

3.2.3.3.Allocation of Direct Costs

Direct costs are expenses associated with employee or fixed asset cost element (for example, an insurance or maintenance invoice received) that can be charged to projects. These costs must be recorded using the appropriate GL account and section with the dimension employee or fixed asset. Although they are tied to a resource, if they haven't been assigned to a specific project yet, they can be allocated across projects using this document, potentially based on time card data.

How to create

To access *Project Costs Allocation*, go to **Project costing** **Project Costing documents** **Project costs Allocations**

The screenshot shows a navigation menu on the left with various categories. The 'Project Costing' category is highlighted with a red box. To the right, under the heading 'Project Costing Documents', the 'Project Costs Allocations' option is highlighted with a red box. Other options include 'Project Estimates', 'Phased Revenue Recognitions', 'Project Budgets', 'Project Cash Flow Plan', and 'Project Statements of Account'. Below this, under 'Subcontractors Management', there are options for 'Subcontractor Agreement', 'Payment Application Received', and 'Payment Certificate Issued'.

Main tab

On this tab, users can specify the general information for the project cost allocation document, i.e., the **date**, **entity**, and **transaction type**.

The screenshot shows the 'Project Costs Allocation' form. The title bar indicates the document is 'MEPCA26-0000001 dated 3/28/2026 2:59:23 AM *'. The form has several tabs: 'Main', 'Settings', 'Sources', 'Allocation', and 'Additional Information'. The 'Main' tab is active. The form fields include: 'Number' (MEPCA26-0000001), 'From' (3/28/2026 2:59:23 AM), 'Transaction Type' (Allocation of Direct Costs, highlighted with a blue box), 'Entity' (MRB Engineering and Contracting), and a checkbox for 'Use New Income & Expenses Reallocation Schema' which is checked. There is also a 'Comment' field at the bottom.

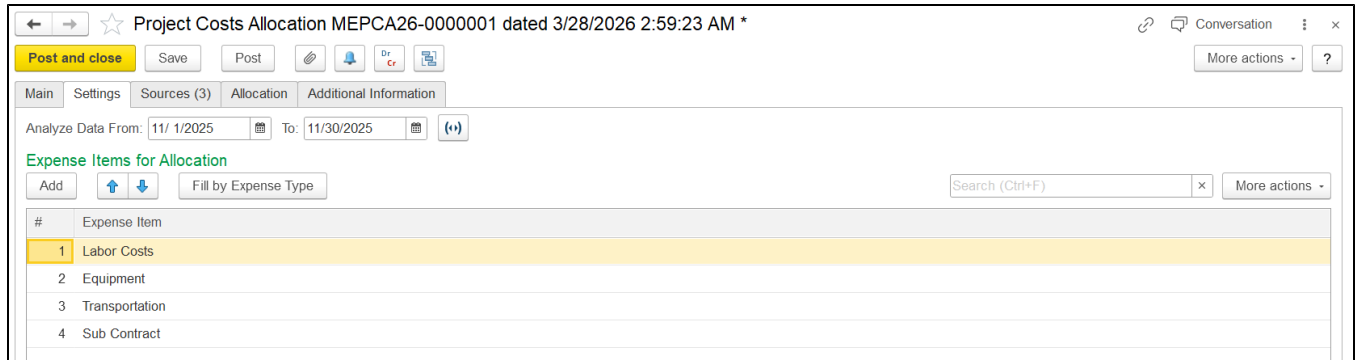
The **"Use New Income & Expenses Reallocation Schema"** option refers to an updated internal method (schema) used by the system to manage cost allocation logic.

Note: This is a system-controlled setting and is not amendable by users.

Settings Tab

This tab defines how direct costs are allocated to projects.

- **Analyze data from** - Select the time period when the expense occurred.



