

**Southwest Wisconsin Workforce Development Board
Approved Cost Allocation Plan**

Direct Cost Items: Payroll and Accounts Payable Costs shall be directly assigned to a funding source when the individual program and related costs directly impact a sole fund source. Funding regulations and contract specifications shall be considered when determining the cost categorization and assignment.

Shared Cost Items: Costs which impact more than one fund source shall be allocated based on staff time-charging. There are three (3) types of shared costs:

1. **Payroll Expenses**-Costs that are expensed through the Paychex payroll software system, based on the actual number of hours worked in each funding source. Included are:
 - a. Payroll taxes (FICA/Medicare and Unemployment Compensation).
 - b. Employee travel-related and other pre-approved expenses, i.e. cell phone, internet reimbursements at the rates stated in SWWDB policies.
 - c. Multi-Peril, Professional Liability, Bond, Director and Officer, and Professional Liability Insurance based on the position description as it is directly relates to the required insurance coverage.

2. **Fringe Benefits**-Costs that are expensed through the use of a cost allocated Excel spreadsheet, based on the actual number of hours worked by SWWDB staff in each funding source and are only applicable if the fringe benefit is elected by the employee. Included are:
 - a. Health, Dental, Life/Long-Term Disability, and the 401(K) Plan fringe benefits at the rate billed by the insurance company or set forth in SWWDB policies and in conjunction with employee elections.

3. **Accounts Payable Expenses**-Shared cost items that affect all fund sources are allocated by use of a cost allocated Excel spreadsheet. The spreadsheet bases fund allocations on actual hours worked by SWWDB staff in individual funding sources for the previous month. The cost pools are as follows:
 - a. Administration-Costs as defined by regulations and funding constraints.
 - b. Program-Costs as defined by grant regulations and funding constraints.
 - c. Location –Platteville versus Janesville office costs as defined by grant regulations and funding constraints.

Both Administrative and Program expenses are allocated based on actual hours administrative and program staff work in specific funding sources. There is a cost pool for Platteville and Janesville Offices for the distribution of general overhead and supply allocation. Common shared accounts payable expenses are telephone, office supplies, postage, etc.

This entire cost allocation plan is designed to be in accordance with Uniform Guidance per the Office of Management and Budgets (OMBs) final guidance on Administrative Requirements, Cost Principles, and Audit Requirements, 2 Code of Federal Regulations Part 200, including the Department of Labor exceptions codified at 2 CFR Part 2900, which supersede the requirements from OMB Circulars A-21, A-87, A-110, and A-122; Circulars A-89, A-102, and A-133, 29 CFR Parts 95, 96, 97, and 99, and the guidance in Circular A-50 on Single Audit Act follow-up unless different provisions are required by statute or approved by OMB.