



Allocations vs Distribution Codes in MIP Fund Accounting

Last Checklist Review Date: _____

Use this sheet to decide which tool—Allocations or Distribution Codes—best fits each expense or revenue stream, record who owns the setup, and track follow-up actions. Revisit quarterly or whenever your funding mix changes.

1 | Define the Transaction

- ☐ *Is this a recurring transaction with the **same fixed split** every time?*
→ *Distribution Codes likely fit best.*
- ☐ *Does the split **vary by usage, grant, or program** period-to-period?*
→ *Allocations may be required.*
- ☐ *Will regulators or grantors need to **see the cost-sharing method**?*
→ *Allocations offer stronger audit documentation.*

Responsible Owner: _____

2 | Assess Flexibility Needs

- ☐ *We need the ability to **change percentages easily** without editing every transaction.*
→ *Favor Allocations (central rule refresh).*
- ☐ *A **fixed structure is acceptable** as long as it's quick to enter.*
→ *Favor Distribution Codes.*

Responsible Owner: _____



3 | Evaluate Complexity & Oversight

- ☐ Multiple programs or grants share one expense (rent, utilities, admin salaries).
- ☐ Statistical drivers (sq ft, headcount, usage logs) determine the split.
- ☐ Grant compliance requires periodic true-ups.

If you checked any box above → **Allocations** recommended.

Responsible Owner: _____

4 | Consider Data-Entry Efficiency

- ☐ High transaction volume with identical splits (monthly phone bill, software fees).
- ☐ Need to **minimize keystrokes** at point of entry.

If you checked any box above → **Distribution Codes** recommended.

Responsible Owner: _____

5 | Implementation Checklist

For Allocations

- ☐ Select allocation method (Fixed %, Statistical, Direct Cost).
- ☐ Build or update allocation tables in MIP.
- ☐ Schedule periodic reviews to confirm percentages/metrics.
- ☐ Document rules for auditors.

Responsible Owner(s): _____

For Distribution Codes

- ☐ Define fixed percentages and associated accounts.
- ☐ Attach code to relevant vendors or recurring JE templates.
- ☐ Train AP staff on when to use each code.
- ☐ Review codes annually for relevance.

Responsible Owner(s): _____



6 | Control & Review

- ☐ Dual approval in place for any new or modified allocation/distribution setup.
- ☐ Monthly report reviews verify totals and spot variance from expectations.
- ☐ Finance team can explain methodology to auditors and grantors.

Responsible Owner: _____

Quick Decision Matrix

<i>If you need...</i>	<i>Choose...</i>	<i>Why</i>
<i>Automated multi-program cost sharing & grant compliance</i>	<i>Allocations</i>	<i>Customizable, supports statistical drivers</i>
<i>Fast, consistent coding for recurring fixed-split bills</i>	<i>Distribution Codes</i>	<i>Simple to set up, speeds data entry</i>

*(Note: Use both features together when you have both complex shared costs **and** high-volume fixed bills.)*