

**Area:** Fiscal Systems

**Subject:** FS09 - Cost Allocation Plan

**Reference:** 74.21 b 6, 74.28, 92.20 b 5, 92.22, 92.23, OMB Circular A-87 Attachment C

**Policy:** The program shall develop and maintain written procedures for allocating allowable costs in accordance with governing statutes and regulations, federal cost principles, internal agency procedures, and funding terms and conditions.

**Procedure:**

1. All program costs charged directly to a specific grant or contract are for its sole benefit.
2. Direct costs are those that can be identified specifically with a particular final cost objective. These costs are identified and allocated by the direct allocation method.
3. Each program operated by the agency has its own fund account.
4. Joint costs are identified and prorated individually as direct cost to each fund and to each award using a base most appropriate to the particular cost being prorated.

Personnel

Per Federal regulation (OMB A-87) each employee that is paid from multiple programs, of which at least one is a federal program, is required to complete a time log, which depicts how their work was spent for the selected month.

This time log is called the Personnel Activity Report (PAR). The PAR is a federal requirement that substantiates federal salary and wage charges for those employees whose salaries are paid from federal funds and are working within multiple funded programs. This report also ensures proper time is allocated and is used as a basis for funding allocations for employee payroll.

SCOE requires the reports to be completed on a tri-annual basis for the months of March, July and November.

All multi-funded employees are required to report their time on one of the two log sheets. The Multi-Funded Monthly PAR form is to be used for those personnel who are funded from multiple programs and their time is "fairly predictable," that is, the ratio of time allocated to funded program is consistent. The Multi-Funded Daily PAR form is also for personnel who are multi-funded, however their time per program is not predictable and fluctuates on a daily basis.

Fringe – Allocated by percentage of gross payroll

Travel – Directly based upon program cost objective

Equipment – Directly based upon program cost objective

Supplies – Directly based upon program cost objective

Contracts – Directly based upon program cost objective

Construction/Renovation – Directly based upon program cost objective

Other – Directly based upon the program cost objective

Insurance – Occupancy percentage is used to prorate facility insurance, percentage of

vehicles and time used is used to prorate vehicle insurance.

**Supervised by:** Data Director I

**Performed by:** Data Department

**Forms needed:** PAR

**Attachments:**

- California Department of Education Memo Titled, "Approved Substitute System for Time Accounting for Federal Programs"
- SCOE Memo Titled, "Time Distribution Allocation of Salaries and Wages to Federal Awards"
- PAR Form, Instructions and Memo from Data Director

**Frequency:** As needed