


Category:	Financial	INCA Community Services Financial Policy and Procedures 
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Responsible: Executive Director, Financial Officer, Senior Bookkeeper, Program Directors, Program Coordinators and Supervisors.		

Cost Allocation Plan - 2026

Purpose/Introduction

INCA Community Services is a non-profit. INCA administers a variety of programs funded by Federal, State, and Local agencies. The purpose of this cost allocation plan is to summarize, in writing, the methods and procedures that INCA Community Service will use to allocate costs to various programs, grants, contracts, and agreements. The following plan identifies costs associated with programs sponsored by INCA. The plan describes the programs for which cost data is needed, the methodology for identifying program-specific costs, and the procedures used to accumulate and document cost data. A cost allocation plan will be used in the budgeting process.

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

OMB Circular A-122, "Cost Principles for Non-Profit Organizations," establishes the principles for determining costs of grants, contracts, and other agreements with the Federal Government. Sample Organization's Cost Allocation Plan is based on the Direct Allocation method described in OMB Circular A-122. The Direct Allocation Method treats all costs as direct costs except general administration and general expenses.

Definitions

Direct Costs are those that can be identified specifically with a particular grant, contract, project, or other cost objective and therefore are charged to that grant, contract, project, or activity. The accounting system records these costs as they are incurred within the series of accounts assigned for that purpose.

Administrative Shared Costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular grant, contract, project or activity.

General Approach

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

- All allowable direct costs are charged directly to programs, grants, and activity, based on authorization requests, budgets, and usage.

- 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.
- 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, etc. using a base that results in an equitable distribution.
- Equitable distribution is determined by time, square footage, actual usage, and number of employees.

Methods of Cost Allocation (See Cost Allocation Methodology)

1. Allocation is based on the number of Full Time Equivalent (FTE) employees.
2. Allocation is based on actual time spent.
3. Allocation is based on actual usage.
4. Allocation based on square footage.
5. Allocation is based on the number of transactions.
6. Allocation is based on the number of telephones.
7. Allocation is based on the number of computers/laptops.

Allocation of Costs

Personnel Services

Documented with timesheets showing time distribution for all employees and allocated based on time spent on each program or grant. Salaries and wages are charged directly to the program for which work has been done. Costs that benefit all programs will be allocated based on the ratio of the number of each program's Full Time Equivalent (FTE) employees to the total number of employees of the agency (Method #1).

- Fringe benefits (FICA, UC, and Workers' Compensation) are allocated in the same manner as salaries and wages. Health insurance, dental insurance, life & disability, and other fringe benefits are also allocated in the same manner as salaries and wages.
- Vacation, holiday, and sick pay are allocated in the same manner as salaries and wages.

Procedure: Personnel Costs will be directly allocated to the program for which the individual works, with the exception of administrative shared staff. Personnel costs for employees who work for more than one program are allocated through the accounting software with individual distribution codes assigned to their payroll records, which automatically assign the distribution to the particular program in which they work. Methods of Cost Allocations Procedures will be used to allocate Shared Administrative Cost Personnel.

Shared Administrative Cost Personnel

Listed below are the position, function, and method for division of salaries for the people who comprise the Administrative Shared Cost Salaries. These methods will be used for the individual's time that cannot be allocated as actual time spent.

Position	Function	Methods
Executive Director	General Management	Actual Time Spent, # of FTE Employees

Corporate Secretary/Human Resource Coordinator	Secretary for the Board of Directors/Human Resource Program administration	Actual Time Spent, # of FTE Employees
Financial Director	Accounting	# of transactions
Bookkeeper	Accounting	# of transactions
Financial (Consultant)	Accounting	# of transactions
Strategic/Compliance Advisor	General Management	Actual Time Spent # of FTE Employees
Administrative Intern	Filing/data input/ answering phones	Actual Time Spent, #of FTE employees

Professional Services Costs (Consultants, Independent Contractor)

Allocated to the program benefiting from the service. All professional service costs are charged directly to the program for which the service was incurred. Costs that benefit all programs will be allocated based on the ratio of the number of each program's employees to the total number of employees of the agency (Method #1).

