



IOWA DEPARTMENT ON AGING

State of Iowa
Iowa Department on Aging

Area Agency on Aging
Cost Allocation Plan (CAP)

March 2018

Area Agency on Aging (AAA) Information
Please enter your agency & contact information in the boxes below

AAA Name:			
Type of Organization:			
IRS EIN#:			
IDA Contract Period:	<table border="1"> <tr> <td>Start Date:</td> <td>End Date:</td> </tr> </table>	Start Date:	End Date:
Start Date:	End Date:		
Address Line 1:			
Address Line 2:			
AAA Telephone:			
AAA Fax:			
Submission Date:			
For Fiscal Year (July 1 – June 30):			

Contact Person(s)	Contact Telephone	Contact Email Address

AAA Cost Allocation Plan

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I. Iowa Department on Aging Overview

The Iowa Department on Aging (IDA) strives to improve the quality of life and care of older Iowans through advocacy, planning, policy development and the administration and support of statewide programs and services that promote health, safety and long-term independence. The mission of the Iowa Department on Aging is to develop a comprehensive, coordinated and cost-effective system of long-term living and community support services that help individuals maintain health and independence in their homes and communities.¹

Established as the State Unit on Aging under the Older Americans Act, the Iowa Department on Aging receives federal funding each year from the Administration for Community Living (a division of the U.S. Department of Health and Human Services) and redistributes it to Iowa's six Area Agencies on Aging (AAAs), which are strategically located throughout the state and work together and with local service providers to meet the needs of older Iowans.²

The Iowa Department on Aging (IDA) is a Cabinet-level state agency whose director is appointed by the Governor and confirmed by the Senate. As the designated State Unit on Aging, the IDA is responsible for the application and receipt of federal OAA funds, as well as state appropriations. The IDA administers and provides oversight of federal- and state-funded services delivered by the AAAs. In addition, the Office of the State Long Term Care Ombudsman that advocates on behalf of Iowa's long-term care residents, assisted living tenants and a portion of the state's Medicaid managed care members, is housed within the IDA.³

This "aging network", which consists of IDA and the AAAs, is designed to serve all Iowans who are 60 and older, with emphasis on populations demonstrating the greatest social or economic need. The AAAs serve older Iowans and Iowans with disabilities by coordinating delivery of more than 30 nutrition, supportive, elder rights, and caregiver services, and by monitoring and commenting upon policies, programs, hearings, and community actions that will affect those individuals and their caregivers.⁴ IDA works to advocate for changes in public policy, practices and programs that empower older Iowans, facilitate their access to services, protect their rights and prevent abuse, neglect and exploitation. Further, IDA supports policies, programs and wellness initiatives that empower older Iowans to stay active and healthy, and that improve their access to affordable, high quality long-term living and community supports. Additionally, IDA conducts planning, policy development, administration, coordination, priority-setting and evaluation of all state activities related to the objectives of the federal Older Americans Act.⁵

¹ <https://www.iowaaging.gov/about>

² <https://www.iowaaging.gov/about>

³ <https://www.iowaaging.gov/sites/default/files/library> Iowa State Plan on Aging Federal Fiscal Years 2018 - 2021

⁴ <https://www.iowaaging.gov/sites/default/files/library> Iowa State Plan on Aging Federal Fiscal Years 2018 - 2021

⁵ <https://www.iowaaging.gov/about>

II. General Purpose and Guidelines

a. Uniform Cost Allocation Plan (CAP) Rationale

In administering and providing oversight of state and federal funds to the AAAs, IDA has developed a standardized methodology, which provides for uniformity and guidance in:

- Use of funds for IDA activity categories;
- How expenditures should be accounted for in AAAs' accounting systems;
- How costs should be accumulated by cost pools and allocated to cost centers; and,
- Subsequent reporting of costs to IDA.

This cost allocation plan serves to define the uniform cost methodology and outline _____'s accounting practices, which will ensure adherence to the uniform guidance.

This cost allocation plan summarizes the methods and procedures that _____ will use to allocate costs to various programs, grants, contracts and agreements in accordance with state and federal guidelines.

b. Guidelines for completing the Cost Allocation Plan Template

The Cost Allocation Plan (CAP) template must be completed and submitted annually to the Iowa Department on Aging. Each AAA must identify the fiscal year addressed in the CAP, and complete all agency-specific information where indicated in the template. AAA fiscal staff must ensure internal accounting practices accurately assign costs according to the uniform cost methodology guidelines.

