
HousingBrixx Top Tips Tutorial

November 2018 – Cost Allocation & Apportionment

Author: Achie Gyedu
Version: v1.1
Created on: 19/11/2018

Contents

Introduction 2

Apportioning Management Costs between entities 2

Validating the output of the reallocated amounts 6

Good to know..... 6



Introduction

The HousingBrixx Top Tips publications address some of the frequently asked support questions and aim to give you some additional insight into the HousingBrixx system. The fundamental purpose of the newsletter is to provide a quick guide and an overview of the chosen support topic. It is not intended as replacement for training or the HousingBrixx User Manuals.

This edition provides user guidance on how to utilise the Cost Apportionment object efficiently to move cost between entities. The object is used to allocate the different management cost types (Management, Employees and Depreciation) between subsidiaries, or from the group level to subsidiaries and vice versa.

Apportioning Management Costs between entities

The Cost Apportionment object has 10 memo accounts that can be used to allocate management costs to different entities within your plan. Any of the three management cost types can be transferred into any of the 10 distinct memo accounts, and subsequently transferred out and recharged to another entity within your plan.

To move the employee and management costs out of Subsidiary A and recharged to Subsidiary B as per this illustration:

- You will need two Cost Apportionment objects in each subsidiary; one to move the employee cost and the other to move the management cost

<input checked="" type="checkbox"/>	>	Growth Rates - Inflation	01 April 2018	10 years
<input checked="" type="checkbox"/>	▼	Parent	01 April 2018	10 years
<input checked="" type="checkbox"/>	▼	Sub A	01 April 2018	10 years
<input checked="" type="checkbox"/>	▼	Sheltered Housing	01 April 2018	10 years
<input checked="" type="checkbox"/>		Opening Units - Sheltered Housing	01 April 2018	10 years
<input checked="" type="checkbox"/>		Rental Income- Sheltered Housing	01 April 2018	10 years
<input checked="" type="checkbox"/>		Sub A Management Costs	01 April 2018	10 years
<input checked="" type="checkbox"/>		Sub A Management Costs - Employees	01 April 2018	10 years
<input checked="" type="checkbox"/>		Sub A Management Cost Apportionment	01 April 2018	10 years
<input checked="" type="checkbox"/>		Sub A Management Cost - Employees Apportionment	01 April 2018	10 years
<input checked="" type="checkbox"/>	▼	Sub B	01 April 2018	10 years
<input checked="" type="checkbox"/>	▼	Affordable Housing	01 April 2018	10 years
<input checked="" type="checkbox"/>		Opening Units - Affordable Housing	01 April 2018	10 years
<input checked="" type="checkbox"/>		Rental Income - Affordable	01 April 2018	10 years
<input checked="" type="checkbox"/>		Sub B Management Costs	01 April 2018	10 years
<input checked="" type="checkbox"/>		Sub B Management Costs - Employees	01 April 2018	10 years
<input checked="" type="checkbox"/>		Apportioned Sub A Management Cost	01 April 2018	10 years
<input checked="" type="checkbox"/>		Apportioned Sub A Management Cost - Employees	01 April 2018	10 years

- Set the “Cost Apportionment” in both objects in Sub A to option “a) Cost to apportion”; and objects in Sub B where the costs will be recharged to “b) Apportioned costs”



Name	Start Date	Duration
Parent	01 April 2018	10 years
Sub A	01 April 2018	10 years
Sheltered Housing	01 April 2018	10 years
Opening Units - Sheltered Housing	01 April 2018	10 years
Rental Income- Sheltered Housing	01 April 2018	10 years
Sub A Management Costs	01 April 2018	10 years
Sub A Management Costs - Employees	01 April 2018	10 years
Sub A Management Cost Apportionment	01 April 2018	10 years
Sub A Management Cost - Employees Apportionment	01 April 2018	10 years
Sub B	01 April 2018	10 years
Affordable Housing	01 April 2018	10 years
Opening Units - Affordable Housing	01 April 2018	10 years
Rental Income - Affordable	01 April 2018	10 years
Sub B Management Costs	01 April 2018	10 years
Sub B Management Costs - Employees	01 April 2018	10 years
Apportioned Sub A Management Cost	01 April 2018	10 years
Apportioned Sub A Management Cost - Employees	01 April 2018	10 years