Insurance

Insurance needed for a particular program is charged directly to the program requiring the coverage. Other insurance coverage that benefits all programs is allocated based on the number of employees.

Insurance Basis:

Property and Commercial General Liability	# of square footage
Commercial Inland Marine	# of computers
Professional Liability	# of employees
Commercial Vehicle Insurance	# of vehicles (actual)
Directors and Officers' Liability	# of Full Time Equivalent employees
Umbrella Insurance	# of Full Time Equivalent employees

Audit

Identifiable direct audit costs are charged directly to the program. Number of dollars in each grant, contract or project; direct audit hours; expenditures audited for each program.

Copier Expenses

Expenses include rental fees, maintenance, paper, and other associated supplies. These costs are allocated based on the actual percentage of usage, which can be taken from a reading

directly from the equipment. All usage must have program code input prior to making copies. Costs that benefit all programs will be allocated based on the ratio of the number of each program's Full Time Equivalent (FTE) employees to the total number of employees of the agency (Method #1).

Office Supplies

Expenses are charged directly to programs for which the purchase was authorized or allocated according to combined programs used if applicable. Costs that benefit all programs will be allocated based on the ratio of the number of each program's employees to the total number of Full Time Equivalent (FTE) employees of the agency (Method #1).

Equipment

Costs are allocated directly to the program for which the specific funding source authorized the purchase or allocated according to combined program usage if applicable. The procedure and method used to allocate shared administrative cost personnel equipment is as outlined in the Shared Administrative Personnel Cost Chart. (Method #1)

Postage

Postage stamps are charged directly to the program for which the purchase was authorized or allocated. Postage from the Bookkeeping is dispensed from a postage meter. Postage cost will be allocated based on postage logs indicating the volume of usage by each program. Costs that benefit all programs will be allocated based on the ratio of the number of each program's Full Time Equivalent (FTE) employees to the total number of employees of the agency (Method #1).

Advertisement

Costs for personnel are allocated to each program based on actual costs associated with the program. The Shared Administrative Personnel Cost Chart will outline costs that benefit all programs. (Method #1)

Telephone/Cell phone

Telephone or communications expenses that benefit more than one program will be allocated to those programs based on the total number of telephones (Method #6). Costs that benefit all programs will be allocated based on the ratio of the number of each program's telephones to the total number of telephones of the agency (Method #6).

Cell Phones assigned to a specific program or activity are charged directly. Costs that benefit all programs will be allocated based on the ratio of the number of each program's Full Time Equivalent (FTE) employees to the total number of employees of the agency (Method #1).

IT Technical, General Maintenance, and Networking

Identifiable computers and general maintenance are charged directly to the program. (Method #3) Networking and maintenance costs of more than one program will be allocated to those programs based on the total number of IT equipment. Costs that benefit all programs will be allocated based on the ratio of the number of each program's Full Time Equivalent (FTE) to the total number of employees of the agency (Method #7).

Facilities Expenses (rent, utilities, maintenance, depreciation)

Costs are allocated to each program based on the square footage of space actually dedicated and used by that specific program. Costs that benefit all programs will be allocated based on the ratio of the number of each program's Full Time Equivalent (FTE) employees to the total number of employees of the agency (Method #4).

Vehicle Costs (Maintenance, Fuel)

Costs for fuel and vehicle maintenance are charged to the program directly responsible for the vehicle. Pin numbers are assigned to staff for shared usage vehicles that allow specific programs to be charged for fuel costs of agency vehicles utilized on a shared method. Maintenance costs for shared agency vehicles will be outlined in the Shared Administrative Personnel Cost Chart. (Method #1)

Travel

Cost is allocated to the program for which the travel is conducted, based on local and out-of-area travel forms submitted, which will indicate the program supported. Costs that benefit all programs will be outlined in the Shared Administrative Personnel Cost Chart. (Method #1)

Training, Conferences, or Seminars

Allocated to the program benefiting from the training, conferences or seminars. Costs that benefit all programs will be outlined in the Shared Administrative Personnel Cost Chart. (Method #1)

Other Cost and Procurement of Goods (including membership dues, licenses, fees, etc.)

