



IOWA DEPARTMENT OF JUSTICE  
OFFICE OF THE ATTORNEY GENERAL

Attorney General Tom Miller

## Allocation Methods

The periodic allocation of actual expenditures, rather than use of a fixed or provisional indirect cost rate, is the most appropriate and equitable method of cost allocation. Below are allowable methods to allocate administrative costs and allocable direct costs. Exceptions will be allowed, providing prior approval of the alternative method is granted from the cognizant state agency.

Administrative costs should be accumulated in a separate cost pool. After allocating the administrative cost pool its share of the allocable direct costs, the total should be periodically allocated to the projects based on the percentage of total direct program salaries. Another method is using total direct costs to distribute administrative costs. The actual administrative costs are allocated to each project based on its percentage of total direct costs for the period after allocation of direct costs.

Several different methods may be acceptable for the allocation of direct costs. The following are specific examples:

- Salaries and benefits – allocate using time and activity logs, number of clients served, or a different approved basis
- Travel – allocate on the same basis as salaries and benefits
- Occupancy costs – allocate based on the square footage occupied by the project as a percentage of total square feet allocated to all projects
- Communication costs – allocate based on the number of personnel, number of lines, or other equitable method
- Supplies – allocate based on personnel, clients served, or other equitable method
- Contracts for services – allocate based on clients served, or other equitable method
- Equipment rental and maintenance – allocated based on usage logs or other equitable method