AAAs must submit the following documents with the completed AAA Cost Allocation Plan:

- AAA Chart of Accounts
- Organization Chart
- Employee Activity Time Tracking Report Template (*See pg. 27*)
- Statement of Financial Activities (prior year statement)

The cost allocation plan must include the following:

- All cost centers – a cost center is a function, organizational subdivision, grant, project, service, or other activity for which cost data is needed and for which costs are incurred.
- All cost pools - a cost pool is the accumulation of like costs to be allocated to benefiting funding sources by a method that will produce an equitable result in consideration of relative benefits received.
- At a minimum, AAAs must identify the following cost centers and/or cost pools:
 - Facilities Costs
 - Administration costs
 - IDA Area Plan programs/activity categories (individually)
 - Other programs/activity categories (in aggregate)
 - IDA Standard Chart of Accounts

III. Program Services and Funding

Overview of Program Services

Write a brief narrative to describe the services your organization provides. The narrative should summarize the services that are offered, describe the clients being served, and the method by which services are delivered.

Overview of Accounting System and Coding Structure

Describe your AAA's accounting system and coding structure.

_____ maintains its accounting records on a _____ basis of accounting.

_____ have an annual single audit performed by an independent certified public accountant in accordance with 2 CFR, Part 200 Subpart F – Audit Requirements.

The Iowa Department on Aging administers state and federal funding for aging services as presented in in the "Iowa State Plan on Aging" and delivered by the Area Agency on Aging (AAA). The six Area Agency on Aging entities across the state of Iowa develop unique service delivery systems which are funded from various sources.

_____ administers grants in compliance with federal and state laws, rules, and regulations, including the federal Older Americans Act (OAA), 2 CFR Part 200, Iowa Code Chapter 231, and Iowa Administrative Code Chapter 17 (231).

_____ is a multi-funded agency operating numerous Federal, State, and local programs. The IDA "Area Agencies on Aging (AAA) Reporting Manual State Fiscal Year 2019" describes programs and activities funded through the Iowa Department on Aging.

Listed below is a summary table of _____'s other (non-area plan) funding and programs.

Table 1. Other Funding for Aging Services

Please list a description of other funding the AAA receives for services provided.

Name of Funding	Description of Funding	List Programs/Activities	

Name of Funding	Description of Funding	List Programs/Activities	

IV. Standard Chart of Accounts

IDA has developed a standard chart of accounts as part of the AAA uniform cost methodology. At a minimum, the AAA must incorporate this standard chart of accounts into their accounting system. If additional expense accounts are used by the AAA that are not defined in the standard chart of accounts, those expenses may be listed under “other”.

_____ will have the capability of incorporating this standard chart of accounts and will be able to generate accounting reports which can capture expenses by the defined cost pools. _____’s **Cost Allocation Plan, includes an attachment of the agency’s complete chart of accounts, with associated account codes, including the standard chart of accounts as follows:**

Account	Description
<i>Personnel</i>	
Salary	Payments made to hourly and salaried employees. This account does not include payments to subcontractors.
Fringe	Compensation to employees in addition to salaries. This could include paid absences (vacation, sick, holiday), insurances (health, dental, vision, life, workers compensation), pensions, employer matching of Social Security and Medicare taxes, unemployment taxes.
<i>Staff Travel Expenses</i>	
Staff Mileage/Per Diem Reimbursement	Payments made to employees for travel in the form of mileage or per diem reimbursements.
Other Staff Travel	Other payments made to employees for travel. This could include payments for lodging, air fare, public transportation, taxis, rental cars, gas, parking, tolls, conference registration fees, etc.