Project Costs Allocation MEPCA26-0000001 dated 3/28/2026 2:59:23 AM

Post and close Save Post Dr Cr

Main Settings Sources (3) Allocation Additional Information

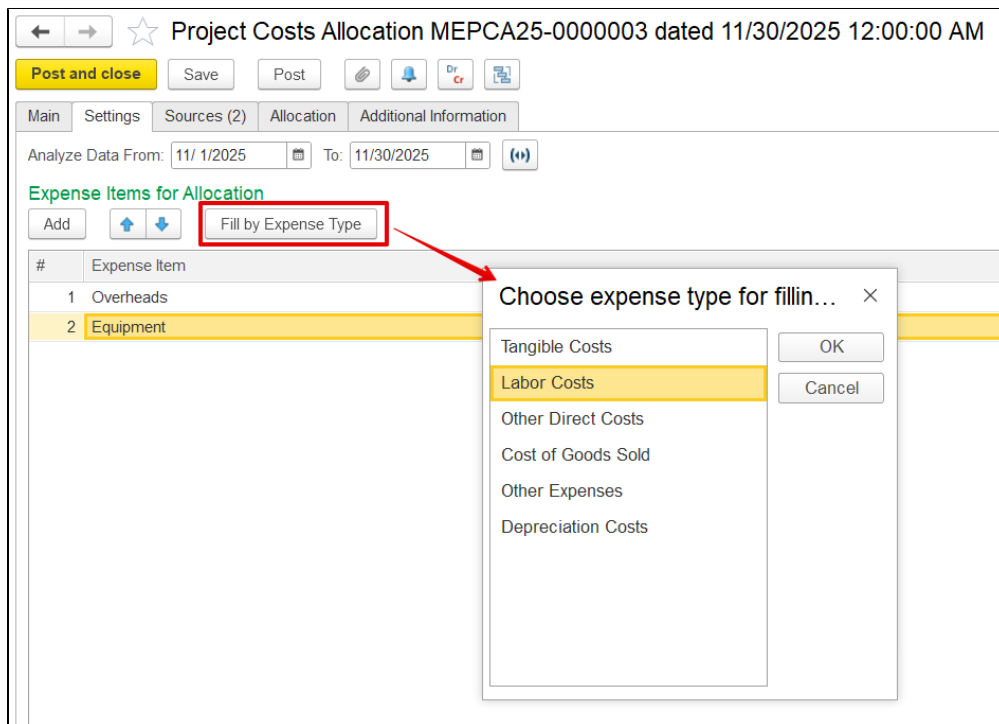
Analyze Data From: 11/ 1/2025 To: 11/30/2025

Expense Items for Allocation

Add Fill by Expense Type Search (Ctrl+F) More actions

#	Expense Item
1	Labor Costs
2	Equipment
3	Transportation
4	Sub Contract

- **Expense Item for allocation** - Specify the expense type for allocation.
- **Add** - It is used to add the expense item manually from all existing expense items.
- **Fill by Expense Type** - This option lets users select an expense type and automatically populate the list of relevant expenses for allocation based on the chosen category.



Project Costs Allocation MEPCA25-0000003 dated 11/30/2025 12:00:00 AM

Post and close Save Post Dr Cr

Main Settings Sources (2) Allocation Additional Information

Analyze Data From: 11/ 1/2025 To: 11/30/2025

Expense Items for Allocation

Add Fill by Expense Type

Choose expense type for fillin... X

- Tangible Costs
- Labor Costs
- Other Direct Costs
- Cost of Goods Sold
- Other Expenses
- Depreciation Costs

OK Cancel

#	Expense Item
1	Overheads
2	Equipment

Source Tab

This tab shows all expenses available for allocation, using the configurations from the *Settings* tab. Click the **Fill** button to populate the data based on those settings.

- **Allocate** - Checkbox to include this row in allocation. Only checked rows will be distributed to projects.
- **Resource** - The type of resources, such as Employee or Fixed asset.
- **Cost Item** - The type of cost recorded
- **Expense Item** - Expense type
- **Business Activity / Department** - business activity or department of the sources added.

- **Unassigned Amount** - The portion of the expense that has **not yet been allocated** to any project.
- **Unassigned Amount (National Currency)** - Same as above, shown in the local currency.

Project Costs Allocation MEPCA25-0000003 dated 11/30/2025 12:00:00 AM *

Post and close Save Post More actions ?

Main Settings Sources (2) Allocation (2) Additional Information

Click the Fill button to populate the table with the data according to the settings on the Settings tab. The columns contain the following data:

- Total Amount (By Accounting Data): the total expense amount.
- Assigned Amount (Project Costs): the sum of expense amounts assigned to projects.
- Unassigned Amount: the sum of amounts not assigned to any particular project.

Select the rows for allocating to projects. On the Allocation tab, click Allocate. Check the resulting data and correct if needed.

