



# YES FOR EARLY SUCCESS COOPERATIVE COST ALLOCATION PLAN

## **COST ALLOCATION PLAN**

**POLICY NUMBER:** CA-001

### **PURPOSE**

The purpose of this Cost Allocation Plan (CAP) is to ensure that all shared costs are properly allocated across programs, departments, and funding sources in a manner that aligns with YES For Early Success Cooperative's vision, mission, and Liberatory Design principles. The CAP ensures compliance with Department of Children, Youth, and Families (DCYF) financial guidelines and promotes transparency, accountability, and equity in how costs are distributed.

### **VISION**

At YES For Early Success Cooperative, our vision is to ensure that every child and family has equitable access to high-quality early childhood education. This Cost Allocation Plan supports that vision by ensuring that resources are distributed fairly across all programs and initiatives, providing a solid financial foundation for sustainable growth and liberation for all communities.

### **MISSION**

Our mission is to partner with early childhood education programs and families, providing the resources and opportunities needed to prepare young children for kindergarten and lifelong success. The allocation of shared costs is essential in supporting this mission by ensuring that resources are directed toward programs and services that directly impact the communities we serve.

### **LIBERATORY DESIGN PRINCIPLES**

YES For Early Success Cooperative is committed to using Liberatory Design in our financial and operational systems. This approach prioritizes equity, inclusion, and collaboration in decision-making, ensuring that our cost allocation practices are transparent and inclusive of all stakeholders. We are dedicated to building systems that reflect our values of fairness and accountability.

### **DCYF COMPLIANCE AND EQUITABLE SUBCONTRACTOR RATES**

While DCYF has defined regions and regional rate structures, YES For Early Success Cooperative is committed to an equitable rate model for all subcontractors. We believe that since the same work is required by all subcontractors, they should receive the same rate, regardless of geographic region. This approach mirrors the USDA's model of tier rates, which emphasizes equity over regional disparities. By adopting this approach, YES For Early Success ensures that subcontractors are compensated fairly for their contributions, supporting a consistent and just operational framework across the state.



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## SCOPE

This Cost Allocation Plan applies to all shared costs, including but not limited to:

- Administrative and operational expenses (e.g., rent, utilities, office supplies)
- Salaries and benefits of staff whose work benefits multiple programs
- Program-specific expenses that require allocation between funding sources

## COST ALLOCATION METHODOLOGY

### 1. Direct Costs

Direct costs are those that can be specifically identified with a particular program or activity. These costs are charged directly to the program benefiting from the expense. Examples include:

- Salaries and wages of staff working solely on one program.
- Materials and supplies used exclusively by one program.

### 2. Indirect Costs

Indirect costs are shared costs that benefit multiple programs or the organization as a whole. These costs are allocated across programs using a **rational and consistent method** based on the benefit derived by each program. Examples include:

- Rent and utilities for shared office space.
- Administrative staff salaries (e.g., Executive Director, CFO) whose work supports multiple programs.

### 3. Allocation Methods

#### a. Salaries and Benefits:

Salaries and benefits for staff members who work on multiple programs are allocated based on time spent on each program, as documented by timesheets or personnel activity reports. This ensures that programs only bear the costs of the staff time directly benefiting them.

#### b. Rent, Utilities, and Office Expenses:

These costs are allocated based on the square footage used by each program. If programs share common areas, costs for those areas are allocated based on the proportion of total square footage occupied by each program.

#### c. Shared Supplies and Equipment:

Costs for shared office supplies, equipment, or services are allocated based on usage. For example, the cost of a shared copier might be allocated based on the number of copies made by each program.



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## **d. Other Shared Costs:**

Other shared costs (e.g., insurance, IT services) are allocated based on an appropriate metric, such as the number of staff members working in each program or the number of participants in each program.

## **4. Special Allocation Circumstances**

### **a. Salaries and Benefits:**

Salaries and benefits for staff members who work on multiple programs are allocated based on time spent on each program, as documented by timesheets or personnel activity reports. This ensures that programs only bear the costs of the staff time directly benefiting them.

## **DOCUMENTATION AND REVIEW**

### **1. Documentation:**

All cost allocations must be supported by appropriate documentation, such as timesheets, invoices, and usage logs. This documentation ensures compliance with DCYF regulations and supports the equitable distribution of costs across programs.

### **2. Quarterly Review:**

The cost allocation methodology and its application will be reviewed quarterly by the CFO to ensure it remains equitable and compliant with DCYF and other funding requirements. Adjustments will be made as needed based on changes in program activities or staffing.

### **3. Board Oversight:**

The Cooperative Board will review the allocation of costs annually to ensure alignment with the organization's strategic goals, vision, and mission.

## **CONCLUSION**

This Cost Allocation Plan ensures that shared costs are distributed fairly across YES For Early Success Cooperative programs, reflecting the organization's commitment to equity, transparency, and accountability. By embedding our vision, mission, and Liberatory Design principles into our financial processes, and adhering to DCYF's stringent financial guidelines, we ensure that every expenditure is purpose-driven and supports the children, families, and communities we serve.