<i>Building Expenses</i>	
Building Depreciation	Allocation of a building's cost over the accounting periods is likely to be used. Building space costs indicate the cost of space in privately or publicly owned buildings used for the delivery of services. The total cost of space, whether in private or publicly owned building, may not exceed the rental cost of comparable space and facilities in a privately-owned building in the same vicinity. If a subcontractor used space in a provider's office the cost should be charged directly to the subcontractor. Note: depreciation expense is not allowed where federal funds were used to purchase the building. Refer to 2 CFR Part 200 – Subpart E, 200.436 for guidelines pertaining to allowable depreciation expense.
Building Insurance	Insurance payments related to buildings owned or leased by the organization.
Building Maintenance/Janitorial/Repairs	Payments for maintenance and upkeep of buildings owned or leased by the organization.
Rent	Payments made for building and/or building space rentals.
Utilities	Building related expenses which are not included in the lease or rent charges including electricity, gas, sewer, water, and garbage services.
Other Space Expenses (provide detail)	Other payments related to building space that are not included in categories above.
<i>Congregate Meal Expenses</i>	
Raw Food Costs	Payments made related to the food used to make congregate meals.
Congregate Meal Supplies	Payments made for supplies other than raw food for congregate meals.
<i>Home Delivered Meal Expenses</i>	
Raw Food Costs	Payments made related to the food used to make home delivered meals.
Home Meal Supplies	Payments made for supplies other than raw food for home meals.
<i>Other</i>	
Vehicle Expenses	Payments related to vehicles owned by the organization. This includes gas, oil, maintenance and upkeep, and insurance including liability, collision, personal injury, etc.
Computer/Software/IT expenses	Payments related to computer acquisition and upkeep for the organization.
Communications/Advertising	Payments related to communication and advertising for the organization or activity category. This does not include postage and printing.
Postage	Postage stamps, mailing boxes, delivery services
Printing	Printing of forms, reports, applications, manuals, information, publications of print or media materials

Supplies (Purchases)	Supplies are those costs of materials which are tangible and consumable, such as office supplies. Include purchases of equipment which is tangible personal property (including information technology systems having a useful life of more than one year) and a per-unit acquisition cost which is less than the capitalization level established for financial statement purposes or less than \$5,000.
Equipment Depreciation	Allocation of equipment's cost over the accounting periods is likely to be used. Equipment is tangible personal property (including information technology systems having a useful life of more than one year) and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established for financial statement purposes or \$5,000.
Telephone	Long distance and local telephone call service.
Leases	Rental costs under leases which are required to be treated as capital leases under GAAP. These costs are allowable only up to the amount that would have been the cost of the item if it was purchased on the date the lease agreement was executed.
Capital Expenditures (Purchase > \$5,000)	Payments made to acquire or maintain fixed assets such as land, buildings, and equipment that are \$5,000 or more and that have prior written approval by the Federal awarding agency (or pass-through entity). Do not include assets that are being depreciated in this expense line item. Only approved direct charges that are expensed in the period the purchase occurs should be recorded in this expense cost pool. Refer to 2 CFR Part 200 – Subpart E, 200.439 for guidelines pertaining to allowable equipment and capital expense.
Subcontracts	Payments made to subcontractors. Subcontractors are typically involved in large value contract work and are normally party to the administration of direct program services.
Vendor Purchases	Non-subcontractor purchases of either good or services for an outside vendor. These types of purchases usually are in the form of a purchase order versus a contract.
Dues and Subscriptions	Payments made related to approved dues for company memberships in professional organizations or subscriptions to print or other media resources.
Professional Fees	Fees of hiring a consultant for a service excluding legal, and audit fees.
Other Insurance (Liability, etc.)	Payments made for insurance for the organization or program.
Direct Client Assistance (Financial)	Payments made directly to program clients in the form of cash assistance.
Audit Fees	Payments made to an external auditor.
Legal Fees	Payments made to an external legal services provider.

Other Expenses (Please Provide Description)	Other expenses not included in the categories above. This would include an administrative fee from a parent organization or other related entity interagency administrative fee.
<i>Match Contributions and Donations</i>	
Match Volunteer	The associated value for unpaid work hours of an individual who is not employed by the organization.
Match Building Space	The associated value of using building space that is provided free of charge.
Match Other	The associated value of other contributions and services that are made free of charge.
Match Subcontractor	The associated value of match effort provided by the AAA's subcontractor in accordance with the direct service contract.

V. Allowable Costs

a. Criteria for Allowable Costs

All costs must meet the following criteria from 2 CFR Part 200, Subpart E, to be treated as allowable under a Federal award.