Procurement of goods and services are allocated to each program based on the actual amount purchased for each program according to budgeted guidelines. Costs that benefit all programs will be outlined in the Shared Administrative Personnel Cost Chart. (Method #1)

Annual Cost Allocation Review

INCA Community Services' cost allocation plan covers all direct and administrative shared costs, that are to be allocated, and the method used in distributing the cost.

- The allocation assigned to each program will be reviewed annually in February by the Executive Director, Financial Director, and Financial Officer for allowability, reasonableness, and allocability of costs and presented to the Leadership Team for review.
- Changes to allocation arrangements may be needed due to changes in funding or variations in costs from year to year. Each program will pay for direct costs relating to that program.
- Once costs to be shared among programs are identified, a basis of allocation must be agreed upon by the Executive Director and Program Directors that is fair, measurable, consistent, and supported by ongoing data collection. This data will form the audit trail.
- The agreed-upon cost allocation plan will be taken to the Board of Directors for consideration and approval.

2026 AGENCY COST ALLOCATION PLAN

Method #1 – Shared Cost Allocation based on FTE Employees

Calculations are based on the number of Full Time Equivalent (FTE) employees for the agency fiscal year of 2024, which is Feb 1, 2025 to January 31, 2026).

Methodology used: The total number of hours worked for all employees of the agency for the year (February 1, 2025 - January 31, 2026) is pulled from the payroll system. Each employee was divided by their department/program to determine how many total hours each program accumulated for the year. Total employee hours for each program were divided by 2080 (total number of work hours for the year) and then the total number of Full Time Equivalent (FTE) employees per program was determined.

Costs that benefit all programs are allocated based on a ratio of the number of Full Time Equivalent (FTE) employees for each program.

Shared Cost Allocation			
Program	#of FTE employees	% Admin	Comments
Head Start	32	23%	HS/USDA/SAF
Early HS	15	11%	Early HS
CSBG	3	2%	
JAMM	31	22%	All Transit Programs
RAVE	59	42%	(does not include workshop clients)
Total FTE Staff	140	100%	

CSBG supports RSVP, ESG, RxOklahoma, Navigator, SHIP, VITA, and Housing.

Method #2 – Allocation Based on Actual Time Spent

Actual time an individual spent on an activity, program, or grant. Employees will record the time they worked on their daily activity report and the total hours worked on a timesheet.

Method #3 – Allocation by Actual Usage

Cost assigned to programs or grants where the cost of products and services is according to the actual consumption of each.

Method #4 – Allocation based on Square Footage

Facilities costs are allocated based on square footage. Square footage for each program and general and administrative activity is considered in the analysis. Common areas are not used in calculations. Shared Administrative costs are further allocated to each program based on the square footage of each grant program to the total square footage of all grant programs.

TISHOMINGO OFFICE #1 – 202 S. Capitol

Office	Square footage	Program	Percentage
Executive Director	354	Admin	

Human Resource	138	Admin	
Bookkeeping	288	Admin	
Bookkeeping Assistant	160	Admin	
Intern/Intake	106	Admin	
Total Administrative	1046	Admin	48%
Head Start Managers	409	Head Start	
HS/EHS Director	248	Head Start	
Total HS and EHS	657		
Total Head Start (77%)		Head Start	23%
Total EHS (23%)		EHS	7%
CSBG Director	208	CSBG	
Total CSBG	208	CSBG	9%
Total JAMM	277	JAMM	13%
Grand Total	2188 square feet		100%

Tishomingo Office #1 - Administrative Share

Program	Program Sq. Ft.	Admin Share (FTE% X 48%)	Total Share
Head Start	23%	11%	38%
Early Head Start	7%	5%	12%
CSBG	9%	1%	11%
JAMM	13%	11%	25%
RAVE	0%	20%	14%
Total Space %	52%	48%	100%

TISHOMINGO OFFICE #205 – 207 - 211 S. Capitol

Office	Square footage	Program	Percentage
RSVP Work Area	810	RSVP	

RSVP Director	244	RSVP	
RSVP Reception Area	158	RSVP	
RSVP Coordinators	367	RSVP	
Total	1579	RSVP	100%

