



Community Services of Northeast Texas, Inc.



Cost Allocation Plan

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OVERVIEW

Community Services of Northeast Texas, Inc. (CSNT) is a private non-profit corporation operating as a Community Action Agency and administering various federal and state funded programs providing assistance to low-income families in Northeast Texas.

The purpose of this Cost Allocation Plan is to summarize, in writing, the methods and procedures that CSNT will use to allocate costs to various programs, grants, contracts and agreements.

The OMB establishes the principles for determining costs of grants, contracts and other agreements with the Federal Government. CSNT's Cost Allocation Plan is based on the **Direct Allocation Method** described in 2 CFR Part 200. The Direct Allocation Method treats all costs as direct costs except general administration and general expenses.

Direct costs are those that can be identified specifically with a particular final cost objective. Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective. CSNT does not use an Indirect Cost Rate. All allocable costs are allocated.

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

COST ALLOCATION APPROACH

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

- A. All allowable direct costs are charged directly to programs, grants, activity, and/or funding sources.
- B. 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.
- C. 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, and/or funding sources using a method or a pool that results in an equitable distribution.

This Cost Allocation Plan (the Plan) is effective as of the revision date specified on the cover page, and replaces all prior versions. This entire document shall be reviewed periodically, but no less frequently than bi-annually. Other aspects of the plan are reviewed semi-annually.

DEFINITIONS

Administrative Cost: An expense related to controlling and directing the Agency, but not directly assignable to a specific program service delivery.

Assignable Direct Cost: A cost that can be identified specifically with a particular award, project, service, or other direct activity of an organization. Costs identified specifically with awards are considered direct costs of the award and are assigned directly.

Base Period: A particular time period for which data is gathered and used as a benchmark against which data from other periods is measured.

Central Service Cost Allocation Plan: Documentation identifying, accumulating, and allocation or developing billing rates based on allowable costs of services provided by an entity on a centralized basis to its programs, departments, awards, or cost categories.

Cost Allocation: The distribution or sharing of a cost or expenditure which benefits more than one effort or program objective. Cost allocation allows entities/programs to distribute costs among programs and cost categories.

Cognizant Agency: The Federal agency, defined by 48CFR 2.101, responsible for negotiating and approving the indirect cost rate for a non-profit organization on behalf of all the organization's Federal funding agencies.

Cost Objective: A function or other activity for which cost data is recorded and for which provision is made to accumulate those costs for a specific or common goal.

Direct Cost: A cost that benefits a single cost objective. These costs may be charged directly to federally supported or other programs against which the cost is finally assigned. Direct costs may be charged to cost objectives used for the accumulation costs pending distribution to Federal programs and other final cost objectives. Any direct cost of a minor nature may be treated as an indirect cost for reasons of practicality where such accounting treatment for that item of cost is consistently applied to all cost objectives.

Unassignable Direct Cost: A cost that can be identified with a specific cost category but not by a specific title. These costs may be pooled and subsequently allocated based on some accepted measure of benefits received.

COST ALLOCATION PRINCIPLES

The GAAP matching principle will be followed in determining an allocation basis. The base will be drawn from the same period in which the costs to be allocated have been incurred.

The GAAP materiality principle will be followed in the allocation process. The complexity of the base and the time and effort to pool and allocate costs will not exceed the materiality of the costs involved. The base will be simple enough to be an efficient accounting method while still attaining a fair and equitable distribution of costs.

Allowable Costs

All costs will be evaluated to ensure they are:

- Necessary and reasonable
- Authorized by the grant or program
- Allocable to the grant or program
- Accorded consistent treatment
- Consistent with any statutory or contractual limitations
- An appropriate charge for the affected period
- Net of all applicable credits
- Not duplicated in any other program, grant or category
- Not included as match for another Federal program (unless statutorily allowed)
- Supported with adequate documentation

Reasonable

All cost to be considered reasonable shall be:

- Ordinary and necessary
- Reflect no material deviations from established practices

Allocable

Prior to allocation, all costs will be evaluated to ensure they:

