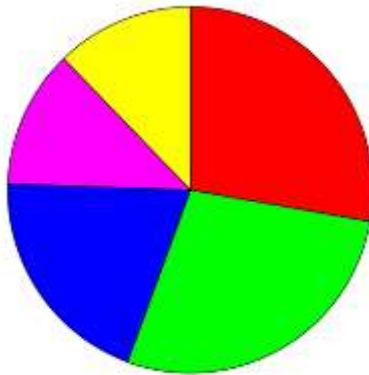


# **HOUSING AUTHORITY OF GLOUCESTER COUNTY**

## **COST ALLOCATION POLICY**



- December 28, 2016  
Adopted: Resolution 16-104
- July 25, 2018  
Adopted: Resolution 18-55

## **HOUSING AUTHORITY OF GLOUCESTER COUNTY COST ALLOCATION POLICY**

This Cost Allocation Policy is adopted by The Housing Authority of Gloucester County's (HAGC) in accordance with the requirements of *2 CFR 200, Subpart E and Appendix V* and HAGC's Procurement Policy. The purpose of this Policy is as follows:

1. To summarize, in writing, the methods and procedures HAGC will use to fairly and reasonably allocate costs to various programs, operated by HAGC.
2. To ensure the efficient and effective administration of Federal award through the application of sound management practices.
3. To assume responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal award.

### **Principles of Cost Allocation**

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

1. All allowable direct costs are charged directly to programs, grants, activity, etc. incurring the cost. As stated in *2 CFR 200.413*, Direct Cost shall be defined as "Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy."
2. Allowable direct costs that can be identified to more than one program are prorated as follows:

Office Allocation currently in effect based on units as described below. This allocation shall be adjusted appropriately with the allocation of new units.

Account	Fund Billed	Fund No.	Units	Total units	Allocation Percentage
<b>GM</b>	<b>101</b>		-	691	23.60% (PMO,Shepherds, CPLP & GHA)
<b>PHCC</b>	<b>010</b>			262	8.95% (PH single, Carino, and Deptford)
CONG	014				
<b>EHO</b>	<b>017</b>		13		0.44%
PH SINGLE	010	201	62		
CARINO PK	010	203	100		
DEPTFORD PK	010	204	100		
<b>SHDC</b>	<b>501</b>				
<b>GCHDC</b>	<b>502</b>				
PMO	101	504	80		
SHEPHERD FARM	101	508	75		
COLONIAL PK	101	510	200		
<b>HAGC HCV</b>	<b>812</b>		1,947		66.50%
<b>MOD REHAB</b>	<b>825</b>		15		0.51%
<b>GHA HCV</b>	<b>101</b>	831	232		
<b>GHA DELSEA</b>	<b>101</b>	836	40		
<b>GHA WHITNEY</b>	<b>101</b>	837	24		
<b>GHA SUMMIT</b>	<b>101</b>	838	40		
			2,928		

- Prior to the procurement of a cost item, management communicates the need for the item via a Purchase Requisition sent to Finance.

## Allocation of Costs

### 1. Salaries & Related Expenses-

In accordance with 2 *CFR 200.430 Compensation-Personal Services* and 24 *CFR 200.431 Compensation -Fringe Benefits*, the primary objective of HAGC is to distribute/allocate the salaries and benefits of HAGC employee in a manner that accurately reflects the work performed by that employee.

- A. **Direct Assignment Employees-** For employees primarily assigned one project or program, their salaries and benefits shall be charged directly to the program for which the work has been done. Temporarily reassignments of employee work lasting 2 working weeks or less shall not require a change in allocation. Management may utilize a variety of assessment methods to determine direct assignment including but not limited to the completion of time sheets.
- B. **Employees Assigned to more than one Program or Project-** For employees assigned to more than one program or project, costs will be allocated in the manner described below. Supervisors shall be required to submit a project assignment form identifying the effective date, the employee(s), the percentage of time, if any, that each employee is assigned to each project to ensure proper allocation. Supervisors shall review the Project Assignment Form with the corresponding employee and sign all submissions certifying the accuracy of the submission. For those employees who are not assigned to projects or programs and an allocation cannot be determined, a time survey may be completed.