ATOKA OFFICE – 371 W. 10th

Office	Square footage	Program	Percentage
Community Specialist	129	CSBG	
Health and Billing Specialist	129	CSBG	
Total CSBG	258		2%
Safety Manager Nutrition Manager	356	Head Start/Early Head Start	
Family Service Manager	251	Head Start/ Early Head Start	
Education Manager	237	Head Start/Early Head Start	
<i>Total HS/EHS SPLIT</i>	<i>844</i>		
Kitchen Facility	1053	Head Start	
Cafeteria	1281	Head Start	
HS Workroom	218	Head Start	
Classroom #1	709	Head Start	
Classroom #2	709	Head Start	
Indoor Playground/Gym	2550	Head Start	
HS (77% of 844)	650	Head Start	
Total Head Start	7179	Head Start	64%
EHS Classroom	1424	Early Head Start	
EHS (23% of 650)	150		
Total EHS	1574	Early Head Start	14%
Total JAMM	1,780	JAMM	16%

Executive Director	712	ADMIN	6%
Total Office	11,245 square ft.		100%
Atoka Office Shared Admin			
Program	Program Sq. Ft.	Admin Share (FTE%x 6%)	Total Share
Head Start	64%	2%	68%
Early Head Start	14%	1%	16%
CSBG	2%	0%	2%
JAMM	16%	1%	11%
RAVE	0%	2%	2%
Total Space %	94%	6%	100%

Sulphur OFFICE – 1216 W. 9th

Office	Square footage	Program	Percentage
Route Supervisor	136 sq ft	JAMM	
Dispatcher	146 sq ft	JAMM	
JAMM Office	132 sq ft	JAMM	
Total JAMM	414 sq ft		61%
Family Service Manager	132 sq ft	Head Start	
Head Start Intake Office	132 sq ft	Head Start	
Total Head Start	264 sq ft		39%
Total Office	678 sq ft		100%

OAKLAND OFFICE – 18941 S. 8th Street

Office	Square footage	Program	Percentage
Route Supervisor	213 sq ft	JAMM	
Dispatcher/Receptionist/Drivers	160 sq ft	JAMM	
Total Office - JAMM	373 sq ft		59%

Family Service Manager	132 sq ft	Head Start	
HS Intake Office	132 sq ft	Head Start	
Total Head Start	264 sq ft		41%
Total Space	637 sq ft		100%

RAVE Offices – 456 W. Liberty Road, Atoka

Office	Square footage	Program	Percentage
RAVE	2500 sq ft	RAVE	100%

Clothing Bank – 456 W. Liberty Road, Atoka

Office	Square footage	Program	Percentage
Clothing Bank	1350 sq ft	RAVE	100%

Head Start Facilities (Satellite Classrooms)

Office	Square footage	Program	Percentage
Sulphur Head Start Bldg 2	1220 W. 9 th	2,600 sq ft.	100%
Davis Head Start (classroom/kitchen)	801 E. Benton	1466 sq. ft.	61 %
Mill Creek Head Start	603 South Choctaw	2,020 sq. ft.	100%
Oakland Head Start Bldg 1(classroom)	18985 8 th Street (Hwy)	1,466 sq. ft	59%
Oakland Head Start Bldg 2	18985 8 th Street	2,310 sq. ft	100%
Kingston Head Start Building	North West 4 th & Main	1,813 sq ft.	100%
Milburn Head Start	200 North 7 th Street	1,920 sq. ft	100%
Tishomingo Head Start	307 West 7th Street	2848 sq ft	60%
Wapanucka Head Start	South East Choctaw Avenue	978 sq. ft.	100%

Early Head Start Facilities/Classrooms

Sulphur Early Head Start	1281 W. 9th	2542 sq ft	100%
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Classroom BLdg 1 (2 classroom}			
Tishomingo Early Head Start classroom	307 West 7th Street	1,870 sq.ft	40%
Oakland Early Head Start (Classroom)	18985 8 th Street (Hwy)	1012 sq. ft	41%
Madill Head Start EHS	209 North 2 nd Street	2,236 sq ft	100%
Davis Early Head Start (Classroom)	801 E. Benton	941 sq. ft.	39%

