

## PSA26AAA Lake and Mendocino Counties

### INSTRUCTIONS FOR COST ALLOCATION PLAN FOR ADMINISTRATIVE EXPENSES

This form is required to be submitted to PSA26AAA with any budget that includes costs for Allocated Administrative Expenses.

Many service providers administer several unrelated programs and incur joint administrative or overhead costs that benefit all programs. Allocated Administrative costs must be allowable to the programs following the same principles and guidelines as direct program costs.

For most entities, including stand-alone nonprofits, there is no limit on the amount of allocated administration that may be charged to each program as long as it is calculated and distributed using a reasonable basis. The allocated administrative fee is capped at 8% for those providers that are charged an administrative fee by a higher level of the organization (e.g., departments within county government, the school system or hospital).

#### Heading:

Complete the requested information for your organization (name, budget period, budget version being submitted.)

#### Part A:

List the line item and the total amount of each joint cost to be allocated (e.g., salaries, rent, office supplies, etc.). If necessary, use a separate sheet of paper or you may provide your own schedule. Do not include the cost of an audit unless your organization is required to have an audit under the provisions of OMB A-133.

#### Part B:

List each program within your organization and the dollar amount of the joint costs being allocated to each program. If necessary, use a separate sheet of paper or you may provide your own schedule.

NOTE: The total costs in Part A must equal the total allocated costs in Part B.

#### Part C:

Provide a brief narrative description and/or a spreadsheet describing the method used to allocate joint costs among the programs. Examples of bases for the allocation of joint costs are salaries and wages, total direct costs (excluding overhead), staff hours applied, square feet used, number of clients processed, population served, or units of service delivered.