- Are incurred specifically for the contract or project
- Are the total costs and net of all applicable credits
- Are joint cost which benefit, more than one cost objective
- Are allocated to each cost objective to the extent of benefits received by such objective

Cost Allocation Bases

The following bases are deemed unacceptable and will not be used by CSNT for final Allocations:

- Budget Basis: Plans, budgets or estimates of future effort or cost
- Funding Basis: Relative funds available to allocate unassigned direct costs
- Job Description Basis: Job Descriptions to allocate staff costs
- Pre-Determined Hours Basis: Fixed or pre-determined number of staff hours assigned to an activity to allocate staff costs

Estimates

Estimates shall be used to initially allocate costs pending the determination of final numbers for the allocation basis. The estimates will be reviewed on a semi-annual basis, along with the appropriate program information, to ensure final numbers do not materially deviate from the estimates. If no material deviations from the estimated amounts have occurred, then no adjustments will be required. Material deviations are defined as those greater than 25% plus or minus the variance between the estimate and the final amount. Variances of \$5,000 or more shall be considered reasonable cause for adjustment. Variances of a lesser amount shall be considered necessary only when aligning budgets, close-outs, or when such action shall improve the fiscal health of the agency.

ALLOCATION OF COSTS

The following documents the methodology for allocating costs:

SALARIES

Administrative Positions

Allocations are based on a time allocation study conducted from December 9, 2018 to March 2, 2019. This time study is the basis for the estimating payroll expenditures for this group of allocated employees. (Minor adjustments may exist due to specific grant policies related to individual funding sources.) Programs were added and programs were deleted since the previous methodology sweep. Thus some calculations may be estimated for new programs.

Position	Head Start	EHS	CSBG	CEAP	VSN	Other	Total
Executive Director	38.00%	0.00%	62%	0%	0%	0%	100%
Human Resources Director	86.25%	1.75%	12%	0%	0%	0%	100%
Chief Financial Officer	77.50%	1.50%	9%	12%	0%	0%	100%
Executive Assistant	49.00%	0.00%	51%	0%	0%	0%	100%
Assistant Finance Director	74.50%	1.50%	9%	15%	0%	0%	100%
Coding Specialist	0.00%	0.00%	0%	0%	0%	0%	0%
Payroll Specialist / IT Coord.	70.50%	1.50%	16%	12%	0%	0%	100%
AP Clerk	48.00%	1.00%	16%	35%	0%	0%	100%
Director of Client Services	0.00%	0.00%	50%	50%*	0%	0%	100%
General Support Staff	0.00%	0.00%	100%	0%	0%	0%	100%

Service Department

Expenditures for the Service Department are recorded based on allocation of resources and personnel to each program at the time service is rendered. As a planning figure, and for those instances where Service Department personnel are

not directly involved in service to a particular program, the following allocation is utilized:

Position	Head Start	EHS	CSBG	CEAP	VSN	Other	Total
Agency Transportation Coordinator	88.00%	0.00%	12%	0%	0%	0%	100%
Facilities Maintenance	97.00%	2.00%	1%	0%	0%	0%	100%
Service Manager	65.75%	1.25%	33%	0%	0%	0%	100%
General Support Staff DN	91.00%	2.00%	7%	0%	0%	0%	100%
General Support Staff CH	0.00%	0.00%	50%	50% *	0%	0%	100%
General Support Staff WB	0.00%	0.00%	100%	0% *	0%	0%	100%
IT Coordinator (DC)	62.75%	1.25%	26%	10% *	0%	0%	100%
IT Specialist (KJ)	62.75%	1.25%	26%	10% *	0%	0%	100%

Case Management / Assistance Staff

Position	Head Start	EHS	CSBG	CEAP	VSN	Other	Total
Case Manager	0%	0%	15%	85% *	0%	0%	100%
Case Manager Assistant HH	0%	0%	15%	85% *	0%	0%	100%
Intake Specialist	0%	0%	15%	85% *	0%	0%	100%
GSS	0%	0%	20%	80% *	0%	0%	100%
GSS (Payee)	0%	0%	12%	88% *	0%	0%	100%
GSS (TBRA)	0%	0%	90%	10% *	0%	0%	100%

