

Overhead Schedule Example
With Contract Labor Allocation

Account Number & Descriptions	General Ledger		FAR Ref	FAR Allowable Costs	W-2 Amount	Allocation Notes	Contract Labor Amount
	Account Balance	Disallowed Costs					
Direct Labor (W-2)	\$ 10,000,000.00			\$ 10,000,000.00	\$ 10,000,000.00		
Direct Labor (Contract Labor Costs)	\$ 1,000,000.00			\$ 1,000,000.00			\$ 1,000,000.00
Total Direct Labor	\$ 11,000,000.00			\$ 11,000,000.00			
Fringe Benefits							
1000 PTO	\$ 1,600,000.00			\$ 1,600,000.00	\$ 1,600,000.00		\$ -
2000 FICA/MED	\$ 726,500.00			\$ 726,500.00	\$ 726,500.00		\$ -
2100 Fed Unemployment	\$ 11,000.00			\$ 11,000.00	\$ 11,000.00		\$ -
2200 MO Unemployment	\$ 30,000.00			\$ 30,000.00	\$ 30,000.00		\$ -
3000 Company Pension Match	\$ 500,000.00			\$ 500,000.00	\$ 500,000.00		\$ -
4000 Group Health Insurance	\$ 1,800,000.00			\$ 1,800,000.00	\$ 1,800,000.00		\$ -
4100 Life Insurance	\$ 150,000.00	\$ 17,500.00	5	\$ 132,500.00	\$ 132,500.00		\$ -
Total Fringe Benefits	\$ 4,817,500.00	\$ 17,500.00		\$ 4,800,000.00	\$ 4,800,000.00		\$ -
Fringe Benefit Rate				43.64%	48.00%		0.00%
General Overhead							
Advertising	\$ 200,000.00	\$ 200,000.00	1	\$ -	\$ -		
Bonuses	\$ 165,000.00			\$ 165,000.00	\$ 165,000.00	A	\$ -
Indirect Labor	\$ 4,000,000.00	\$ 225,000.00	2	\$ 3,775,000.00	\$ 3,431,818.18	PD	\$ 343,181.82
Rent Expense	\$ 1,900,000.00			\$ 1,900,000.00	\$ 1,826,923.08	PE	\$ 73,076.92
Utilities	\$ 150,000.00			\$ 150,000.00	\$ 144,230.77	PE	\$ 5,769.23
Vehicle Expenses	\$ 1,450,000.00			\$ 1,450,000.00	\$ 1,318,181.82	PD	\$ 131,818.18
Travel Expenses	\$ 850,000.00	\$ 175,000.00	3	\$ 675,000.00	\$ 651,265.00	A	\$ 23,735.00
Outside Services	\$ 450,000.00	\$ 25,000.00	4	\$ 425,000.00	\$ 386,363.64	PD	\$ 38,636.36
Supplies	\$ 254,000.00			\$ 254,000.00	\$ 230,909.09	PD	\$ 23,090.91
Business Insurance	\$ 501,000.00			\$ 501,000.00	\$ 455,454.55	PD	\$ 45,545.45
Taxes and Licenses	\$ 320,000.00			\$ 320,000.00	\$ 290,909.09	PD	\$ 29,090.91
Equipment Expense	\$ 1,600,000.00			\$ 1,600,000.00	\$ 1,454,545.45	PD	\$ 145,454.55
Depreciation Expense	\$ 965,000.00			\$ 965,000.00	\$ 877,272.73	PD	\$ 87,727.27
Total General Overhead Expense	\$ 12,805,000.00	\$ 625,000.00		\$ 12,180,000.00	\$ 11,232,873.39		\$ 947,126.61
General Overhead % of Direct Labor				110.73%	112.33%		94.71%
Combined General Overhead & Fringe Benefit Rate				154.36%	160.33%		94.71%

Company had an average of 500 FTE during the Fiscal and had on average 20 workers from contract agencies.
Cost were allocated based on the average rental cost for each employee. The calculations are shown below.

- Notes:
- (1) Advertising costs are Unallowable FAR 31.205-1
 - (2) Salaries related to Marketing Activities are unallowable FAR 31.205-1
 - (3) Entertainment costs are unallowable FAR 31.204-14
 - (4) Legal costs pertaining to organization and reorganization activities are unallowable FAR 31.205-47
 - (5) Keyman life insurance costs are unallowable FAR 31.205-19

A = Actual Cost of FTE's and Contract Workers
PD = Allocated based on the % of Direct Labor
PE = Allocated based on the ratio of FTE's to Contract Workers

Total Rent Expense	\$	1,900,000.00
Average FTE + Contact Workers		520
Average Rental Cost Per Worker	\$	3,653.85
Costs For FTE (500 x \$3,653.85)	\$	1,826,923.08
Costs For Contract Workers (20 x \$3,653.85)	\$	73,076.92

Company have an average 500 FTE during the Fiscal and had on average 20 workers from contract agencies.
Cost were allocated based on the average rental cost for each employee. The calculations are shown below.

Total Utilities Expense	\$	150,000.00
Average FTE + Contact Workers		520
Average Rental Cost Per Worker	\$	288.46
Costs For FTE (500 x \$288.46)	\$	144,230.77
Costs For Contract Workers (20 x \$288.46)	\$	5,769.23

		Percent of Total Direct Labor
Direct Labor FTE's	\$ 10,000,000.00	90.91%
Direct Labor Contract Agency Workers	\$ 1,000,000.00	9.09%
Total Direct Labor	\$ 11,000,000.00	100.00%