

PRINCE GEORGE'S COUNTY ECONOMIC DEVELOPMENT CORPORATION  
WORKFORCE SERVICE DIVISION  
DEPARTMENT OF ADMINISTRATION AND CONTRACTS  
1801 McCormick Drive, Suite 400  
Largo, Maryland 20774

# **COST ALLOCATION PLAN:**

## **CLASSIFICATION AND METHODOLOGY**

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## COST ALLOCATION PLAN

A Cost Allocation Plan (CAP) documents the method identifying and distributing allowable direct and indirect costs under the contract. When developing the CAP you should (1) keep it simple, (2) make it replicable, and (3) consider your capabilities.

### CLASSIFYING COSTS

Classifying costs involves the labeling of direct and indirect costs relative to the program.

Direct Costs: Identified with a specific final cost charged directly to the program. I.e. employee compensation whose time is devoted strictly to the fulfillment of this program only, and pre-approved items such as equipment, materials, consultants, etc. specific to the program.

CAP example: 100% times cost equals amount.

*Computer purchase is \$850. Calculate the direct cost at 100% is \$850.*

Shared Direct Costs: Costs incurred for a common or joint purpose that benefits more than one funding stream. I.e. Program manager providing services to participants in all funding streams. Time is difficult to identify spent by funding stream, so costs are distributed to the proper funding stream.

CAP example: fund specific eligible number served by total number served equals percentage times cost equals amount.

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*Program manager provides services to two funding streams serving 100 participants. Fund A has 35 participants and Fund B has 65 participants and the PM salary is \$2000 bi-weekly. Calculate for Fund A shared direct cost at 35% (35/100) times \$2000 equals \$700 to be charged to Fund A and \$1300 to Fund B.*

Indirect Costs: Administrative costs incurred to support the overall operation of the contractor. I.e. utilities, insurance, telephone, other overhead costs, etc.

CAP example: fund specific eligible number served by total number served equals percentage times costs equals amount. (Yearly average should be used for budgeting with justification. Indirect cost is subject to funding authority approval.)

*Total administrative costs (rent, utilities, insurance, and telephone) to two funding streams serving 100 participants. Fund A has 35 participants and Fund B has 65 participants and the Admin costs are \$57,820 year. Calculate for Fund A indirect direct cost at 35% (35/100) times \$57,820 equals \$20,237 to be charged to Fund A and \$37,583 to Fund B.*

## METHOD USED

Method used is the reasonableness and equity for allocating different types of costs.

Space Allocation: Proportion of work area or usage as costs that benefit all occupants of the site. I.e. by square footage

Personnel Allocation: Proportion of staff time worked as costs that benefit an area of work or funding emphasis. I.e. by time distribution system

Usage Allocation: Proportion of usage as costs that benefit an area of work or funding emphasis. I.e. by usage logs

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Participants Served: Number of participants served at the site as costs to produce an output across funding emphasis. I.e. by active eligible participants served

## COST ALLOCATION PLAN

**VENDOR: \_\_\_\_\_**  
**FOR CONTRACT YEAR JULY 1, 2016 THROUGH JUNE 30, 2017**

COST	TYPE OF COST	ALLOCATION TYPE	OTHER FUNDING BENEFITING		
			Funding Program	Funding Budget Line Revenue	Funding Budget Restriction's)
By Line Item	D = Direct S = Shared Direct I = Indirect*  *with support documents	Space Personnel Usage Participants Served Other:			
I.e. Computer Equipment	D = Direct	Other: 100% Per Unit	None	None	
I.e. Program Manager	S = Shared Direct	Personnel: 35%	Pr. George's County	\$35,000	Personnel: 65%
I.e. Administrative Cost	I = Indirect*	Participants Served: 35% Negotiated at 11%	None	None	

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# TECHNICAL ASSISTANCE MONITORING

Program Type:  Youth

Vendor Monitored:

Address:

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Individuals Participating in the Review and Title:

Monitored By:

TECHNICAL ASSISTANCE

This is in reference to 29 CFR Parts 95, and 97-36, (Uniform Administrative Requirements); Generally Accepted Accounting Procedures (GAAP); OMB Circular A-110, A-122, and A-133; and Financial Management Technical Assistance Guide (TAG).

**POLICY**

Yes    No

       Does the vendor have a current and written Code of Conduct/Conflict of Interest Statement?

(Obtain a copy of the Code of Conduct.)

       Disciplinary actions for those who fail to follow the Code of Conduct.

*Monitoring Comments:*

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**PROCUREMENT**

Yes    No

       Does the vendor have a current and written procurement management policy on file?

(Obtain a copy of the procurement policy.)

       Does the procurement policy include the following?

   Cost or price analysis criteria

   Small purchase procedures

   Preliminary estimate process

   Sole source review criteria

   Written documentation to support the selection

   Purchasing limits

       Has the vendor had any procurement disputes with other vendors in this contract year?

If so, what were the disputes, names of the vendor, and results of the resolution?

       Does the contract include any lease or rental agreements?

If so, review and list active leases with leased item, lease amount, and lease start and end dates.

*Monitoring Comments:*

**CONTRACTS**

Yes    No

       Does the vendor have any lower-tier subcontracts? (Obtain a list of lower-tier subcontractors.)

*Monitoring Comments:*

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**INVENTORY**

Yes    No

       Were there any equipment or furniture purchased with the current contract funds?  
(Obtain a list of funded equipment or furniture.)

       Are the items properly inventoried and tagged?

*Monitoring Comments:*

**FISCAL AND ACCOUNTING**

Yes    No

       Does the vendor have a current written fiscal management policy on file?  
(Obtain a copy of the fiscal policy.)

       Does the vendor have a current cost allocation plan for the contract period?  
If so, review and obtain copy.

       Have there been any changes to the fiscal system since the last year?  
If so, describe.

       Does the vendor have current and written accounting policies and procedures?

       Does the written policy, outlining the computer system software used for accounting include a disaster recovery plan?  
If so, describe.

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Does the vendor back-up its computer information?  
 If so, how often and where is it stored?

*Monitoring Comments:*

**PROGRAM**

Yes    No  
  Does the vendor offer supportive services to the participants?  
 If so, what services are provided?

Does the vendor make incentive or bonus payments to participants?  
 If so, how often and purpose?

Have there been any participant disputes and/or grievance in this contract year?  
 If so, what were the disputes/grievances, names of the participants, and results of the resolution?

*Monitoring Comments:*

**PERSONNEL**

Yes    No  
  Have there been any personnel changes for the contract year?  
 If so, what position, who was replaced, who is the replacement, and when did this occur?  
 (Obtain current replacement resumes.)

Have there been any personnel disputes and/or grievance in this contract year?  
 If so, what were the disputes/grievances, names of the staff, and results of the resolution?

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*Monitoring Comments:*

**INTERNAL CONTROL**

Yes

No

Does the vendor have sufficient internal controls to safeguard and ensure proper use of funds?

(Obtain a copy of the separation of duties and current certification of liability.)

Is there a procedure to process unclaimed checks?

*Monitoring Comments:*

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**AUDIT**

Yes No

Did the vendor receive other federal funds during the contract year in the amount of \$500,000 or more?  
If so, was a Single Audit conducted? (Obtain a copy of the audit report.)

Were there any audit findings?  
If so, describe.

What corrective action was implemented?

Have all previous audit findings been resolved.

*Monitoring Comments:*

**LIST OF MONITORING DOCUMENTS OBTAINED:**

**SUMMARY OF TECHNICAL ASSISTANCE MONITORING:**

**RECOMMENDATION FOR TECHNICAL ASSISTANCE:**