The cost must be “necessary” and “reasonable” for the performance of the award, considering the following factors:

1. Whether the cost is of a type that is generally considered as being necessary for the operation of the Organization or the performance of the award;
2. Restraints imposed by such factors as generally accepted sound business practices, arm’s length bargaining, Federal and state laws and regulations, and the terms and conditions of the award;
3. Whether the individuals concerned acted with prudence in the circumstances;
4. Consistency with established policies and procedures of the Organization, deviations from which could unjustifiably increase the costs of the award.
5. The cost must be “allocable” to an award by meeting one of the following criteria:
 - o The cost is incurred specifically for a Federal award;
 - o The cost benefits both the federal award and other work, and can be distributed in reasonable proportion to the benefits received; or
 - o The cost is necessary to the overall operation of the Organization, except where a direct relationship to any particular program or group of programs cannot be demonstrated.
6. The cost must conform to any limitations or exclusions of 2 CFR Part 200 or the Federal award itself.
7. Treatment of costs must be consistent with policies and procedures that apply to both federally financed activities and other activities of the Organization.

8. Costs must be consistently treated over time.
9. The cost must be determined in accordance with generally accepted accounting principles.
10. Costs may not be included as a cost, or used to meet matching or cost sharing requirements, of any other federally financed program in the current or prior periods.
11. The cost must be adequately documented.

b. Segregating Allowable from Unallowable Costs

The following steps should be taken to identify and segregate costs that are allowable and unallowable with respect to each Federal award:

_____’s Administration and Accounting personnel are familiar with the provisions of 2 CFR Part 200, Subpart E, and are able to determine and segregate costs that are allowable under a federal award and unallowable. Costs that are identified as unallowable for a federal award will be recorded in the AAA Uniform Cost Report under the unallowable cost section.

All items of miscellaneous income or credits, including the subsequent write-offs of uncashed checks, rebates, refunds, and similar items, should be reflected for grant accounting purposes as reductions in allowable expenditures if the credit relates to charges that were originally charged to a State or Federal award or to activity associated with a State or Federal award.

- The credit must be reported as an adjustment to the cost report in the period in which the original expense was reported to IDA. Once the original cost report is adjusted for the credit, the revised cost report, and any related refund payments, should be re-submitted to IDA with a notification regarding the credit (i.e., if the purchase that results in the credit took place in a prior period, the prior period cost report should be revised to reflect the credit in that prior period’s IDA cost report, NOT the current period’s cost report).

VI. Uniform Cost Allocation

a. Direct Costs

Direct costs are those that can be identified specifically with a particular final cost objective.

The 2 CFR Part 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" establishes the principles for determining costs of grants, contracts and other agreements with the federal government. _____’s Cost Allocation Plan is based on the Direct Allocation Method described in the 2 CFR Part 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards". The Direct Allocation Method treats all costs as direct costs except general facilities and administration expenses. Only costs that are allowable, in accordance with the cost principles, will be allocated to benefiting programs by _____.

Direct costs include those costs that are incurred specifically for one award or non-Federal program. The general approach _____ applies in allocating costs to aging program services and activities is as follows:

1. _____ identifies and charges all allowable direct costs directly to program, grants, activities, or contracts.
 - Expenses that can be identified specifically for a particular program are charged directly to that program.

Please provide a description in regard to how expenses are coded to direct programs/activities during accounting processes. The following paragraph is an example. **Please edit if your process is different.**

Time sheets or personnel activity reports should serve as the basis for charging salaries and fringe benefits directly to Federal awards and non-Federal programs. [Describe your personnel time tracking process]

An example of the employee activity time tracking document is included in Attachment C to this cost allocation plan.

Salary and fringe benefit costs for program personnel, as well as travel, supplies, and other costs related to each program activity are charged directly to the appropriate program activity.

2. Allowable direct costs that can be identified to more than one program or cost pool are prorated individually as direct costs using a base most appropriate to the particular cost being prorated.
3. All other allowable facilities and administrative costs (costs that benefit all programs and cannot be identified to a specific program) are allocated to programs, grants, contracts, or activities using a base that results in an equitable distribution as further described below.

b. Cost Pools

Direct and joint costs are allocated to the benefiting programs using cost pools under the following methodology:

- Costs will be allocated to all programs on an equitable basis regardless of any limits imposed by funding sources.
- As much as possible, costs will be charged directly to benefiting programs.
- All remaining shared costs will be allocated on the most meaningful measures.
 - Facilities costs will be allocated based on square footage occupied for Meals related programs (if Meal programs are operated in-house and not subcontracted);

- Facilities costs (non-Meals program related) and Administration Costs will be allocated based on Direct Service hours.

