

Ascending MIP Advanced Allocations Power to Allocate Indirect Costs (3F)



2024 | BOSTON
INNOVATE
JMT CONSULTING

Shazeedah Teekah, CPA
Lucy Brennan, MBA

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Housekeeping

- This session qualifies for 1 CPE credit.
- Please make sure you sign in on the sheet.
- You must complete the survey through the QR code at the end in order to receive your CPE certification.
- The survey can be completed using your mobile device. Optional paper surveys are available and must be turned in at the registration desk.
- Please silence your mobile device during the presentation.



Introduction



- CPA
- Director of Professional Services
- Over 25 years of implementing accounting software for NFP Organizations



- MBA
- Project Consultant
- More than 30 years experience in all levels of accounting and finance
- More than 15 years of MIP experience in nonprofit settings

Session Objectives

Review the most used methods of end of month allocations

1. Indirect Cost Rate
2. Table
3. Relative Account Balances



Allocate Indirect Costs

- Client Wanted to Automate Month-End Process with Abila MIP Allocations Management
 - Post Indirect Costs using the Funding Source or Grant's Approved Rate



Determine the Calculation

- Indirect Costs:
Specified Actual Expenses by Grant

x (multiplied by)

Grant Approved Rate

= (equals)

Indirect Cost to Be Posted to Grant



Determine Appropriate Journal Entry for Indirect Costs

- Dr. Grant 1 Indirect Cost Expense
- Dr. Grant 2 Indirect Cost Expense
- Dr. Grant 3 Indirect Cost Expense

- Cr. General Fund Indirect Costs Recovered



Determine Where to Store the Allocation Rates

Options:

**Chart of Accounts—Grants Administration
(UDF - user defined field)**

Within the Allocation Code



Store the Allocation Rates in the COA

- Maintain
- Chart of Accounts
- Select Grant Segment
- Select Grant Admin Tab

The screenshot shows a software window with a menu bar (Transactions, Activities, Reports, Options, Window, Help) and a toolbar. The main area has tabs for 'Setup', 'Grant Administration', 'Grantor Information', and 'User Defined Fields'. The 'Grant Administration' tab is active and contains several sections: 'Recipient Information' with fields for 'Award Number', 'Award Type', 'Project Director' (Mary McDonnell), and 'Notification Date'; 'Grant Terms' with fields for 'Grant Period' (Start Date: 4/1/2008, End Date: 3/31/2009, Extended Date), 'Projected Award Amount' (\$53,448.00), 'Payment Method', 'Cost Sharing Percentage' (15.0000), 'Next Reporting Date', and 'Last Reporting Date'. The 'Indirect Cost Rate' field is set to 15.0000 and is highlighted with a red box. There is also an 'Audit Required' checkbox at the bottom.



Create the Cost Allocation Code

- Accounting
- Maintenance
- Setup Allocation





Advanced Cost Allocations

Setup Tabs

- Allocation
- Pool
- Recipient
- Method
- Notes

Allocation Code: [dropdown] Status: [dropdown]

Description: Indirect Cost Allocation

Allocation Method Method: Indirect Cost Rate

Use indirect cost limit cap Do not calculate using codes with negative percentages

Allocation Segments	
Available	Selected
Restriction	

ICR Segment	Fund	Selected
[dropdown]	Dept Grant	<input checked="" type="checkbox"/>

Interfund/Balancing Accounts

Pool GL Account: 09900 Due To/From

Recipient GL Account: 09900 Due To/From



Allocation Tab

- Balance the Fund Segment
- ICR Segment—Select a Maximum of Three Segments to Allocate To

Allocation | Pool | Recipient | Method | Notes |

Allocation Code: 0000 Status: A

Description: Indirect Cost Allocation

Allocation Method Method: Indirect Cost Rate

Use indirect cost limit cap Do not calculate using codes with negative percentages

Allocation Segments

Available	ICR Segment	Selected
Restriction	<input type="checkbox"/>	Fund
	<input checked="" type="checkbox"/>	Dept Grant

Interfund/Balancing Accounts

Pool GL Account: 0990 Due To/From

Recipient GL Account: 0990 Due To/From



Allocation Tab - Methods

Allocation Tab

Select a Method

The screenshot shows a software window with a menu bar (Transactions, Activities, Reports, Options, Window, Help) and a toolbar. Below the toolbar is a tabbed interface with 'Allocation' selected. The 'Allocation' tab contains the following fields:

- Allocation Code: IDC
- Description: Indirect Cost Allocation
- Allocation Method Method: Indirect Cost Rate (dropdown menu)
- Use indirect cost limit
- Allocation Segments
- Restriction

The dropdown menu for 'Allocation Method Method' is open, showing a list of options:

Description
Table
Indirect Cost Rate
Relative Account Balances
Weighted Average Daily Balance
Transaction Count
UDF Unit Measures



Pool Tab

- The Codes Specified Here Must Have a Balance Before the Allocation is Processed.
- The Segment Codes Specified Here Will Be Credited in the Journal Entry.
- If the Method is Table, the Codes Specified Here Will Zero Out After the Allocation Has Been Posted.
- Segments unselected on the Allocation tab can be filtered.



