

Cost Allocation Summary Document

Project Details

Project Name	Sample Infrastructure Upgrade
Project Code	INFRA-2024-005
Date	2024-07-15
Prepared by	Finance Department

Summary of Costs

Cost Category	Total Amount	Allocation Basis	Allocated Amount
Personnel	\$50,000	Staff Hours	\$20,000
Materials	\$30,000	Usage	\$18,000
Equipment	\$15,000	Project Duration	\$6,000
Overhead	\$12,000	Pro-rata	\$4,000
Total	\$107,000		\$48,000

Allocation Methodology

Cost allocations are performed based on direct usage metrics such as labor hours, material consumption, and equipment deployment time. Overhead is distributed on a pro-rata basis aligned with total direct costs. Allocation formulas adhere to company policy and accounting standards.

Important Notes

- All cost allocation principles must comply with internal and external accounting guidelines.
- Support documents for each allocation should be maintained and accessible for auditing.
- Allocation bases and methodologies should be reviewed periodically for continued relevance.
- Adjustments may be necessary if actual project usage significantly deviates from estimates.
- This summary should be reviewed and approved by the project manager and finance lead.