Unallowable Costs

Costs that are unallowable in accordance with 2 CFR Part 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" should be recorded under the "Unallowable Costs" cost center on the AAA Uniform Cost Report. Unallowable Costs are not comingled with general and administrative expense or any other cost center or program. The Federal 2 CFR Part 200, Subpart E, provides guidance regarding costs that are considered unallowable for Federal awards. Examples of unallowable costs include; but are not limited to, alcoholic beverages, bad debts, certain advertising, contributions, entertainment, fines and penalties. Lobbying and fundraising costs are unallowable. Unallowable costs are pooled together and treated as a program for the purpose of being allocated a proportionate share of facilities and administration costs.

The following section defines the allocation methodology for expense items considered to be allowable costs. The standard allocation method for cost pools not identified as Facilities or Administration is defined as follows:

Cost Pool	Allocation Methodology
Salaries	Employee salaries are documented using time activity tracking logs. Salaries and wages are charged directly to each program based on time spent on each program or grant. If an employee spends 100 percent of time on work for a specific program, the salary that period will be charged in total to that program. Should an employee work on more than one program, salary will be allocated based on a ratio of each program's hours to total programs work hours.
Fringe Benefits	Fringe benefits should be allocated in the same manner as salaries or "pooled" and allocated in accordance with 2 CFR, Part 200. Describe your AAA's "pooled" allocation basis considering an allocation to <u>some</u> program service activities when (and if) the expense does not benefit all service programs or indicate if your AAA's allocation of fringe benefits are allocated in the same manner as salaries:
Staff Mileage/Per Diem Reimbursement	Staff Mileage or per diem reimbursement should be allocated directly based on purpose of travel. Staff mileage or per diem reimbursement should be supported by an employee expense report. Describe your AAA's allocation basis considering an allocation to <u>some</u> program service activities when (and if) the expense does

	<p>not benefit all service programs:</p>
<p>Other Staff Travel</p>	<p>Staff travel should be allocated directly based on purpose of travel. Staff travel costs should be supported by an employee expense report.</p> <p>Describe your AAA's allocation basis considering an allocation to <u>some</u> program service activities when (and if) the expense does not benefit all service programs:</p>
<p>Building Depreciation</p>	<p>Building depreciation costs for allowable space used solely by one program are charged directly to the program or cost center using the equipment. Costs that benefit all programs should be pooled under the Facilities cost center on the AAA Uniform Cost Report.</p> <p>Describe your AAA's allocation basis considering an allocation to <u>some</u> program service activities when (and if) the expense does not benefit all service programs:</p>
<p>Building Insurance</p>	<p>Building insurance costs should be allocated in the same manner as building depreciation.</p> <p>Describe your AAA's allocation basis considering an allocation to <u>some</u> program service activities when (and if) the expense does not benefit all service programs:</p>

<p>Building Maintenance/Janitorial/Repairs</p>	<p>Building maintenance/janitorial/repairs should be allocated in the same manner as building depreciation.</p> <p>Describe your AAA's allocation basis considering an allocation to <u>some</u> program service activities when (and if) the expense does not benefit all service programs:</p>
<p>Rent</p>	<p>Rent repairs should be allocated in the same manner as building depreciation.</p> <p>Describe your AAA's allocation basis considering an allocation to <u>some</u> program service activities when (and if) the expense does not benefit all service programs:</p>
<p>Utilities</p>	<p>Utilities should be allocated in the same manner as building depreciation.</p> <p>Describe your AAA's allocation basis considering an allocation to <u>some</u> program service activities when (and if) the expense does not benefit all service programs:</p>
<p>Other Space Expenses (provide detail)</p>	<p>Other space expenses should be allocated in the same manner as building depreciation.</p> <p>Describe your AAA's allocation basis considering an allocation to <u>some</u> program service activities when (and if) the expense does not benefit all service programs:</p>
<p>Congregate Raw food costs</p>	<p>Congregate raw food costs should be charged directly to the Congregate Meals Program.</p>

Congregate Meal Supplies	Congregate Meal Supplies should be charged directly to the Congregate Meals Program.
Home Delivered Raw food costs	Home Delivered Raw food costs should be charged directly to Home Delivered Meal Supplies.
Home Delivered Meal Supplies	Home Delivered Meal Supplies should be charged directly to Home Delivered Meal Supplies.
Vehicle Expenses	Vehicle expenses should be charged directly to the benefitting programs. Vehicle expense logs should be maintained that document vehicle use and actual miles driven by programs. For the period, an expense per mile should be determined. Expense per mile should be charged to the programs recorded on the vehicle use log based on the number of miles recorded for that program. Vehicle expenses related to Facilities use should be charged to the Facilities cost pool. Vehicle expenses related to Administration use should be charged to the Administration cost pool.