RENTAL SPACE, BUILDING INSURANCE, UTILITIES, PEST CONTROL, BUILDING MAINTENANCE, AND BUILDING REPAIRS

Rental space, building insurance, utilities, pest control, building maintenance, and building repairs are recorded as direct costs supported by agreements and invoices for program specific locations. Where facilities are shared, such as the administrative office facility, the allocation will be determined by the percentage of each program's usage of space based on the square footage of the areas used. The conference room will be allocated based on an allocation of room usage by programs. Individual offices are allocated based on the occupant's salary allocation as described in the preceding sections. A current lease agreement and the occupied space plan will support these charges. Square footage usage of the administrative office facilities results in the following allocation. (Exhibit 1)

	HS	EHS	CSBG	CEAP	VSN	Other	Total
Allocation Percentages	32.00%	2.00%	40.00%	26.00%*	0.00%	0.00%	100.00%

TRAVEL

Travel expenses are recorded as direct costs when said expenses are allocable to a specific program. In cases where travel expenses are not program specific, travel is allocated in accordance with the traveler's salary allocation percentages.

PRINTING AND PUBLICATION

Copier lease payment and monthly charges are allocated by program count readings obtained from the copier on a monthly basis. Support for this line item is an invoice supported by the appropriate calculations. The following percentages are based on copier readings in the research period.

304 E Houston

Expense	Head Start	EHS	CSBG	CEAP	VSN	Other	Total
	10%	0%**	82%	7%*	1%	0%	100%

123 S. Kaufman

Expense	Head Start	EHS	CSBG	CEAP	VSN	Other	Total
	75%	0%**	21%	4%*	0%	0%	100%

TELEPHONE

Telephone expenses, including cellular telephones, are direct costs when program specific. Cellular telephone expenses are recorded based on the assignee's salary allocation. Other telephone expenses, such as telephone equipment and local and long-distance charges are allocated based on the number of employees in the program. (Exhibit 2b)

Expense	Head Start	EHS	CSBG	CEAP	VSN	Other	Total
Telephone	61%	1%	21%	17%*	0%	0%	100%

AUDIT, CONTRACTUAL, AND LEGAL

Audit, contractual, and legal expenses are direct costs when program specific. The cost will be billed according to the estimated hours spent for each program.

Expense	Head Start	EHS	CSBG	CEAP	VSN	Other	Total
Audit and Contractual	50%	0%	25%	25%*	0%	0%	100%

POSTAGE

Postage expenses are recorded as a direct cost when program specific. When postage is purchased, a direct usage report, generated by the postage log, will be used to allocate the cost.

INTERNET EXPENSE

Internet access expenses are recorded as direct costs when program specific. Allocations are based on the total number of computers assigned in the applicable office and the salary allocation of each assignee. (Exhibit 3)

Expense	Head Start	EHS	CSBG	CEAP	VSN	Other	Total
Internet	77%	0%	20%	3%*	0%	0%	100%

SUPPLIES

Office supply expenses are recorded as direct costs when purchased for a specific program. Allocated supply expenditures are recorded based on the total number of employees within each program applicable to the allocation. (Exhibit 2b)

Expense	Head Start	EHS	CSBG	CEAP	VSN	Other	Total
Supplies	64%	0%	21%	15%*	0%	0%	100%

OTHER EXPENSES

All other expenses are recorded as direct costs when program specific. When expenses are general in nature, allocations will be made based on a method which is either:

- delineated elsewhere in this document
- in compliance with OMB Circulars
- allowable, allocable, and reasonable

* CEAP Expenses are direct costs to Admin and Program Support where possible. Costs which cannot be distinguished will be charged at a default rate of 20% Admin / 80% Program Support.

