JAMM	
Total JAMM	1,108 sq ft		10%
Facilities Manager	475 sq ft	Head Start	
Area Supervisor	251 sq ft	Head Start	

Spare HS Office	237 sq ft	Head Start	
Classroom #1	709 sq ft	Head Start	
Classroom #2	709 sq ft	Head Start	
Classroom #3	709 sq ft	Head Start	
Kitchen Facility	1053 sq ft	Head Start	
Cafeteria	1281 sq ft	Head Start	
Teachers workroom	218 sq ft.	Head Start	
Indoor Playground/Gym	2,550 sq ft	Head Start	
Total Head Start	8,191 sq ft.		75%
Total Office	10,819 square ft.		100%

Sulphur OFFICE – 1216 W. 9th

Office	Square footage	Program	Percentage
Route Supervisor	136 sq ft	JAMM	
Dispatcher/Receptions	146 sq ft	JAMM	
JAMM Office	132 sq ft	JAMM	
Total JAMM	414 sq ft		61%
Area Supervisor	132 sq ft	Head Start	
Head Start Intake Office	132 sq ft	Head Start	
Total Head Start	264 sq ft		39%
Total Office	678 sq ft		100%

OAKLAND OFFICE – 18941 S. 8th Street

Office	Square footage	Program	Percentage
Route Supervisor	213 sq ft	JAMM	
Dispatcher/Receptionist/Drivers	160 sq ft	JAMM	
Total Office - JAMM	373 sq ft		74%
Area Supervisor	132 sq ft	Head Start	
Total Head Start	132 sq ft		26%
	505 sq ft		

Clothing Bank – 412 Allen Avenue

Office	Square footage	Program	Percentage
Clothing Bank	1350 sq ft	RAVE	100%

Head Start Facilities (Satellite Classrooms)

Office	Square footage	Program	Percentage
Caney Head Start	402 N. Perkins	2,275 sq ft	100%
Sulphur Head Start Bldg 2	1220 W. 9 th	2,600 sq ft.	100%
Davis Head Start	801 E. Benton	2,500 sq. ft.	100%
Mill Creek Head Start	603 South Choctaw	2,020 sq. ft.	100%
Oakland Head Start Bldg 1	18985 8 th Street (Hwy)	2,478 sq. ft	100%
Madill Head Start	209 North 2 nd Street	2,236 sq ft	100%
Oakland Head Start Bldg 2	18985 8 th Street	2,310 sq. ft	100%
Kingston Head Start Bldg. 1	North West 4 th & Main	1,813 sq ft.	100%
Kingston Head Start Bldg 2	North West 4 th & Main	1,211 sq ft.	100%
Milburn Head Start	200 North 7 th Street	1,920 sq. ft	100%
Wapanucka Head Start	South East Choctaw Avenue	978 sq. ft.	100%
Mannsville Head Start	509 East School Street	696 sq.ft	100%
Total		sq.ft.	

HS/Early Head Start Facilities

Sulphur Head Start classrooms Bldg 1	1281 W. 9th	1271 sq ft	50%
Sulphur Early Head Start Classroom BLdg 1	1281 W. 9th	1271 sq ft	50%
Total			100%
Tishomingo Early Head Start classroom	307 West 7th Street	1,870 sq.ft	40%
Tishomingo Head Start	307 West 7th Street	2848 sq ft	60%

Total			100%
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Training Center

(Formula: # of staff/board/council members of each program utilizing facility)

Shared Cost Allocation			
Program	# of staff	% Admin	Comments
Head Start	84	55%	Staff/Policy Council
EHS	6	4%	
CSBG	21	14%	CSBG/RXOkla/Wx/Housing/RSVP /RAVE/ESG/Admin/Board
JAMM	21	14%	Staff/Transit Advisory
RSVP	20	13%	Staff/Advisory Council
Total Program Square Feet	152	100%	

Method #5 – Allocation based on number of transactions

Financial Transactions - The Bookkeeping personnel salaries are allocated based on the number of financial transactions processed for each program during the pay period.

Data Transactions – The Receptionists salary is allocated based on the number of incoming-telephone calls, walk-in and dispatching recorded on Dispatcher and Receptionist logs during the pay period.

