

# 3.2.3. Project Cost Allocation

The **Project Cost Allocations** document is used to distribute expenses incurred by an entity across multiple projects. It allows an entity to allocate shared or unassigned costs between projects based on defined proportions.

This document includes different transaction types designed to support various expenses to be allocated between projects

- **Indirect Cost Allocation** - Used to allocate overhead or shared costs (e.g., utilities, administration) to selected projects.
- **Labor Cost Allocation** - Used to allocate payroll or labor-related expenses across projects.
- **Depreciation Cost Allocation** - Used to distribute depreciation expenses of assets across projects benefiting from those assets.
- **Direct Cost Allocation** - Used when expenses are recorded directly with a cost element but still need to be distributed between multiple projects.

The screenshot shows the 'Project Costs Allocation (create)' form. At the top, there are navigation arrows and a star icon. Below that are buttons for 'Post and close', 'Save', 'Post', and several utility icons. The form has tabs for 'Main', 'Settings', 'Sources', 'Allocation', and 'Additional Information'. The 'Main' tab is active. Fields include 'Number' (set to '<Auto>'), 'From' (set to '4/10/2026 12:00:00 AM'), and 'Transaction Type' (set to 'Allocation of Indirect Costs'). A dropdown menu is open for 'Transaction Type', listing four options: 'Allocation of Indirect Costs', 'Allocation of Labor Costs', 'Allocation of Depreciation Costs', and 'Allocation of Direct Costs'. The 'Entity' field is empty. There is a checked checkbox for 'Use New Incon' and a 'Comment' text area at the bottom.