Pool Tab

Allocation **Pool** Recipient Method Notes

Codes to Allocate FROM

	Fund	Dept Grant	Fund - Entry Code	Dept Grant - Entry Code
▶	1	91131		
*				

Record 1

1 General Fund
91131 Alloc Costs

GL Accounts to Allocate FROM

Available	Status	Title
00115	A	Yen Petty Cash
00117	A	Wachovia Operating
00118	A	Wachovia Payroll
00426	A	Greenlight Masters Offshore

Selected	Status	Title
40308	A	Tuition Reimbursement

GL Account Entry Code: 36020 IDC Revenue

Filter	Available	Selected	Compares To	Criteria 1
	Restriction			



Notes Tab

Allocation | Pool | Recipient | Method | **Notes**

NOTE: There must be an amount posted to the Account in the Pool Tab for the allocation to run
Fund 1
Grant 91131
GL 40308-Tuition Reimb

When the Allocation entry is created,

1. The Restriction of 10 is coming from the Pool tab.
2. The Fund on the Pool tab is coming from the Pool tab.
3. The Fund on the Recipient is coming from the recipient tab.

WHEN A NEW GRANT IS CREATED, IT MUST BE ADDED TO THE RECIPIENT TAB.



End of Month Processing

Process Information | Allocation Codes | Calculation Notes

Calculation Information

Calculation ID: ICR Date Last Modified: 8/13/2012 11:41:56 AM

Session Information

Session ID: JVA83 Session Date: 8 /13/2012

Description: Indirect Cost Allocation for Grants-March 2011

Document Information

Number: 1

Default Period: Custom Document/Effective Date: 4 /30/2010

Description: Indirect Cost Allocation For Grants-March 2011



Allocation Codes Tab

Process Information | Allocation Codes | Calculation Notes

Available Codes	Method
FB	ICR
IDC-Fellows	ICR
IDC-Startl	ICR
junk	ICR

Selected Codes	Method	Period	Amounts From	Amounts To	Basis	Period	Balances From	Balances To
IDC	ICR	Last Mo...	3/1/2017	3/31/2017	Actual	Last Mo...	3/1/2017	3/31/2017



Process Allocations

- Creates a JVA, Journal Vouchers Allocation Management, Transaction Type
- You can view the entry by selecting Edit Unposted Allocations



Process Allocations

- Print Unposted G/L Transactions reports and/or Allocation Analysis reports (Reports>Transaction Reports>Unposted G/L Transactions and/or Reports>Allocations Analysis).
- POST THE SESSION



Methods and Demo

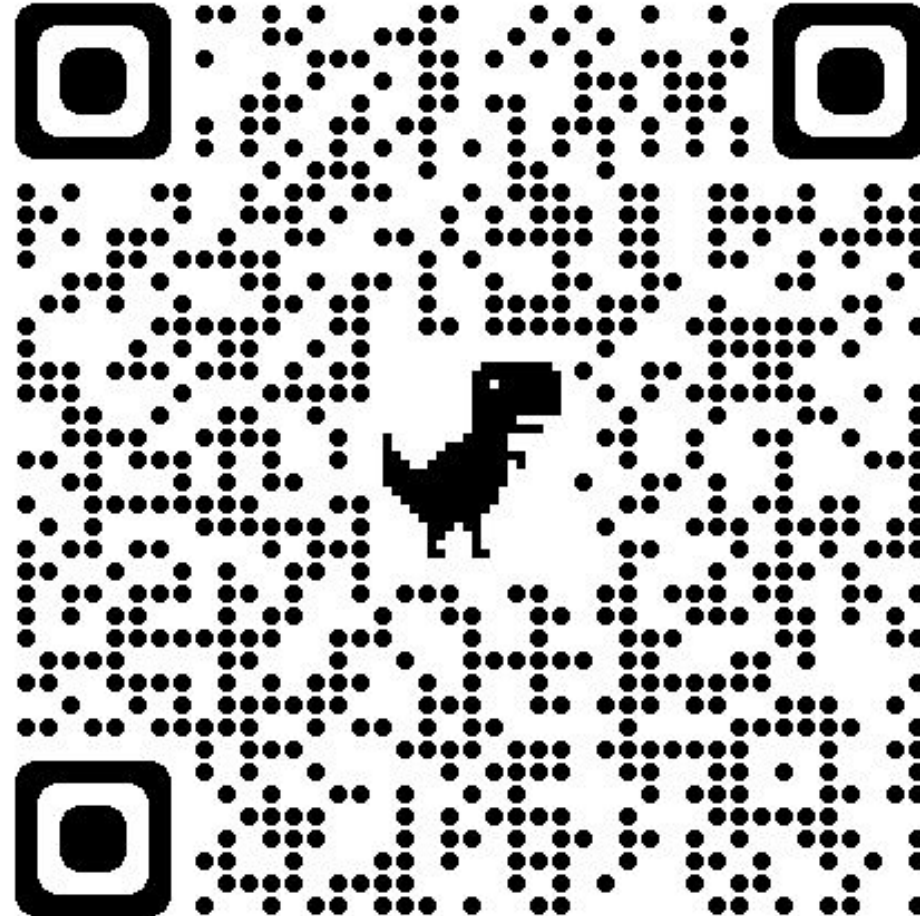
- **Table** - Set percentages, units, and/or monetary amounts for each Recipient Code combination.
- **Indirect Cost Rate** - Set an Indirect Cost Rate for each Recipient ICR segment code. Cost allocation amounts are calculated based on the indirect cost rate.
- **Relative Account Balances** - Have the system calculate allocation percentages for each Recipient Code combination. Percentages are based on account balances covering the Balances From through Balances To date range.



Session Name: Ascending MIP Advanced Allocations Power to Allocate Indirect Costs (3F)



CPE Credit QR Code





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