Method #6 – Allocation based on number of telephones

Monthly local telephone service is determined by the number of phones used by each program and then the basic service fee is percentage according to the number of phones being used. Shared Administrative costs are further allocated to each program based on the number of phones for each grant program to the total number of phones for all grant programs.

Telephone Service – Tishomingo

Program	# of Phones	Percentage
JAMM	2	18%
Head Start	6	55%

RSVP	2	18%
CSBG	1	9%
Total	11	100%
Admin	6	*** shared cost

Telephone Service – Atoka

Program	# of phones	Percentage
Head Start	6	37%
JAMM	5	31%
CSBG – Housing, Weatherization, (Rx Oklahoma, Navigator) (CSBG)	2	13%
RSVP	1	6%
RAVE	2	13%
Total	16	100%

Telephone Service – Sulphur

Program	# of phones	Percentage
Head Start	2	40%
JAMM	3	60%
Total	5	100%

Telephone Service – Oakland

Program	# of phones	Percentage
JAMM	4	80%
Head Start	1	20%

Telephone Service – Ardmore

Program	# of phones	Percentage
RSVP	1	100%

Clothing Bank 456 West Liberty Road, Atoka

Program	# of phones	Percentage
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RAVE	1	100%
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Antlers Office – 202 N. High Street, Antlers

Program	# of phones	Percentage
RAVE	1	100%

Tishomingo Training Center – 109 South Capitol

Shared Admin ***	1	See Formula
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Head Start Facilities

Caney Head Start	402 N. Perkins	1	100%
Sulphur Head Start #1 Bldg	1218 W. 9 th Street	2	100%
Sulphur Head Start #2 Bldg	1220 W. 9 th	2	100%
Davis Head Start	801 E. Benton	2	100%
Mill Creek Head Start	603 South Choctaw	1	100%
Oakland Head Start	18985 8 th Street	1	100%
Madill Head Start 3/4	209 North 2 nd Street	2	100%
Madill Head Start 1/2	701 West Tishomingo	2	100%
Kingston Head Start 2	North West 4 th & Main	1	100%
Kingston Head Start 1	North West 4 th & Main	2	100%
Milburn Head Start	200 North 7 th Street	1	100%
Wapanucka Head Start	South East Choctaw Avenue	2	100%
Tishomingo Head Start	307 West 7 th Street	2	100%
TOTAL		22	

Early Head Start

Sulphur Early Head Start	1218 W. 9th	1	100%
Tishomingo EHS	307 West 7th	1	100%
TOTAL		2	

Shared Cost Allocation ***

Program	#of telephones	% Admin	Comments
Head Start	37	58%	
Early Head Start	2	3%	
CSBG	3	5%	(Wx-ESG/Housing/CSBG)
JAMM	14	22%	
RAVE	4	6%	
RSVP	4	6%	
Total Program Telephones	64	100%	
Total admin phones	6		

Method #7 – Allocation based on number of computers and IT Network Equipment

Monthly general maintenance and IT network service is determined by the number of computers and IT equipment accessing the agency network, used by each program and then the basic service fee is percentage according to the number of computers being used. Shared Administrative costs are further allocated to each program based on the number of phones for each grant program to the total number of phones for all grant programs.

TOTAL # OF IT EQUIPMENT ON NETWORK

Program	# of Computers (network)	# of ITV/Smartboards	Total Network Equipment
Head Start	33	20	53
Early Head Start	2		2
JAMM	17	3	20
Admin	7	3	10
CSBG	3		3
RAVE	2		2
RSVP	3		3
TOTAL	67	26	93

Network & General Maintenance Shared Cost

Shared Cost Allocation

Program	#of Network Equip	% Admin	Comments
Head Start	53	63%	
Early Head Start	2	3%	
CSBG	3	4%	Wx-ESG/Housing/RxOkla
JAMM	20	23%	
RAVE - DDSD	2	3%	
RSVP	3	4%	
Total # of Program IT Equipment	83	100%	
Admin	10		Admin Computers & ITVs
Total # of IT Equipment	93		