** There is no data available at this time to determine this percentage

Exhibit 1
RENTAL SPACE, UTILITIES, BUILDING INSURANCE, PEST CONTROL, BUILDING
MAINTENANCE, AND BUILDING REPAIRS

ADMIN COMPLEX	Sq. Feet	HS	EHS	CSBG	CEAP	VSN	Other	Total
<u>BUILDING A</u>								
Conference Room	484.0	193.6	9.7	183.9	96.8	0.0	0.0	484.0
Used by: programs		40.0%	2.0%	38%	20%	0%	0%	100%
Conference Closet	154.0	87.8	1.5	64.7	0.0	0.0	0.0	154.0
Used by: programs		57.0%	1.0%	42%	0%	0%	0%	100%
IT Coordinator Office	374.0	234.7	4.7	97.2	37.4	0.0	0.0	374.0
Used by: Brian Chambers		62.75%	1.25%	26%	10%	0%	0%	100%
IT Coord Office Closet	75.0	47.1	0.9	19.5	7.5	0.0	0.0	75.0
Used by: Brian Chambers		62.75%	1.25%	26%	10%	0%	0%	100%
IT Coordinator Office	84.0	52.7	1.1	21.8	8.4	0.0	0.0	84.0
Used by: Kyonte Jackson		62.75%	1.25%	26%	10%	0%	0%	100%
Media Room	192.0	19.2	0.0	96.0	76.8	0.0	0.0	192.0
Common Area (copier)		10%	0%	50%	40%	0%	0%	100%
Reception Area	345.0	0.0	0.0	69.0	276.0	0.0	0.0	345.0
Used by: GSS (LO)		0%	0%	20%	80%	0%	0%	100%
Restroom 1	56.0	5.6	0.0	25.2	25.2	0.0	0.0	56.0
Used by: programs		10%	0%	45%	45%	0%	0%	100%
Restroom 2	30.0	3.0	0.0	13.5	13.5	0.0	0.0	30.0
Used by: programs		10%	0%	45%	45%	0%	0%	100%
Hallway	72.0	7.2	0.0	32.4	32.4	0.0	0.0	72.0
Used by: programs		10%	0%	45%	45%	0%	0%	100%
Office A	97.5	0.0	0.0	87.8	9.8	0.0	0.0	97.5
Used by: GSS (TBRA)		0%	0%	90%	10%	0%	0%	100%
Office B	165.0	0.0	0.0	29.7	135.3	0.0	0.0	165.0
Used by: County Coordinator		0%	0%	18%	82%	0%	0%	100%
Office C	82.5	0.0	0.0	9.9	72.6	0.0	0.0	82.5
Used by: GSS (Payee Pgrm)		0%	0%	12%	88%	0%	0%	100%
Office D	143.0	94.0	1.8	47.2	0.0	0.0	0.0	143.0
Used by: Service Manager		65.75%	1.25%	33%	0%	0%	0%	100%
Office E	165.0	16.5	0.0	82.5	66.0	0.0	0.0	165.0
Used by: programs (mail)		10%	0%	50%	40%	0%	0%	100%
Total Square Feet	2519.0	761.4	19.7	880.3	857.7	0.0	0.0	2519.0
Allocation Percentages		30%	1%	35%	34%	0%	0%	100%

Exhibit 1 (continued)
RENTAL SPACE, UTILITIES, BUILDING INSURANCE, PEST CONTROL, BUILDING MAINTENANCE, AND BUILDING REPAIRS

		HS	EHS	CSBG	CEAP	VSN	Other	
BUILDING B (vsN/HS)	480.0	235.2	0.0	244.8	0.0	0.0	0.0	480.0
Used by: programs		49%	0%	51%	0%	0%	0%	100%
BUILDING C (Pantry)	200.0	0.0	0.0	200.0	0.0	0.0	0.0	200.0
Used by: programs		0%	0%	100%	0%	0%	0%	100%
BUILDING D (ROC)	200.0	170.0	0.0	26.0	4.0	0.0	0.0	200.0
Used by: programs		85%	0%	13%	2% *	0%	0%	100%
BUILDING E	200.0	0.0	0.0	24.0	176.0	0.0	0.0	200.0
Used by: programs		0.0%	0.0%	12%	88% *	0%	0%	100%
BUILDING F (Offices)	448.0	0.0	0.0	156.8	291.2	0.0	0.0	448.0
Used by: Kisha, Julia		0%	0%	35%	65% *	0%	0%	100%
Combined Allocation of Above		26.80%	0.00%	42.20%	31.00% *	0%	0%	100.00%