Properties					
Data					
Years	Objects	Properties			
Year 1: Mar 2019	Year 2: Mar 2020	Year 3: Mar 2021	Year 4: Mar 2022	Year 5: Mar 2023	
Sub A Management Cost Apportionment					
Cost Apportionment	a) Costs to apportion				
Memo Number	a) 1				
Percent Of Management Costs To Apportion	0.00%	0.00%	60.00%	0.00%	
Percent Of Employee Costs To Apportion	0.00%	0.00%	0.00%	0.00%	
Percent Of Depreciation Costs To Apportion	0.00%	0.00%	0.00%	0.00%	
Sub A Management Cost - Employees Apportionment					
Cost Apportionment	a) Costs to apportion				
Memo Number	b) 2				
Percent Of Management Costs To Apportion	0.00%	0.00%	0.00%	0.00%	
Percent Of Employee Costs To Apportion	0.00%	50.00%	0.00%	0.00%	
Percent Of Depreciation Costs To Apportion	0.00%	0.00%	0.00%	0.00%	
Apportioned Sub A Management Cost					
Cost Apportionment	b) Apportioned costs				
Memo Number	a) 1				
Cost Amount	a) % of cost				
Percent Of Management Costs To Allocate	0.00%	0.00%	100.00%	0.00%	
Percent Of Employee Costs To Allocate	0.00%	0.00%	0.00%	0.00%	
Percent Of Depreciation Costs To Allocate	0.00%	0.00%	0.00%	0.00%	
Apportioned Sub A Management Cost - Employees					
Cost Apportionment	b) Apportioned costs				
Memo Number	b) 2				
Cost Amount	a) % of cost				
Percent Of Management Costs To Allocate	0.00%	0.00%	0.00%	0.00%	
Percent Of Employee Costs To Allocate	0.00%	100.00%	0.00%	0.00%	
Percent Of Depreciation Costs To Allocate	0.00%	0.00%	0.00%	0.00%	

- The objects can be profiled to reflect when the allocation and recharge take place, and what percentage of the Management Costs is reallocated. For illustration purpose, we have assumed that 60% of the management cost (£2000) and 50% of the employee cost (£4000) are moved out of Sub A to Sub B in Years 3 and 2 respectively. Also, the management cost is moved into Memo 1 and the employee cost moved into Memo 2 to be recharged to Sub B



<input checked="" type="checkbox"/>	Sub A	01 April 2018	10 years
<input checked="" type="checkbox"/>	Sheltered Housing	01 April 2018	10 years
<input checked="" type="checkbox"/>	Opening Units - Sheltered Housing	01 April 2018	10 years
<input checked="" type="checkbox"/>	Rental Income - Sheltered Housing	01 April 2018	10 years
<input checked="" type="checkbox"/>	Sub A Management Costs	01 April 2018	10 years
<input checked="" type="checkbox"/>	Sub A Management Costs - Employees	01 April 2018	10 years
<input checked="" type="checkbox"/>	Sub A Management Cost Apportionment	01 April 2018	10 years
<input checked="" type="checkbox"/>	Sub A Management Cost - Employees Apportionment	01 April 2018	10 years
<input checked="" type="checkbox"/>	Sub B	01 April 2018	10 years
<input checked="" type="checkbox"/>	Affordable Housing	01 April 2018	10 years
<input checked="" type="checkbox"/>	Opening Units - Affordable Housing	01 April 2018	10 years
<input checked="" type="checkbox"/>	Rental Income - Affordable	01 April 2018	10 years
<input checked="" type="checkbox"/>	Sub B Management Costs	01 April 2018	10 years
<input checked="" type="checkbox"/>	Sub B Management Costs - Employees	01 April 2018	10 years
<input checked="" type="checkbox"/>	Apportioned Sub A Management Cost	01 April 2018	10 years
<input checked="" type="checkbox"/>	Apportioned Sub A Management Cost - Employees	01 April 2018	10 years

Properties					
Data					
General					
Frequency/Periods					
Help					
Years					
Objects					
Properties					
	Year 1: Mar 2019	Year 2: Mar 2020	Year 3: Mar 2021	Year 4: Mar 2022	Year 5: Mar 2023
Sub A Management Cost Apportionment					
Cost Apportionment	a) Costs to apportion				
Memo Number	a) 1				
Percent Of Management Costs To Apportion	0.00%	0.00%	60.00%	0.00%	0.00%
Percent Of Employee Costs To Apportion	0.00%	0.00%	0.00%	0.00%	0.00%
Percent Of Depreciation Costs To Apportion	0.00%	0.00%	0.00%	0.00%	0.00%
Sub A Management Cost - Employees Apportionment					
Cost Apportionment	a) Costs to apportion				
Memo Number	b) 2				
Percent Of Management Costs To Apportion	0.00%	0.00%	0.00%	0.00%	0.00%
Percent Of Employee Costs To Apportion	0.00%	50.00%	0.00%	0.00%	0.00%
Percent Of Depreciation Costs To Apportion	0.00%	0.00%	0.00%	0.00%	0.00%
Apportioned Sub A Management Cost					
Cost Apportionment	b) Apportioned costs				
Memo Number	a) 1				
Cost Amount	a) % of cost				
Percent Of Management Costs To Allocate	0.00%	0.00%	100.00%	0.00%	0.00%
Percent Of Employee Costs To Allocate	0.00%	0.00%	0.00%	0.00%	0.00%
Percent Of Depreciation Costs To Allocate	0.00%	0.00%	0.00%	0.00%	0.00%
Apportioned Sub A Management Cost - Employees					
Cost Apportionment	b) Apportioned costs				
Memo Number	b) 2				

- The apportioned costs are then moved out of Memos 1 and 2 and recharged to Sub B. Note that, we are moving the entire 60% (£1200) and 50% (£2000) of the management and employee costs out of the two memo accounts to Sub B. Therefore, the recharge cost percentages in Years 3 and 2 for both allocation objects in Sub B should be a 100



