



Cost Allocation Formula for Consultant Equipment

In order for Consultants' indirect costs to be reimbursable, sec. ATCP 35.14 (2), Wis. Admin. Code, requires these costs be allocated according to a reasonable cost allocation formula. The Department has developed the following cost allocation formula for your use. The cost allocation formula must be reasonable and necessary in order for the costs to be reimbursed.

Type of Equipment

Year

Make or Model

Item			Cost	
ADD:	Original cost of equipment	<input type="checkbox"/> New	<input type="checkbox"/> Used	
ADD:	Estimated maintenance cost of equipment during its useful life:			
	Maintenance Description	Cost per Occurrence	Total Cost for Life of Equipment	
	Total Maintenance Costs			<i>B</i>
LESS:	Salvage value (if any)			<i>C</i>
	SUBTOTAL			<i>D (=A+B-C)</i>
	Estimated number of days** used in equipment's lifetime			<i>E</i>
	Cost Per Day**			<i>F (=D/E)</i>
ADD:	Profit Per Usage			<i>G</i>
	TOTAL DAILY** CHARGE OF EQUIPMENT			<i>H (=F+G)</i>

** Please use the measurement most appropriate for your equipment. This may be days, hours, etc.

Number of Days** used _____

X Rate _____ (as calculated in *H* above)

Reimbursement Requested _____

I certify that the charges in this formula are not included in the overhead costs for hourly labor rates, or any other costs billed to the customer.

Name of Consulting Firm

Signature