9204 ILLUSTRATION
ALLOCATION OF PERSONAL SERVICES COSTS
FOR THE FISCAL YEAR ENDING JUNE 30, ___ [1/]

UNITS	DIRECT HOURS	PROGRAMS 10	15	20	25	30	PERSONAL SERVICES COSTS [2/]	PROGRAMS 10	15	20	25	30	ADMIN
1	65,000	20,000 30.8%	15,000 23.1%	10,000 15.3%		20,000 30.8%	400,000	123,200	92,400	61,200		123,200	
2					X [3/]		630,000				630,000		
3	125,000	40,000 32%	50,000 40%	35,000 28%			750,000	240,000	300,0000	210,000			
4	80,000				40,000 50%	40,000 50%	540,000				270,000	270,000	
5 & 7 [4/]	150,000	10,000 6.7%		100,000 66.6%		40,000 26.7%	960,000	64,320		639,360		256,320	
6	90,000		30,000 33.3%		60,000 66.7%		650,000		216,450		433,550		
ADMINISTRATION							300,000						300,000
							4,230,000	427,520	608,850	910,560	1,333,550	649,520	300,000
PERCENTAGE OF TOTAL PERSONAL SERVICES								10.1%	14.4%	21.5%	31.5%	15.4%	7.1%
PERCENTAGE OF TOTAL PERSONAL SERVICES WITHOUT ADMINISTRATION								10.9%	15.5%	23.2%	33.9%	16.5%	

Allocation Steps:

a. Determine the hours charged to each program.
b. Determine the percentage of direct hours charged to each program to the hours charged to all programs.
c. Use the percentages in b above to allocate the unit's personal services costs.
d. After personal services costs of all units are allocated, total the costs charged to each program. Determine percentages of each program to total costs for all programs including administration.

1/ Allocation may be made as often as the department desires, with a minimum of once a year at year-end.
2/ Personal services costs are the actual amount paid for personal services and staff benefits.
3/ Unit 2 personnel do not keep time sheets since all of their time is spent on one program.
4/ Units 5 and 7 are combined because their salary mix is the same.

9204 ILLUSTRATION
ALLOCATION OF OPERATING AND EXPENSE AND EQUIPMENT COSTS
FOR THE FISCAL YEAR ENDING JUNE 30, ____1/

	TOTAL EXPENDITURES	PROGRAMS					ADMINISTRATION
		10	15	20	25	30	
Freight	5,000				5,000		
Consulting Services	25,000		25,000				
Rent	200,000	20,000	35,000	40,000	53,000	45,000	7,000
Travel-in-State	120,000	15,480	21,960		48,240	23,520	10,800
		12.9%	18.3%		40.2%	19.6%	9.0%
Other OE&E	700,000	70,700	100,800	150,500	220,500	107,800	49,700
		10.1%	14.45%	21.5%	31.5%	15.4%	7.1%
Equipment	40,000			30,000		10,000	
TOTAL	1,090,000	106,180	182,760	220,500	326,740	186,320	67,500

Allocation Steps:

a Charge to programs those costs which can be identified directly to a program (freight, consulting services, and equipment).

b Allocate expenses by their allocation bases:

1) Rent is allocated on the basis of square feet.

2) Travel-in-state is allocated on the basis of actual personal services costs charged to those programs which require its personnel to travel.

3) All other operating expenses which cannot be identified directly to a program or allocated more accurately utilizing another allocation basis is allocated on the basis of salaries and wages costs charged to programs.

Note: This example shows different allocation bases used to allocate different types of costs. Departments will use a basis which will allocate each type of cost equitably.

9204 ILLUSTRATION
ALLOCATION OF SERVICE UNIT AND ADMINISTRATION COSTS TO PROGRAMS
FOR THE FISCAL YEAR ENDING JUNE 30, ____1/

ALLOCATION OF SERVICE UNIT COSTS TO PROGRAMS

		PROGRAMS					
		10	15	20	25	30	ADMINISTRATION
Hours	2,001	84	100	335	1,339	59	84
Allocation Percentages	100%	4.2%	5.1%	16.7%	66.9%	2.9%	4.2%
Service Unit Costs	239,000	10,038	12,189	39,913	159,891	6,931	10,038

ALLOCATION OF ADMINISTRATION COSTS TO PROGRAMS

		PROGRAMS				
ADMINISTRATION		10	15	20	25	30
Personal Services	300,000					
OE&E	67,500					
Service Unit Costs	10,038					
TOTAL	377,538					
Allocation Percentages 1/	100%	10.9%	15.5%	23.2%	33.9%	16.5%
Allocation	377,538	41,152	58,518	87,589	127,985	62,294

1/ Percentage is calculated by dividing total of program's personal services by the total department's personal services.

9204 ILLUSTRATION
RECONCILIATION OF PROGRAM COSTS
FOR THE FISCAL YEAR ENDING JUNE 30, ____1/

RECONCILIATION OF PROGRAM COSTS

	PROGRAMS					TOTAL COSTS
	10	15	20	25	30	
Personal Services	427,520	608,850	910,560	1,333,550	649,520	3,930,000
OE&E	106,180	182,760	220,500	326,740	186,320	1,022,500
Service Unit Costs	10,038	12,189	39,913	159,891	6,931	228,962
Administration	41,152	58,518	87,589	127,985	62,294	377,538
Total Program Costs	584,890	862,317	1,258,562	1,948,166	905,065	5,559,000
Total Per General Ledger Appropriation Expenditures Account						5,559,000