



## Chamber of Commerce Cost Allocation Plan (S A M P L E)

Office of Research and Surveys  
September, 2011

**This sample cost allocation plan is intended to provide the basis for fair and equitable allocation of indirect costs of the Chamber for its administration of the Chamber's tourism promotion activities and its general Chamber activities. The attached Schedule of Indirect Cost presents the budgeted indirect costs for a 12-month fiscal period ending on June 30, 20XX. This Cost Allocation Plan and the annual budget of direct and indirect costs are, by reference, part of the annual service contract between the Chamber and the City of My Town for the 12-month period ending June 30, 20XX.**

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The Chamber will employ one associate to administer, initiate and monitor all advertising campaigns on behalf of the City, and to assist with other Chamber activities. Time sheets will be kept on a daily basis by the chamber employee, and will account for time spent on each of the Chamber's primary various activities and any other projects or activities not specific to either of the primary activities, if any. Work hours will be charged accordingly to each activity. Time sheets will be available for review at any time and will be submitted upon request to the City. The duties below are typically performed during the average work week.

### **Promotion of Tourism - Estimated at 35 Hours Per Week (per employee that supports tourism):**

- Administer advertising campaigns, as directed by the board, for the Hotels and Motels in the City.
- Operate a Welcome Center office, and make reservations at our various hotels/motels for patrons at their requests.
- Initiate various new advertising campaigns, as directed by the board, meet with advertisers and monitor progress.
- Answer Welcome Center office phone and direct patrons to hotels/motels and encourage activities in the area.
- Operate "Mobile Kiosk" for area trade shows, conventions, etc., promoting our area hotels/motels and city.
- Coordinate and initiate board-directed advertising for chosen trade shows or events.
- Work with internet provider to ensure advertising budget is managed correctly.

### **Chamber Activities (Estimated at 5 Hours Per Week):**

- Meet with area businesses and solicit and recruit new members.
- Add those businesses to our website.
- Coordinate Chamber functions four times annually.

Chamber board members will also solicit and recruit new members and assist with other Chamber activities as necessary.

### **Cost Allocation:**

Salary cost will be treated as direct cost based on weekly timesheets. Indirect costs will be allocated based on the estimated time (as presented above) the Chamber employee will be devoting to tourism promotion activities verses other Chamber activities. This means that 87.5% of indirect costs (35/40 hours) will be charged to the promotion of tourism and 12.5% will be charged to other Chamber activities. Quarterly adjustments to the indirect cost allocations will be made if actual time charged to these activities differ from estimated time (as presented above).

**My Town Chamber of Commerce  
Basic Budget Illustration**

Revenues	<u>Tourism Promotion</u>	<u>Chamber Activities</u>	<u>Total</u>
Hotel/Motel Tax	\$ 239,741.25		\$239,741.25
Chamber Dues		\$8,258.75	\$8,258.75
Sponsorships		\$2,000.00	\$2,000.00
<b>Total Revenue</b>	<b>\$ 239,741.25</b>	<b>\$10,259</b>	<b>\$250,000.00</b>
Direct Expenses			
Salaries and Wages	\$ 30,000.00	\$ 1,200.00	\$ 31,200.00
Billboards	140,000.00		140,000.00
Magazines	12,000.00		12,000.00
Mobile Welcome Center Sign	3,000.00		3,000.00
Mobile Kiosk with Printed Matter	6,000.00		6,000.00
Internet Advertising	12,000.00		12,000.00
Printed Matter Promotions	2,800.00		2,800.00
Other Printing and Reproduction	400.00	200.00	600.00
Trade Show Advertising	6,000.00		6,000.00
After Hours Quarterly Business Meetings		3,000.00	3,000.00
Event Promotions		1,050.00	1,050.00
Travel		400.00	400.00
Dues and Subscriptions	180.00	500.00	680.00
<b>Total Direct Expenses</b>	<b>\$ 212,380.00</b>	<b>\$ 6,350.00</b>	<b>\$ 218,730.00</b>
<b>Indirect Cost</b>	<b>27,361.25</b>	<b>3,908.75</b>	<b>31,270.00</b>
	<b>\$ 239,741.25</b>	<b>\$ 10,258.75</b>	<b>\$ 250,000.00</b>

**My Town Chamber of Commerce  
Basic Budget Illustration  
Schedule of Indirect Costs**

	<u>Hotel/Motel Tax Funded (87.5% of Total)</u>	<u>Chamber Funded (12.5% of Total)</u>	<u>Total</u>
Payroll Taxes	\$ 4,095.00	\$ 585.00	\$ 4,680.00
Insurance	433.13	61.88	495.00
Automobile Expense	420.00	60.00	480.00
Office Supplies	787.50	112.50	900.00
Office Equipment	1,312.50	187.50	1,500.00
Office Rental	10,500.00	1,500.00	12,000.00
Telephone/Internet	2,625.00	375.00	3,000.00
Postage	214.38	30.63	245.00
Professional Fees	4,961.25	708.75	5,670.00
Repairs and Maintenance	1,050.00	150.00	1,200.00
Utilities	962.50	137.50	1,100.00
	<u>\$ 27,361.25</u>	<u>\$ 3,908.75</u>	<u>\$ 31,270.00</u>