Laboratory Cost Allocation Plans

What is Allocation? The charging of an item’s cost (a good or service) to more than one project/account. This cost ‘splitting’ is most generally based upon benefit received/usage of the good/service toward the technical aims/goals associated with each project/program.

Allocations should be performed using a reasonable method based upon equity.

How Do I Approach This?
Have a documented/well communicated and understood allocation plan in place
Revisit as activities or levels of use change (beyond what was once reasonable)
Revise the allocation % of the related goods and services

Method 1:
Consider the current activities (sponsored and non-sponsored) within the lab
Review approved sponsor budgets for the amount of materials & supplies
Determine % of use of those goods and services by project to total materials & supplies budgets
Charge related projects/activities using the appropriate % of use

Method 2:
Consider the current activities (sponsored and non-sponsored) within the lab
Review the salary/effort allocations of the lab personnel ordering the goods/services
Charge related projects/activities using the appropriate % of use

Other Methods:
Satisfies reasonable and equitable cost allocations
Under development

What Costs Should be Considered for Allocation? Here are a few examples:
Scientific materials and supplies – slides, pipettes, etc.
Animal Charges
Chemicals and Gases
Equipment and related Service Agreements
Lab Personnel Salaries/Wages
Any cost that benefits multiple purposes and is considered a direct cost….

What Methods Are Not Appropriate? Don’t Use As the Sole Basis of Allocations…..
Charge to the project that was funded for the most dollars,
Charge to the project that has the biggest remaining budget balance,
Charge to a single sponsored project subsequently removing costs (parking lot/holding),
Charge a single project 100% of the cost when 100% of the benefit was not received – because it’s easier,
Charge to the project that is ending first,
Charge to the oldest project,
Charge to the federal funds first
NOTE: There are some *general supply items* necessary for lab operations that are *not normally* allowed as direct cost to federally sponsored projects. Central supply room costs for these items are no different. These costs are too burdensome to ‘allocate’ with ease and accuracy and for that reason are to be supported by non-sponsored sources. Here are some examples:

- Pens, pencils, sharpies, etc
- Notepads, post-it-notes, staples, paper clips, labels, scotch tape, etc
- Paper, toner cartridges
- Lab coats and related cleaning costs

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