

CHEMISTRY DEPARTMENT REQUEST TO ALLOCATE AN EXPENSE ACROSS MULTIPLE PROJECTS  
OVERVIEW AND INSTRUCTIONS

**POLICY OVERVIEW**

**Northwestern University Accounting Services for Sponsored Projects Policies**

**Charging Sponsored Projects**

website: [http://www.northwestern.edu/coststudies/docs/Charging\\_Sponsored\\_Projects.pdf](http://www.northwestern.edu/coststudies/docs/Charging_Sponsored_Projects.pdf)

If a cost benefits two or more projects/activities in proportions that can be determined without undue effort or cost, the cost should be allocated to the projects/activities based on the proportional benefit. If proportions cannot be determined due to the interrelationship of the work, then costs may be allocated on any reasonable basis.

Prohibited allocation methodologies (e.g., methodologies that cannot be used as a basis for allocating costs) include the following:

- Placing the full cost on only one award when the cost benefits more than one award
- Splitting the costs evenly across the projects
- Project Budgets (i.e., allocating the bulk of the costs to the project with the larger budget)
- Project Funding
- Available Funds

For any allocation basis used, written support must exist in each case which describes how the allocations have been determined, how all benefiting projects are charged, and why the method is recognized and reasonable.

**Uniform Administrative Requirements, Cost Principles, and Audit Principles for Federal Awards**

website: <https://www.federalregister.gov/articles/2013/12/26/2013-30465/uniform-administrative-requirements-cost-principles-and-audit-requirements-for-federal-awards>

Section C. Basic Considerations/4. Allocable Costs/d. allocation and documentation standard

(1) Cost principles. The recipient institution is responsible for ensuring that costs charged to a sponsored agreement are allowable, allocable, and reasonable under these cost principles.

(2) Internal controls. The institution's financial management system shall ensure that no one person has complete control over all aspects of a financial transaction.

(3) Direct cost allocation principles. If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost should be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding subsection b, the costs may be allocated or transferred to benefited projects on any reasonable basis, consistent with subsections d. (1) and (2).

**FORM INSTRUCTIONS**

**When:** This form will need to be submitted each time you are placing an order that is being allocated across multiple sponsored projects at the time the order is initiated.

**1) Please complete each section as detailed below:**

SECTION A (REQUIRED)

- 1) Fill out your name and PI Name.
- 2) Review the University and Federal allowable allocation methodologies
- 3) Provide an allocation justification that is based on what the item is, how it will be used, and by whom it will be used.
  - a) If appropriate, select one methodology of A. - F. and provide further justification in the space below.
  - b) If using a separate and/or combined methodology, please select F. Other and provide detailed justification in the space below.

SECTION B (CONDITIONAL)

- 1) Attach a screen shot of your order from the system(s) that includes all pertinent information of purchase description, amount, and allocation.
- 2) If this documentation cannot be easily provided via an attachment, please fill the information out in this section.

SECTION C (REQUIRED)

- 1) Provide the completed form and appropriate attachments to PI for review.
- 2) Have PI review the methodology and statement then sign and date for approval (electronic e-mail approval is ok)

**2) Submit completed and signed form with appropriate attachments to appropriate Accounting Assistant and Aaron Jones.**

- a) Accounting Assistant will attach documentation for Financial Assistant to review during approval process.

**3) A copy of the form can be submitted each time via e-mail when ordering general daily routine lab supplies and chemicals with an allocation methodology and justification that hasn't changed.**

- a) E-mail a copy attachment to appropriate Accounting Assistant at time of each new order.

CHEMISTRY DEPARTMENT REQUEST TO ALLOCATE AN EXPENSE ACROSS MULTIPLE PROJECTS  
FORM

**SECTION A (REQUIRED)**

Person Completing Form: \_\_\_\_\_ PI: \_\_\_\_\_

**Allocation methodologies that may be used as a basis for allocating costs include the following:**

- A. Usage records (quantity distribution, supply logs, anticipated hours used, years remaining in project): The cost based upon the quantity used on the project.  
(e.g. Review records of previous usage for consumable goods or user log time on equipment, and allocate accordingly.)
- B. Number of experiments performed on each project: The cost based on the number of experiments performed on each project.  
(e.g. The cost is related to one aim on Project A and two aims on Project B. 1/3 of the cost is charged to Project A and 2/3 are charged to Project B.)
- C. Number of FTEs per project: The cost based upon the number of people paid by the award.  
(e.g. Two people paid by Project A and six people paid by Project B. 1/4 charged to Project A and 3/4 charged to Project B.)
- D. Head count: The cost based upon who will use this item.  
(e.g Cost allocated by total users.)
- E. Square footage used for each project  
(e.g Cost based on physical lab space used. If 1/2 of a lab area is designated to a project, then 1/2 of the cost is assigned to that project).
- F. Other

**Allocation methodology justification:**

Remember, the method should be based on what the item is, how it will be used, and by whom it will be used. Please contact the Business Office for questions and further guidance.

**SECTION B (CONDITIONAL)**

Please complete the purchase description, amount, and allocation below if not including a screen shot of the order in the system(s) that displays this information

<b>Purchase Description:</b>	_____			
<b>Purchase Amount:</b>	_____			
<b>Purchase Allocation:</b>	_____			
Chart String 1:	_____ % of Expense:	_____ Amount:	\$ -	Notes: _____
Chart String 2:	_____ % of Expense:	_____ Amount:	\$ -	Notes: _____
Chart String 3 (if needed):	_____ % of Expense:	_____ Amount:	\$ -	Notes: _____
Chart String 4 (if needed):	_____ % of Expense:	_____ Amount:	\$ -	Notes: _____
Chart String 5 (if needed):	_____ % of Expense:	_____ Amount:	\$ -	Notes: _____
Chart string 6 (if needed):	_____ % of Expense:	_____ Amount:	\$ -	Notes: _____
Chart String 7 (if needed):	_____ % of Expense:	_____ Amount:	\$ -	Notes: _____
Chart string 8 (if needed):	_____ % of Expense:	_____ Amount:	\$ -	Notes: _____
Chart string 9 (if needed):	_____ % of Expense:	_____ Amount:	\$ -	Notes: _____
Chart string 10 (if needed):	_____ % of Expense:	_____ Amount:	\$ -	Notes: _____

**SECTION C (REQUIRED)**

As Principal Investigator, I certify that these percentages represent the proportional benefit to each project to the best of my knowledge and that the cost meets the OMB Uniform Guidance cost principles of allocable, allowable, reasonable, and consistent to all projects being used. I have used the methodology selected/described above to determine these percentages. I also understand that the following methodologies are prohibited by Northwestern University and OMB Uniform Guidance.

- Placing full cost on only one award when the cost benefits more than one award.
- Splitting the costs evenly across the projects (based simply on the number of projects).
- Project Budgets (i.e. allocating the bulk of the cost to the project with the larger budget)
- Available Funds (i.e. allocating the bulk of the costs to the project with the larger balance).

PI Approval (or attach email approval): \_\_\_\_\_ Date \_\_\_\_\_