Exhibit 1b
RENTAL SPACE, UTILITIES, BUILDING INSURANCE, PEST CONTROL, BUILDING MAINTENANCE, AND BUILDING REPAIRS

COMMUNITY BUILDING		HS	EHS	CSBG	CEAP	VSN	Other	100%
Linden (301 E Houston)		0%	0%	50%	50%	0%	0%	9000.0
Sq Ft >	2000.0	0	0.0	1000.0	1000.0	0.0	0.0	100%
Allocation percentages >		0%	0%	50%	50% *	0%	0%	
EAST TEXAS ENRICHMENT CENTER								
Jefferson (510 E Bonham)		0%	0%	50%	50%	0%	0%	100%
Sq Ft >	9000.0	0	0	4500	4500	0	0	9000
Allocation percentages >		0%	0%	50%	50% *	0%	0%	100%
DEPOT								
Texarkana (Broach St.)		90%	0%	10%	0%	0%	0%	100%
Sq Ft >	8000.0	7200	0.0	800.0	0.0	0.0	0.0	8000
Allocation percentages >		90%	0%	10%	0%	0%	0%	100%
HUGHES SPRINGS HS/EHS								
903 E 1st Street		87.00%	13.00%	0.00%	0%	0%	0%	100%
Sq Ft >	6936.0	6034.32	901.68	0	0	0	0	6936
Allocation percentages >		87.00%	13.00%	0.00%	0.00%	0.00%	0.00%	#DIV/0!

Exhibit 1b
RENTAL SPACE, UTILITIES, BUILDING INSURANCE, PEST CONTROL, BUILDING MAINTENANCE, AND BUILDING REPAIRS

KAUFMAN 1st FLOOR		HS	EHS	CSBG	CEAP	VSN	Other	Total
Chief Financial Officer		77.5%	1.5%	9%	12%	0%	0%	100%
Assistant Finance Director		74.5%	1.5%	9%	15%	0%	0%	100%
AP Clerk		48.0%	1.0%	16%	35%	0%	0%	100%
Payroll Specialist Office		70.5%	1.5%	16%	12% *	0%	0%	100%
Signing Room								
1st. Floor Bathroom								
Break Room								
Sq Ft >	921.0	621.675	13.8	115.1	170.4	0.0	0.0	921.0
Allocation percentages >		67.5%	1.5%	12.5%	18.5% *	0%	0%	100%
KAUFMAN BASEMENT		HS	EHS	CSBG	CEAP	VSN	Other	Total
Transportaion Coordinator		88%	0%	12%	0%	0%	0%	100%
Facilities Maintenance		97%	2%	1%	0%	0%	0%	100%
General Support Staff WB		0%	0%	100%	0%	0%	0%	100%
General Support Staff CH		0%	0%	50%	50%	0%	0%	100%
General Support Staff DN		91%	2%	7%	0%	0%	0%	100%
Sq Ft >	537.0	296.424	4.3	182.6	53.7	0.0	0.0	537.0
Allocation percentages >		55%	1%	34%	10% *	0%	0%	100%
KAUFMAN 2nd FLOOR		HS	EHS	CSBG	CEAP	VSN	Other	Total
Executive Director Office		38.0%	0.0%	62%	0%	0%	0%	100%
Executive Director Closet		38.0%	0.0%	62%	0%	0%	0%	100%
Executive Assistant		52.0%	0.0%	48%	0%	0%	0%	100%
Executive Director Conf. R		38.0%	0.0%	62%	0%	0%	0%	100%
HR Director Office		86.25%	1.75%	12%	0%	0%	0%	100%
HR Director File Storage		86.25%	1.75%	12%	0%	0%	0%	100%
HR Training Room		86.25%	1.75%	12%	0%	0%	0%	100%
Sq Ft >	1645	1003.45	8.225	633.325	0	0%	0%	1645.0
Allocation percentages >		61.00%	0.50%	38.50%	0% *	0%	0%	100%

