APPENDIX C - COST ALLOCATION PLAN

Purpose

The New River/Mount Rogers Workforce Development Area Consortium Board uses this Cost Allocation Plan to ensure that shared administrative and operational costs are distributed equitably across all funding sources in accordance with federal regulations under 2 CFR Part 200.

This plan outlines the organization's methodology for allocating shared costs based on proportional staff effort and program use. The methodology is applied consistently across all applicable federal, state, and local funding streams administered by NRMRWDACB.

Applicability

This Cost Allocation Plan applies to all programs and funding sources managed by the NRMRWDACB and governs the allocation of shared administrative and operational expenses necessary to support program implementation.

Cost Allocation Approach

NRMRWDACB uses a proportional cost allocation methodology to ensure that shared costs are distributed based on the level of benefit received by each program or funding source.

1. Identification of Shared Administrative Expenses

The organization identifies allowable administrative cost categories required to support operations, including:

- Facility and occupancy-related costs
- Communication tools (cell phones, internet)
- Staff and outreach software licenses
- Shared administrative systems
- Professional services (legal, memberships, and compliance-related support)

2. Determination of Total Annual Costs

Administrative cost categories reflect actual annual expenses incurred by the organization at the time of budget development. These include:

- Staff licenses (e.g., Microsoft Office, Adobe, Zoom, Google Workspace)
- Outreach and engagement platforms (e.g., Workforce180, MailChimp, SurveyMonkey, Canva, ChatGPT)
- Professional services (legal counsel, workforce association memberships, chamber participation)

Costs are reviewed periodically and adjusted as needed to reflect changes in organizational operations, including the addition or discontinuation of tools, services, and systems, ensuring continued alignment with actual usage and federal cost principles under 2 CFR Part 200.

3. Personnel-Based Allocation Methodology

Administrative costs are allocated based on the proportion of staff time dedicated to each program or funding source.

Staff effort is estimated during budget development and refined based on actual time and activity. Assignments and levels of effort vary by funding source and are documented within individual grant budgets and supporting documentation.

Actual staff time is monitored, and allocations are adjusted as necessary to reflect real-time effort across funding sources. Administrative cost distributions are updated accordingly to ensure alignment with actual staff activity and compliance with 2 CFR Part 200.

4. Proportional Distribution of Costs

Total administrative costs are distributed based on the aggregate level of staff effort attributed to each funding source. This ensures that only the portion of shared administrative infrastructure supporting a given program is charged to that program.

This methodology is applied consistently across all applicable funding sources to ensure equitable cost distribution.

Cost Categories Included

Administrative costs allocated through this plan include, but are not limited to:

- **Staff and Administrative Licenses:**
  Core operational tools required for staff productivity and communication (e.g., Microsoft Office, Zoom, Adobe, Google Workspace)
- **Shared Outreach and Engagement Platforms:**
  Systems used for participant engagement, communication, reporting, and program delivery (e.g., Workforce180, MailChimp, SurveyMonkey, Canva, ChatGPT)
- **Shared Professional Services:**
  Legal services, compliance support, and professional memberships necessary to maintain organizational operations and ensure regulatory compliance
- **Additional Shared Costs:**
  Allocated portions of occupancy, communications, and shared administrative infrastructure

Reasonableness and Compliance

All costs allocated under this plan:

- Are necessary for program implementation
- Are allocable based on proportional staff effort and program usage
- Are consistent with federal cost principles outlined in 2 CFR Part 200
- Reflect actual, documented organizational expenses

This Cost Allocation Plan ensures that NRMRWDACB distributes shared administrative costs in a fair, consistent, and compliant manner across all funding sources, supporting transparency, accountability, and alignment with federal grant requirements.