Fill Search (Ctrl+F) More actions

#	Allocate	Resource	Cost Item	Expense Item	Business Activity	Department	Unassigned Amount	Unassigned Amount (National Currency)
1	<input checked="" type="checkbox"/>	Danish	Labor	Overheads	Main Activity	Main Department	3,500.00, ل.د.	3,500.00, ل.د.
2	<input checked="" type="checkbox"/>	Generator	Concrete mixer	Equipment	Main Activity	Main Department	4,500.00, ل.د.	4,500.00, ل.د.
							8,000.00	8,000.00

Allocation Tab

The **Allocation** tab is used to assign direct costs to projects. It is divided into two sections:

- **Upper pane** - Displays the selected allocation sources
- **Lower pane** - Shows the resulting allocations

Click **Fill and Allocate** in the upper pane to copy the selected allocation sources from the *Sources* tab and perform the allocation based on the configurations defined in the *Settings* tab. Users can also manually add or remove sources by unticking the *Allocate* option in the *Sources* tab, and the allocation results in the lower pane can be adjusted as needed.

By default, the *Factor* column reflects the values defined in the *Settings* tab, representing how costs are distributed across projects as a percentage.

To allocate only part of a source cost to projects, add a new row and select a project. If the cost should not be linked to any project, choose **<Not Related to Projects>** in the *Project* column. Then assign the appropriate factor:

- Adjusting the **factor** will automatically recalculate the allocated amounts
- Modifying the **allocated amounts** will automatically update the factors

The application ensures that the total allocated amount always equals the original expense amount.

Project Costs Allocation MEPCA25-0000003 dated 11/30/2025 12:00:00 AM *

Post and close Save Post More actions ?

Main Settings Sources (2) Allocation (2) Additional Information

Allocation Sources

Fill and Allocate Allocate by Time Card Search (Ctrl+F) More actions

#	Resource	Cost Item	Expense Item	Business Activity	Department	Amount	Amount (National Currency)
1	Danish	Labor	Overheads	Main Activity	Main Department	3,500.00, ل.د.	3,500.00, ل.د.
2	Generator	Concrete mixer	Equipment	Main Activity	Main Department	4,500.00, ل.د.	4,500.00, ل.د.

Allocation Results

Add Search (Ctrl+F) More actions

#	Project	Project Task	Project WBS	Resource	Cost Element	Factor	Amount	Amount (National Currency)	Remaining Budget Amount		
									Project	Project Task	Project WBS
1	Villa #351 - Dubai South		Villa #351 - Dubai South	Danish	Labor	100.000	3,500.00, ل.د.	3,500.00, ل.د.	271,124.50		
2	KPK International - Warehouse U...			Generator	Concrete mixer	100.000	4,500.00, ل.د.	4,500.00, ل.د.	21,470.00		

Show Allocation Result Only for the Selected Row:

Update Budget

Click the **Allocate by Time Card** button to automatically distribute costs based on the **time cards of employees and fixed assets**. For each employee or fixed asset assigned to projects in *Active* or *Proposed* status, the associated costs are automatically allocated to the relevant projects listed in the **Allocation Results** table.

If an employee or fixed asset is **not assigned to any project**, **<Not Related to Projects>** appears in the *Project* column, indicating that the costs are not allocated to projects.

Project Costs Allocation MEPCA25-0000003 dated 11/30/2025 12:00:00 AM *

Post and close Save Post More actions ?

Main Settings Sources (2) Allocation (2) Additional Information

Allocation Sources

Fill and Allocate Allocate by Time Card Search (Ctrl+F) More actions

#	Resource	Cost Item	Expense Item	Business Activity	Department	Amount	Amount (National Currency)
1	Danish	Labor	Overheads	Main Activity	Main Department	3,500.00, ل.د.	3,500.00, ل.د.
2	Generator	Concrete mixer	Equipment	Main Activity	Main Department	4,500.00, ل.د.	4,500.00, ل.د.

Allocation Results

Add Search (Ctrl+F) More actions

#	Project	Project Task	Project WBS	Resource	Cost Element	Factor	Amount	Amount (National Currency)	Remaining Budget Amount		
									Project	Project Task	Project WBS
1	Villa #351 - Dubai South	Concrete ...	Villa #351 - Dubai Sou...	Danish	Labor	8.000	3,500.00, ل.د.	3,500.00, ل.د.	271,124.50	24,939.00	
2	<Not related to projects>			Generator	Concrete mixer	24.000	4,500.00, ل.د.	4,500.00, ل.د.	Not Applicable	Not Applicable	

Show Allocation Result Only for the Selected Row:

Update Budget

Additional Information tab

This tab is used to add extra information for the document. No fields are mandatory.

- **Department** - Choose the department for the project costs.
- **Responsible** - Shows the employee in charge of this document.

← → ☆ **Project Costs Allocation MEPCA25-0000003 dated 11/30/2025 12:00:00 AM ***

Post and close Save Post

Main Settings Sources (2) Allocation (2) Additional Information

Department: ▼ 📄

Responsible: ▼ 📄