<p>Computer/Software/IT expenses</p>	<p>Computer/software/IT expenses should be allocated directly to program(s) based on specific identification for the program/grant/activity in which the expense was used. Costs that benefit all programs or cost centers should be pooled under the Administration cost center.</p> <p>Describe your AAA's allocation basis considering an allocation to <u>some</u> program service activities when (and if) the expense does not benefit all service programs:</p>
<p>Communications/Advertising</p>	<p>Communications/Advertising expenses should be allocated directly to program(s) based on specific identification for the program/grant/activity in which the expense was used. Costs that benefit all programs or cost centers should be pooled under the Administration cost center.</p> <p>Describe your AAA's allocation basis considering an allocation to <u>some</u> program service activities when (and if) the expense does not benefit all service programs:</p>
<p>Postage</p>	<p>Postage expenses should be allocated directly to program(s) based on specific identification for the program/grant/activity in which the expense was used. Costs that benefit all programs or cost centers should be pooled under the Administration cost center.</p> <p>Describe your AAA's allocation basis considering an allocation to <u>some</u> program service activities when (and if) the expense does not benefit all service programs:</p>

<p>Printing</p>	<p>Printing expenses should be allocated directly to program(s) based on specific identification for the program/grant/activity in which the expense was used. Costs that benefit all programs or cost centers should be pooled under the Administration cost center.</p> <p>Describe your AAA's allocation basis considering an allocation to <u>some</u> program service activities when (and if) the expense does not benefit all service programs:</p>
<p>Supplies (Purchases):</p>	<p>Supplies expenses should be allocated directly to program(s) based on specific identification for the program/grant/activity in which the expense was used. Costs that benefit all programs or cost centers should be pooled under the Administration cost center.</p> <p>Describe your AAA's allocation basis considering an allocation to <u>some</u> program service activities when (and if) the expense does not benefit all service programs:</p>
<p>Equipment Depreciation</p>	<p>Equipment depreciation costs for allowable equipment used solely by one program are charged directly to the program or cost center using the equipment. Costs that benefit all programs should be pooled under the Facilities cost center.</p> <p>Describe your AAA's allocation basis considering an allocation to <u>some</u> program service activities when (and if) the expense does not benefit all service programs:</p>

Telephone	<p>Telephone expenses should be allocated directly to program(s) based on specific identification for the program/grant/activity in which the expense was used. Costs that benefit all programs or cost centers should be pooled under the Administration cost center.</p> <p>Describe your AAA's allocation basis considering an allocation to <u>some</u> program service activities when (and if) the expense does not benefit all service programs:</p>
Leases	<p>Leases should be allocated directly to program(s) based on specific identification for the program/grant/activity in which the expense was used. Costs that benefit all programs or cost centers should be pooled under either Facilities or Administration cost center (depending on category of expense) .</p> <p>Describe your AAA's allocation basis considering an allocation to <u>some</u> program service activities when (and if) the expense does not benefit all service programs:</p>
Capital Expenditures (Purchase > \$5,000)	<p>Capital Expenditures should be allocated directly to program(s) based on specific identification for the program/grant/activity in which the expense was used. These types of expenditures should have written prior approval from the appropriate agency.</p>
Subcontracts	<p>Subcontractor expenses should be allocated directly to program(s) based on specific identification for the program/grant/activity in which the expense was used. Costs that benefit all programs or cost centers should be pooled under either Facilities or Administration cost center (depending on category of expense).</p> <p>Describe your AAA's allocation basis considering an allocation to <u>some</u> program service activities when (and if) the expense does not benefit all service programs:</p>

<p>Vendor Purchases</p>	<p>Vendor purchases should be allocated directly to program(s) based on specific identification for the program/grant/activity in which the expense was used. Costs that benefit all programs or cost centers should be pooled under the Administration cost center.</p> <p>Describe your AAA's allocation basis considering an allocation to <u>some</u> program service activities when (and if) the expense does not benefit all service programs:</p>
<p>Dues and Subscriptions</p>	<p>Dues and Subscription expenses should be allocated directly to program(s) based on specific identification for the program/grant/activity in which the expense was used. Costs that benefit all programs or cost centers should be pooled under the Administration cost center.</p> <p>Describe your AAA's allocation basis considering an allocation to <u>some</u> program service activities when (and if) the expense does not benefit all service programs:</p>
<p>Professional Fees</p>	<p>Professional Fees should be allocated directly to program(s) based on specific identification for the program/grant/activity in which the expense was used. Costs that benefit all programs or cost centers should be pooled under the Administration cost center.</p> <p>Describe your AAA's allocation basis considering an allocation to <u>some</u> program service activities when (and if) the expense does not benefit all service programs:</p>