Kaufman Building - entire building allocation

	HS	EHS	CSBG	CEAP	
2nd	61%	0.5%	38.5%	0%	100%
1st	67.5%	1.5%	12.5%	18.5%	100%
Basement	55%	1.0%	34%	10%	100%
	184%	3%	85%	29%	
	61%	1%	28%	10% *	100%

**EXHIBIT 2a
ALL EMPLOYEES BY GRANT**

Grant	Head Start	EHS	CSBG	CEAP	VSN	Other	Total
Number of Employees	101	0	10	7		0	118
Each employee is counted only once (county by default payroll program)							
Percentages	86%	0%	8%	6%	0%	0%	100%

**EXHIBIT 2b
EMPLOYEES USING PHONE/INTERNET BY GRANT**

Grant	Head Start	EHS	CSBG	CEAP	VSN	Other	Total
HSMB	10.8	1.2	0	0	0	0	12
304 E Houston	1.8	0.2	4.1	4.9	0	0	11
123 S Kaufman	6.8	0.6	3.4	1.2	0	0	12
	19.4	2	7.5	6.1	0	0	35

Allocated employees may be counted for each program they are paid from

Percentages	61%	1%	21%	17%	0%	0%	100%
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**EXHIBIT 3
ADMINISTRATIVE STAFF COMPUTERS**

Position	Head Start	EHS	CSBG	CEAP	VSN	Other	Total
Executive Director	38.00%	0.00%	62%	0%	0%	0%	100%
Head Start Director	98.00%	2.00%	0%	0%	0%	0%	100%
Human Resources Director	86.25%	1.75%	12%	0%	0%	0%	100%
Chief Financial Officer	77.50%	1.50%	9%	12%	0%	0%	100%
Service Manager	65.75%	1.25%	33%	0%	0%	0%	100%
Executive Assistant	52.00%	0.00%	48%	0%	0%	0%	100%
HS Program Manager	98.00%	2.00%	0%	0%	0%	0%	100%
Assistant Finance Director	74.50%	1.50%	9%	15%	0%	0%	100%
AP Clerk	48.00%	1.00%	16%	35%	0%	0%	100%
Payroll / IT	70.50%	1.50%	16%	12%	0%	0%	100%
AP Clerk	0.00%	0.00%	0%	0%	0%	0%	0%
Facilities Maintenance	97.00%	2.00%	1%	0%	0%	0%	100%
HS Program Monitor	99.00%	1.00%	0%	0%	0%	0%	100%
Project Coordinator	99.00%	1.00%	0%	0%	0%	0%	100%
General Support Staff (LO, JR)	0.00%	0.00%	20%	80%	0%	0%	100%
General Support Staff	0.00%	0.00%	50%	50%	0%	0%	100%
Practice Based Coach	99.00%	1.00%	0%	0%	0%	0%	100%
Family Service Administrator	98.00%	2.00%	0%	0%	0%	0%	100%
Health Coordinator	99.00%	1.00%	0%	0%	0%	0%	100%
Content Area Assistant	99.00%	1.00%	0%	0%	0%	0%	100%
Head Start Nutrition Manager	99.00%	1.00%	0%	0%	0%	0%	100%
Disability/Mental Health Specialist	99.00%	1.00%	0%	0%	0%	0%	100%
Coding Specialist	0.00%	0.00%	0%	0%	0%	0%	0%
Curriculum Director	98.00%	2.00%	0%	0%	0%	0%	100%
Agency Transportation Coordinator	85.00%	0.00%	15%	0%	0%	0%	100%
Case Mgr Prgm Specific (VSN)	0.00%	0.00%	100%	0%	0%	0%	100%
Case Mgr Prgm Specific (Payee)	0.00%	0.00%	12%	88%	0%	0%	100%
Case Mgr Prgm Specific (TBRA)	0.00%	0.00%	90%	10%	0%	0%	100%
	1780%	26%	493%	302%	0%	0%	2600%
Total Percentage	68.0%	1.0%	19.5%	12.0%	0.0%	0.0%	101%