

## SAM-ALLOCATION OF COSTS

### RATE DETERMINED BY HOURS

9202.2

(New 03/10)

Method B in the [9202 Illustration](#) distributes indirect costs by a rate calculated by hours. This method is typically used for distributing service unit costs. The allocation percentage rate for method B is determined by dividing the total hours required to provide services for a program (Program 10) by the total hours required to provide services for all programs (Programs 10, 20 & 30).

For example, if a reproduction unit spent 132 hours providing services for Program 10 and a total of 176 hours providing services for all programs, the allocation percentage would be 75%. 75% of the service unit's costs would be charged to Program 10.