Training Center (Use FTE formula)

Shared Cost Allocation			
Program	# of FTE	% Admin	Comments
Head Start	32	23%	
EHS	15	11%	
CSBG	62	45%	CSBG/ RSVP/RAVE
JAMM	31	22%	
Total	140	100%	

Method #5 – Allocation based on number of transactions

Financial Transactions - The Bookkeeping personnel salaries are allocated based on the number of financial transactions processed for each program during the pay period.

Method #6 – Allocation based on the number of telephones

Monthly local telephone service is determined by the number of phones used by each program, and then the basic service fee is a percentage of the number of phones being used. Shared administrative costs are further allocated to each program based on each grant program's total number of phones.

Telephone Service – Tishomingo

Program	# of Phones	Percentage
JAMM	3	22%
Head Start	4	33%

RSVP	3	33%
CSBG	1	12%
Total	11	100%
Admin	4	*** shared cost

Telephone Service – Atoka

Program	# of phones	Percentage
Head Start	7	53%
Early Head Start	1	7%
JAMM	5	27%
CSBG – Housing, (Rx Oklahoma, Navigator) (CSBG)	2	13%
Total	15	100%
Admin	2	*** shared cost

Telephone Service – Sulphur

Program	# of phones	Percentage
Head Start	1	40%
JAMM	3	60%
Total	4	100%

Telephone Service – Oakland

Program	# of phones	Percentage
JAMM	2	60%
Head Start	1	40%
Total	3	100%

Clothing Bank - 456 West Liberty Road, Atoka

Program	# of phones	Percentage
RAVE	3	100%

Antlers Office – 202 N. High Street, Antlers

Program	# of phones	Percentage
RAVE	1	100%

Head Start Facilities

Sulphur Head Start	1220 W. 9 th	4
Davis Head Start	801 E. Benton	1
Mill Creek Head Start	603 South Choctaw	1
Oakland Head Start	18985 8 th Street	4
Milburn Head Start	200 North 7 th Street	1
Tishomingo Head Start	307 West 7 th Street	1
TOTAL		12

Early Head Start

Sulphur Early Head Start	1218 W. 9th	1
Madill EHS	209 North 2 nd Street	2
Tishomingo EHS	307 West 7th	1
Oakland EHS	18985 8th Street	1
Davis EHS	801 E. Brnton	1
TOTAL		6

Shared Cost Allocation ***

Program	#of telephones	% Admin	Comments
Head Start	27	48%	
Early Head Start	7	13%	
CSBG	3	5%	(CSBG, SHIPP, Navigator\)
JAMM	13	24%	
RAVE	3	5%	
RSVP	3	5%	

Total Program Telephones	56	100%	
Admin	6		Admin phones
Total Telephones	62		

Method #7 – Allocation based on the number of computers and IT Network Equipment

Monthly general maintenance and IT network service are determined by the number of computers and IT equipment accessing the agency network used by each program, and the basic service fee is calculated as a percentage based on the number of computers in use. Shared administrative costs are further allocated to each program based on each grant program's total number of phones.

TOTAL # OF IT EQUIPMENT ON NETWORK

Program	# of Computers (network)	# of ITV/Smartboards	Total Network Equipment
Head Start	68	15	83
Early Head Start	6	0	6
JAMM	15	1	16
Admin	12	3	15
CSBG	3	0	3
RAVE	4	0	4
RSVP	6	0	6
TOTAL	114	19	133

Network & General Maintenance Shared Cost

Shared Cost Allocation			
Program	#of Network Equip	% Admin	Comments
Head Start	83	70%	
Early Head Start	6	5%	
CSBG	3	3%	Wx-ESG/Housing/RxOkla
JAMM	16	14%	
RAVE	3	3%	
RSVP	6	5%	

Total # of Program IT Equipment	118	100%	
Admin	15		Admin Computers & ITVs
Total # of IT Equipment	133		