Other Insurance (Liability, etc.)	<p>Other Insurance expenses should be allocated directly to program(s) based on specific identification for the program/grant/activity in which the expense was used. Costs that benefit all programs or cost centers should be pooled under the Administration cost center.</p> <p>Describe your AAA's allocation basis considering an allocation to <u>some</u> program service activities when (and if) the expense does not benefit all service programs:</p>
Direct Client Assistance (Financial)	<p>Direct Client Assistance expenses should be allocated directly to program(s) based on specific identification for the program/grant/activity in which the expense was used.</p>
Audit Fees	<p>Audit Fees should be allocated directly to program(s) based on specific identification for the program/grant/activity in which the expense was used. Costs that benefit all programs or cost centers should be pooled under the Administration cost center.</p> <p>Describe your AAA's allocation basis considering an allocation to <u>some</u> program service activities when (and if) the expense does not benefit all service programs:</p>
Legal Fees	<p>Legal Fees should be allocated directly to program(s) based on specific identification for the program/grant/activity in which the expense was used. Costs that benefit all programs or cost centers should be pooled under the Administration cost center.</p> <p>Describe your AAA's allocation basis considering an allocation to <u>some</u> program service activities when (and if) the expense does not benefit all service programs:</p>

<p>Other Expenses</p> <p>Please Provide Description:</p>	<p>Other expenses should be allocated directly to program(s) based on specific identification for the program/grant/activity in which the expense was used. Costs that benefit all programs or cost centers should be pooled under the Administration cost center.</p> <p>Describe your AAA's allocation basis considering an allocation to <u>some</u> program service activities when (and if) the expense does not benefit all service programs:</p>
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Match

In effort to obtain consistency in reporting costs and analyzing data, the following guidelines should be used when calculating the value of match volunteer time and space:

- Match Volunteer Time:
 - Option 1: Use the hourly rate of pay for similar work paid to employees within your organization
 - Option 2: If option 1 is not available, use the hourly salary for professional and non-professional workers listed below:
 - Professional \$35.00 per hour
 - Non-professional \$10.00 per hour
- Match Space Use:
 - Option1: Use the rate per square foot that would be charged to rent the space at market rate
 - Option 2: If option 1 is not available, use the average cost of office space in Iowa of \$10.00 per square foot.
(from <http://www.iowacommercial.com/Portals/53/docs/2010%20Commercial-Trends%20Report-Final.pdf>)

The determined match value should be allocated directly to the benefitting program. Match values that benefit all programs or cost centers should be pooled under either the Facilities or Administration cost center (depending on category of expense).

c. Direct Allocation of Shared Expenses

_____ obtains funding from various sources for aging services and other programs. The costs associated with administration, facilities, operations, non-direct program services personnel payroll, and other shared expenses are grouped by either Facilities or Administration cost pools. The following list examples of types of expenses that are typically part of these cost centers.

1. Facilities Cost Center:

The Facilities cost center includes expenses such as building depreciation, building insurance, building maintenance, janitorial, repairs, rent, utilities, or other space related expenses.

2. Administration Cost Center:

The Administration cost center includes general administration and general expenses such as director's office, accounting, personnel, computer, software, IT expenses, communications, advertising, postage, printing, supplies, equipment, capital expenditures, vendor purchases, dues and subscriptions, professional fees, other insurance, audit fees, legal fees, library expenses, and other expenses related to general administration and not listed specifically under one of the subcategories of "Facilities". Costs associated with administrative functions such as human resource services, accounting, information technology, and purchasing departments should be pooled under the administration cost center.

