

Administrative Allocations

FIN-ACC-I-360



About This Policy

Effective Date:

07-01-1996

Last Updated:

07-01-1996

Responsible University Office:

Financial Management Services

Responsible University Administrator:

Vice President and Chief Financial Officer

Policy Contact:

Joan HagenAssociate Vice President
and University Controller,
Office of the Controllerjhagen@iu.edu

Scope

Policy Statement

Reason For Policy

Procedure

Definitions

History

[Back to top ↗](#)

Scope

-

[Back to top ↗](#)

Policy Statement

The allocation of administrative costs should be reviewed by University administration. This review will include verification that the allocations are consistent with the other administrative costs allocations and that there are not any accounts being charged more than once for the same costs.

[Back to top ↗](#)

Reason For Policy

The Cost Accounting Standards require the University to be consistent in all aspects of costing methodologies. Many units of Indiana University allocate administrative costs. This policy would give the University assurance that the accounts being billed are charged for the service only once.

[Back to top ↗](#)

Procedure

Organizations that implement an administrative allocation will be required to provide a copy of the allocations and the corresponding rationale to the office of the campus business officer and then the University Budget Office.

[Back to top](#) ↗

Definitions

Administrative Allocation of Costs: The process of accumulating a group of administrative expenditures and allocating these costs to a group of accounts.

[Back to top](#) ↗

History

The source to this policy is:

Cost Accounting Standards (CAS) 9905.501 Consistency in estimating, accumulating and reporting costs by educational institutions. Cost Accounting Standards. (CAS) 9905.502, Consistency in allocating costs incurred for the same purpose by educational institutions, Chief Accountant