Accounts Receivable: The allocation is based on the distribution of rent collections/rent charges/rental units per project managed.

Accounts Payable: The allocation is based on the distribution of checks written per project/program.

Purchasing: The allocation is based on the POs and RFP/Bids generated per project/program. With the RFP/Bids given 5 times more weight due to:

1. Advertising
2. Compiling all components of the RFP or Bid
3. Reviewing Bids along with regulatory compliance
4. Organizing Contract paperwork & Set-up Contract Record
5. Ongoing Monitoring

MIT/IT Personnel: The allocation is based on program computers in operation by staffed employees and the projects they represent.

Property Management: The allocation is based on the units per project which they manage.

Occupancy Manager: The allocation is based on the units per project, with special weight given to the additional work for files that have additional oversight and administrative functions involved.

Human Resources: The allocation is based on the entire HAGC staff's percentage allocated to the projects/programs.

Administrative Personnel: The allocation is based on the distribution of Available Units both “Administered” in the Section 8 Programs and those “Managed” in all projects by the HAGC. Certain weight shall be factored into the calculation to account for the additional overhead and direct time utilized in Managed projects over and above the Section 8 programs. These items include among others: Routine Maintenance, Energy Management, Structural Management (Capital Grants and Replacement Reserves), Tenant Collections, etc.... Consideration will also be given to projects with additional administrative burdens dealing with the NJHMFA, such as required prior contract approvals, purchase approvals, insurance approvals, as well as additional reporting. In addition a factor will be added for Tenant Support, which encompasses the overall administration and reporting for programs such as ROSS and Congregate for the benefit of the tenants.

The Administrative staff in this category shall include the Executive Director, Financial staff, and Administrative personnel.

ROSS/Emergency Management Coordinator: The allocation is based on semi-annual assessment of time spent performing a variety of duties performed.

- C. Health insurance, dental insurance, life & disability and other fringe benefits are also allocated in the same manner as salaries and wages.
- D. Vacation, holiday, and sick pay are allocated in the same manner as salaries and wages.
- E. Financial and Program Consultants - The allocation is based on the salary of the HAGC staff person the consultant was retained to assist.
- F. Legal- The cost of the legal service is directly billed to the program for which the legal services were performed. If the service was performed for multiple programs, the cost shall be allocated in accordance with the allocation model described above.
- G. Audits- The cost shall be directly billed to the program for which the audit was performed. If the audit covers multiple programs, the allocation shall be based upon the predetermines Audit Allocation Plan developed by the Finance Director and approved by the Executive Director.
- H. Travel, Conferences, Conventions and Meetings-The costs shall be directly billed to the program for which the travel, conference, convention or meeting supports.
- I. Discretionary Exceptions- HAGC recognizes that unique circumstances may arises with respect to the need to allocate a cost. In the event of a unique circumstance, the Finance Director shall obtain the Approval of the Executive Director to determine the most appropriate allocation of the cost.

## Cost Allocation Plan Certification

This is to certify that I have reviewed the cost allocation plan submitted herewith and to the best of my knowledge and belief that:

(1) All costs included in this proposal [identify date] to establish cost allocations or billings for [identify period covered by plan] are allowable in accordance with the requirements of this Part and the Federal award(s) to which they apply. Unallowable costs have been adjusted for in allocating costs as indicated in the cost allocation plan.

(2) All costs included in this proposal are properly allocable to Federal awards on the basis of a beneficial or causal relationship between the expenses incurred and the Federal awards to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently. I declare that the foregoing is true and correct.

I declare that the foregoing is true and correct.

Organization: \_\_\_\_\_

Signature: \_\_\_\_\_

Name of Official (printed): \_\_\_\_\_

Title: \_\_\_\_\_

Date of Execution: \_\_\_\_\_

(Signed by the official having the authority to negotiate cost allocation plans for the organization, or by a higher level)