BOARD POLICY - SECTION NUMBER: 03.02.02.10

SUBJECT: RECOVERY OF INDIRECT COSTS

EFFECTIVE DATE: July 8, 1998

SUPERSEDES: NEW

Purpose: The purpose of this policy is to establish how indirect cost charges are assessed to recover a portion of the General Fund costs for central service departments from other funding sources.

Policy: It is the policy of the BOCC that for the calculation of the value of indirect services provided to a department (exclusive of any grant-funded programs), the County use the most current, “full-cost” cost allocation plan.¹

1. Enterprise operations - Each County enterprise operating shall reimburse the General Fund for the Calculated Value of indirect services provided to the enterprise. These costs should be incorporated into service charges levied by the enterprise. The amount actually charged should be based on the amount derived during the budget process.

2. Internal service operations - Each County internal service operation shall reimburse the General Fund for the calculated value of indirect services provided to the internal service department. These costs should be incorporated into service charges levied by the internal service fund.

3. Building Division - The Building Division of the Planning and Growth Management Department shall reimburse the General Fund for the calculated value of indirect services provided to the Building Division. These costs should be incorporated into permit and licensing fees levied by the Division.

4. Special Library District - The Library Services Department, which is funded through the Special Library District, shall reimburse the General Fund for the calculated value of indirect services provided to the Library Services Department. These costs should be incorporated into the annual budget, and should be covered by the millage levied for the Special Library District Fund.

5. Other Funds - As appropriate, other operating funds such as the General Purpose MSTU Fund and the Transportation Trust Fund will reimburse the General Fund for the calculated value of indirect services provided to departments funded from those funds. The Management and Budget Department should determine where such charges are appropriate. These costs should be incorporated into the annual budget, and should be covered by the revenues available to those funds.

¹Equipment use allowances and building use allowances shall not be used in the calculation of indirect costs unless general revenues are used to purchase equipment for the affected department, and/or general revenues pay for the space occupied by the department (through debt service or rent).
Responsibility: It is the responsibility of the Management and Budget Department, under the direction of the County Administrator, to implement this policy.

Approved by: Board of County Commissioners

Approval Date: July 8, 1998