Any costs, including staff time, that can be assigned to direct program services should be directly allocated to the benefitting program. If the expense cannot be directly associated with a specific program and serves to benefit all programs, the expense should be recorded under administration. Consider the following examples:

- Training & Meetings: Supply costs associated with general office training/meetings that cannot be tied to the provision of a specific service or program should be included in the administration cost center. However, supplies for job specific training/meeting costs should be included as a supplies cost to the direct program.
- Subcontractor Monitoring: Time and costs associated with monitoring of subcontractors that is not directly related to the provision of a service or program can be included in the administration cost center.

d. Methods for Allocating Shared and Pooled Expenses

A description of the allocation methodologies built into the cost report workbook are defined in this section.

The following table summarizes _____'s methods of directly allocating expenses which produces an equitable sharing of the cost, by each program, in proportion to the amount of benefit received. The pooled shared costs are allocated directly to programs using the following basis:

Expense Category	Bases for Direct Allocation
Facilities costs <ul style="list-style-type: none"> • Facilities personnel salaries and benefits • Building costs, such as: <ul style="list-style-type: none"> ○ Rent (or depreciation, or use allowance) ○ Insurance (property and liability) ○ Supplies (i.e., janitorial, bathroom, light bulbs) 	Method 1: Square footage of space occupied by: <ol style="list-style-type: none"> 1. Meal Programs 2. All Other Programs <p>Facilities cost allocated to Meal Programs will be allocated to relevant meal program; either congregate or home delivered, based on the number of meals prepared.</p>

<ul style="list-style-type: none"> ○ Utilities ○ Exterminating ○ Major repairs (i.e., roof, ac/heating units) 	<p>Method 2: If Meal programs are contracted (and not operated in-house: allocate facilities costs based on ratio of each program’s direct salaries hours to total programs direct salaries hours.</p>
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If the AAA operates meal programs in-house and method 1 (in the table above) will be used to allocate facilities cost, complete the following table in regard to square footage of space:

Program	Square Footage of Space
Meal Programs (Congregate and Home Delivered)	
All Other Programs	
Total Square Footage:	

Expense Category	Bases for Direct Allocation
<p>Administration Costs</p> <ul style="list-style-type: none"> ● personnel salaries and benefits ● computer, software, IT expenses ● communications, advertising ● postage, printing, supplies ● equipment, capital expenditures, ● vendor purchases ● dues and subscriptions ● professional fees ● other insurance, ● audit fees, legal fees ● other expenses related to general administration 	<p>Allocate administration costs for personnel salaries and benefits based on ratio of each program’s direct salaries cost to total programs direct salaries cost.</p> <p>Allocate all remaining administration costs based on ratio of each program’s direct salaries hours to total programs direct salaries hours.</p>

VII. Certification of Cost Allocation Plan

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

1. All costs included in this cost allocation plan dated _____ to establish cost allocations, and expense reporting or invoicing are reasonable, allocable and necessary for the performance of grant activity and are allowable in accordance with the requirements of Iowa Department on Aging Reporting Manual, 2 CFR 200, titled “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” and the Federal awards to which they apply. Unallowable costs have been adjusted prior to allocating costs as indicated in the Cost Allocation Plan.
2. An adequate accounting and statistical system exists to support claims that will be made under the Cost Allocation Plan.
3. 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 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 and Iowa Department of Aging will be notified of any accounting changes that would affect the appropriate application of this cost allocation plan.
4. The information provided in support of the proposed Cost Allocation Plan is accurate.

I declare the foregoing is true and correct.

AAA Region	
Area Agency on Aging Name	
Signature	
Name of Official	
Title	
Date of Execution	

VIII. AAA Uniform Cost Report

The AAA Uniform Cost Report is used to capture all costs of providing AAA services.

Please refer to the AAA Uniform Cost Report Template and related AAA Uniform Cost Report Manual.

IX. Employee Activity Time Tracking

Each AAA is required to document the activity time tracking for each employee that was used to calculate the total number of hours attributed to each program/activity category

The following is an example of a standard time tracking form:

EXAMPLE ACTIVITY TIME TRACKING ⁶.

	1st Week						
	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Summary of Work Hours							
Direct Program/Grant/Contract Activities*							
Project # 1							
Project # 2							
Project # 3							
Project # 4							
Indirect Activities**							
Subtotal	0	0	0	0	0	0	0
Summary of Non-Work Hours - Release Time							
Annual Leave							
Sick Leave							
Holiday							
Other***							
Subtotal	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0

Please attach a graphic of the Employee Activity Time Tracking form/tool used at your agency.

⁶ <https://www.dol.gov/oasam/boc/dcd/np-comm-guide.htm>.