
Purpose Describe methodologies for allocating costs when personnel, space, equipment, or other costs are shared between programs.

Shared Resources

A. Resources such as equipment, space, etc. may be used by more than one program. When resources are shared, costs must be systematically identified for reimbursement under the appropriate grant. All costs shared with non-WIC programs in any budget category must be allocated between programs using a consistent and reasonable cost allocation plan based on generally accepted accounting principles including but not limited to salaries, grant size, or actual square footage. Agencies must provide a detailed description of the cost allocation methodologies for all applicable costs, in the annual WIC budget narrative.

B. When determining how to allocate costs between programs the steps below should be followed:

1. Determine the costs that are shared.
2. Determine an equitable method of distributing the costs between the programs.
3. Maintain documentation supporting the basis for cost distribution.

The following are examples of appropriate methods for distributing joint costs between programs.

- a. Data processing: Hours of usage of the system or number of computers.
- b. Vehicle or motor pool costs: Miles driven and or days used.
- c. Office machines and equipment: Direct hours of use, number of copies, logged postage used.
- d. Office and clinic space, utilities, janitorial services: Square feet of space occupied, percentage of time used, program FTE or budget size.
- e. Telephone services: Number of telephones, phone lines, number of calls logged.
- f. Auditing: Direct audit hours or grant size.

C. Contact the WIC Administrative Operations Coordinator at the State Agency if questions arise regarding allocation of costs.

Personnel Costs

- A. Percentages, time studies or other allocation methods cannot be used for personnel costs.
- B. Personnel costs must be based on documentation of actual time spent on each program. See Section F, page 4 Continuous Time Reporting and Personal Activity Reports (PAR's).

Indirect Cost Rates

- A. Local Agencies may charge an indirect rate in accordance with their state or federally approved Indirect Cost Rate Agreement.
- B. As a part of the annual budget, local agencies must provide a full copy of the current approved Indirect Cost Rate Agreement including the signature page.
- C. In the absence of a federally approved Indirect Cost Rate Agreement, local agencies are required to collect actual work hours for administrative staff. This applies to all staff with wages billed to the WIC grant including agency directors, accounting, human resource personnel, support staff and other general agency staff.
- D. Time studies, percentages or estimations are not allowable methods for billing general administrative time.