HousingBrixx Top Tips Tutorial – November 2018 – Cost Allocation & Apportionment

Plan

Name	Start Date	Duration
Parent	01 April 2018	10 years
Sub A	01 April 2018	10 years
Sheltered Housing	01 April 2018	10 years
Opening Units - Sheltered Housing	01 April 2018	10 years
Rental Income - Sheltered Housing	01 April 2018	10 years
Sub A Management Costs	01 April 2018	10 years
Sub A Management Costs - Employees	01 April 2018	10 years
Sub A Management Cost Apportionment	01 April 2018	10 years
Sub A Management Cost - Employees Apportionment	01 April 2018	10 years
Sub B	01 April 2018	10 years
Affordable Housing	01 April 2018	10 years
Opening Units - Affordable Housing	01 April 2018	10 years
Rental Income - Affordable	01 April 2018	10 years
Sub B Management Costs	01 April 2018	10 years
Sub B Management Costs - Employees	01 April 2018	10 years
Apportioned Sub A Management Cost	01 April 2018	10 years
Apportioned Sub A Management Cost - Employees	01 April 2018	10 years

Properties

Data: General Frequency/Periods Help

Years: [Dropdown] Objects: [Checked] Properties: [Dropdown]

	Year 1: Mar 2019	Year 2: Mar 2020	Year 3: Mar 2021	Year 4: Mar 2022	Year 5: Mar 2023
Sub A Management Cost Apportionment					
Cost Apportionment	a) Costs to apportion				
Memo Number	a) 1				
Percent Of Management Costs To Apportion	0.00%	0.00%	60.00%	0.00%	0.00%
Percent Of Employee Costs To Apportion	0.00%	0.00%	0.00%	0.00%	0.00%
Percent Of Depreciation Costs To Apportion	0.00%	0.00%	0.00%	0.00%	0.00%
Sub A Management Cost - Employees Apportionment					
Cost Apportionment	a) Costs to apportion				
Memo Number	b) 2				
Percent Of Management Costs To Apportion	0.00%	0.00%	0.00%	0.00%	0.00%
Percent Of Employee Costs To Apportion	0.00%	50.00%	0.00%	0.00%	0.00%
Percent Of Depreciation Costs To Apportion	0.00%	0.00%	0.00%	0.00%	0.00%
Apportioned Sub A Management Cost					
Cost Apportionment	b) Apportioned costs				
Memo Number	a) 1				
Cost Amount	a) % of cost				
Percent Of Management Costs To Allocate	0.00%	0.00%	100.00%	0.00%	0.00%
Percent Of Employee Costs To Allocate	0.00%	0.00%	0.00%	0.00%	0.00%
Percent Of Depreciation Costs To Allocate	0.00%	0.00%	0.00%	0.00%	0.00%
Apportioned Sub A Management Cost - Employees					
Cost Apportionment	b) Apportioned costs				
Memo Number	b) 2				
Cost Amount	a) % of cost				
Percent Of Management Costs To Allocate	0.00%	0.00%	0.00%	0.00%	0.00%
Percent Of Employee Costs To Allocate	0.00%	100.00%	0.00%	0.00%	0.00%
Percent Of Depreciation Costs To Allocate	0.00%	0.00%	0.00%	0.00%	0.00%



Validating the output of the reallocated amounts

- If you drill down on objects and then by accounts on the Statement Of Comprehensive Income, we can see the allocated management and employees costs being moved out of Sub A and recharged to Sub B in Years 3 (2021) and 2 (2020) respectively. If we have set the inflation amounts over the duration of our plan, we should expect the values in both years to be slightly higher than their otherwise uninflated respective percentages

Report			
Detailed Consolidated Statement of Comprehensive Income Manage			
Period: 01 April 2018 - 31 March 2028	2019	2020	2021
OPERATING EXPENDITURE			
Operating Costs Social Housing			
Management Costs Total			
Management Costs			
Parent			
Management Costs	(3.0)	(3.1)	(3.2)
Apportioned Costs			
Apportioned Costs Employees		(2.1)	
Apportioned Costs Management			(1.3)
Apportioned Costs Depreciation			
Apportioned Costs Total		(2.1)	(1.3)
Allocated Costs			
Allocated Costs Employees		2.1	
Allocated Costs Management			1.3
Allocated Costs Depreciation			
Allocated Costs Total		2.1	1.3
Salaries Pension NI	(5.5)	(5.7)	(5.8)
Parent Total	(8.5)	(8.8)	(9.0)
Service Costs			
Care And Support Costs			
Routine Maintenance			
Planned Maintenance			
Major Repairs			
Bad Debts			
Lease Charges			
Depreciation of Housing Properties			
Impairment Of Housing Properties			
Other Costs			
Operating Costs Social Housing	(8.5)	(8.8)	(9.0)

Good to know...

When was the last time you had a plan review? We recommend that HousingBrixx users have a plan review every two years to ensure smooth operation of the model and that you are using the most up to date objects available, in the best way. More information is available [here](#) and contact your Castleton Account Manager or [HousingBrixx](#) directly for available dates.

