

Budgeting and Cost Allocation Process

Date: [Insert Date]

To: [Recipient's Name]

From: [Your Name]

Subject: Budgeting and Cost Allocation Process

Dear [Recipient's Name],

I hope this message finds you well. As we approach the new fiscal year, it is essential to outline our budgeting and cost allocation process to ensure transparency and efficiency in resource management.

1. Budgeting Overview

The budgeting process will commence on [Start Date] and conclude by [End Date]. Each department is required to submit their budget proposals by [Proposal Due Date].

2. Cost Allocation Methodology

For this fiscal year, we will implement the following cost allocation strategies:

- Direct Allocation: Costs that can be directly attributed to a specific department.
- Indirect Allocation: General overhead costs distributed across departments based on usage metrics.
- Activity-Based Costing: Allocating costs based on activities that drive expenses.

3. Review and Approval Process

The Finance Committee will review all proposals by [Review Date], and feedback will be provided to departments by [Feedback Date]. Final approvals will be communicated by [Approval Date].

Thank you for your attention to this important process. Should you have any questions, please feel free to reach out.

Best regards,

[Your Name]

[Your Position]

[Your Contact Information]