

Allocating Costs for SNAP E&T

Understanding cost allocation



What did we spend?
Identify the costs.



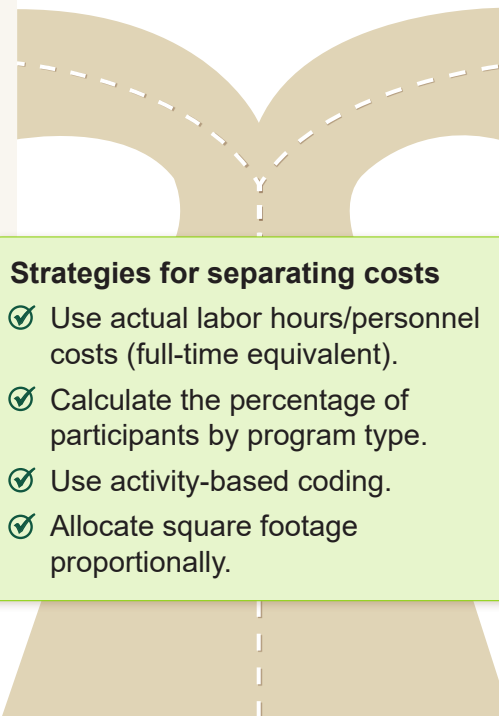
What are the costs for?
Group related expenses.



Why are costs assigned this way? Use acceptable methods.



How do we prove it?
Maintain documentation.



Strategies for separating costs

- ✓ Use actual labor hours/personnel costs (full-time equivalent).
- ✓ Calculate the percentage of participants by program type.
- ✓ Use activity-based coding.
- ✓ Allocate square footage proportionally.

Considerations to explore

Cost allocation is essential when costs are shared across SNAP E&T and other programs.



What costs are exclusively for SNAP E&T?

What costs are shared between SNAP E&T and other programs (such as TANF)?

What costs vary depending on the number of SNAP E&T participants actually served?

What costs do not depend on the number of SNAP E&T participants?

Setting Clear Expectations for Cost Allocation with Contracts



► **Develop** statewide guidance and methods for accurately allocating costs to the SNAP E&T program with State contract and procurement staff.



► **Set** expectations for allocating costs and include them in the provider's contract.



► **Collaborate** with providers to review existing methodology for allocating costs.



► **Identify** appropriate sources of documentation to back up how costs have been allocated.