



CITY OF SACRAMENTO

DEPARTMENT OF FINANCE

1

ACCOUNTING DIVISION

January 28, 1985

Phil E. Ezell
Accounting Officer

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: 1985-86 INDIRECT COST ALLOCATION PLAN

CITY MANAGER'S OFFICE
RECEIVED
JAN 28 1985

SUMMARY

The Indirect Cost Allocation Plan for the City of Sacramento has been completed for the 1985-86 fiscal year. The plan includes accumulated Central Support cost which have been allocated to the various operating units of the City. The plan provides rates for recovery of indirect cost, as well as amounts to be recovered from various City operated enterprise funds for services provided by Support departments. Because of the size of the document, only Exhibits A and B are included with this report. Copies are available for review as necessary.

RECOMMENDATION

It is recommended that the Budget and Finance Committee review and approve the attached report and forward to City Council for approval and resolution adoption.

Respectfully submitted,

Phil E. Ezell
Accounting Officer

RECOMMENDATION APPROVED:

Solon Wisham, Jr.
Assistant City Manager

PEE:wdm

Attachments



CITY OF SACRAMENTO

DEPARTMENT OF FINANCE

ACCOUNTING DIVISION

February 5, 1985

Phil E. Ezell
Accounting Officer

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: 1985-86 INDIRECT COST ALLOCATION PLAN

SUMMARY

The Indirect Cost Allocation Plan for the City of Sacramento has been completed for the 1985-86 fiscal year. The plan includes accumulated Central Support cost which have been allocated to the various operating units of the City. The plan provides rates for recovery of indirect cost, as well as amounts to be recovered from various City operated enterprise funds for services provided by Support departments. Because of the size of the document, only Exhibits A and B are included with this report. Copies are available for review as necessary.

BACKGROUND

Since fiscal year 1978-79, the City of Sacramento has maintained an annual cost allocation plan developed on a basis consistent with Federal guidelines. The plan data for fiscal year 1985-86 has been compiled by the firm of David M. Griffith and Associates, Ltd. As in prior years, two plans have been compiled. One (Plan A) being the full cost allocation which maximizes allocation and permits full recovery for all Central Support activities; and a second version (Plan B) which follows stricter Federal guidelines and is used for indirect cost recovery from various state and federal grant sources.

The plan developed for 1985-86 has been completed using the same methodology as in past years and incorporates all organizational changes effective for fiscal year 1984-85.

ANALYSIS

Adoption of cost allocation plans by Cities has become a common practice over the past several years. Properly developed and administered plans provide for maximum recovery of direct as well as associated indirect cost from various state and federal grant programs; enables City staff to develop

accurate user fees and charges where applicable and provides for reasonable recovery of Central Support cost from City operated enterprise funds. Although, no plan can be considered a perfect allocation, the method and data used in the development of the City's current plan provides for equitable allocations and recovery. The plan and methods of allocations have been discussed with department personnel, where applicable.

Additionally, if the amounts allocated have created an excessive burden or unfair charge to an enterprise activity, the calculated amount has been adjusted as necessary to ease the burden and allow the department manager time to plan for the increments in cost to the activity through rate structuring.

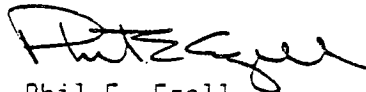
FINANCIAL

Adoption of the cost plan for 1985-86 will result in appropriate recovery of indirect cost from various grants and will provide for approximately \$4,900,000 in recoveries from City operated enterprise funds. Exhibit B represents the indirect rates to be used by the various city departments when preparing billings for non-grant purposes. The rates to be used for grant recovery will be made available in the near future.

RECOMMENDATION

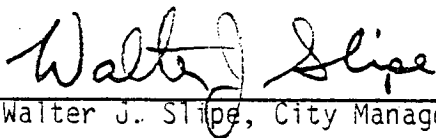
It is requested that the Council adopt the Indirect Cost Allocation Plans (A and B) as prepared by David M. Griffith and Associates and the proposed 1985-86 indirect rates (Exhibit B).

Respectfully submitted,



Phil E. Ezell
Accounting Officer

Recommendation Approved:



Walter J. Slipe, City Manager

PEE:wdm

Attachment

February 19, 1985
All Districts

CITY OF SACRAMENTO
FUND RECOVERY DETAIL
FISCAL YEAR 1985-86

EXHIBIT A

	Workers					Sewer	Waste Removal	Community Center	Camp Sacramento	Boat Harbor	Convention Golf	Convention Bureau	MT. Valley		Total	
	Comp	Risk Mgt.	Fleet Mgt.	Parking	Water								EADA	Library		SMA
Mayor/Council	\$944	\$18,833	\$14,114	\$7,969	\$14,777	\$13,387	\$22,162	\$7,969	\$394	\$525	\$2,621				\$193,697	
Manager	1,079	21,545	16,144	9,121	16,908	15,303	25,359	9,045	650	600	3,800				118,954	
Attorney	26,437	76,062	2,452	20,212	40,526	10,107	28,795	4,208	1,835	4,288	7,044				222,046	
Clerk		74,295						1,174							75,469	
Treasurer	951	19,050	14,260	8,056	20,751	20,006	22,409	7,154	401	538	2,652				116,299	
Finance Admin	3,283	65,339	48,944	27,654	51,261	46,416	76,891	24,553	1,380	1,833	9,104				356,650	
Revenue Admin															0	
Revenue - Cashiering		62	374	4,292	195	179	97	304					670	14	6,175	
Revenue - Property															0	
Revenue - Enforce. & Collect.															0	
Revenue - Bonds															0	
Revenue - Public Service					268,948	624,191	465,868								1,359,007	
Acct Admin															0	
Acct - Fin. Reporting	1,436	29,501	21,320	12,056	22,365	20,255	33,518	10,701	697	808	3,965	1,989	8,779	800	167,108	
Acct - Budget Control	752	14,936	11,172	6,316	11,722	10,616	17,580	5,607	319	425	2,078	1,030	4,601	425	87,579	
Acct - Disbursements	1,485	5,193	9,749	7,233	17,600	14,265	26,004	8,479	1,573	2,447	4,444	10,079	64,202	7,313	180,066	
Acct - I/O Control															0	
Data Processing Admin															0	
Data Processing - Systems & Prog	9,355		11,873	21,408				180							42,816	
Data Processing - Operations	23,850		2,269				7,007								33,126	
Personnel Admin	68,856	82	2,239	2,043	3,637	2,976	7,361	1,485	364	196	1,066				90,307	
Personnel - Mgt Services	3,704			14,813	37,034	14,813	29,626	22,222							122,212	
Personnel - Emp Services	803	564	10,169	5,899	17,777	13,379	36,300	5,423	55	182	4,182				94,733	
Employee Relations	1,178	305	8,488	7,766	13,802	11,293	27,894	5,625	1,380	741	4,041				82,493	
General Services Admin		77,650	135,554	10,320	23,244	21,354									270,122	
Support Services Admin					2,333										2,333	
Support Svcs - Procurement	1,712	1,203	15,522	5,577	17,232	20,169	2,217	13,927	2,337	1,062	11,382				92,340	
Support Svcs - Central Stores	472	153	12,401	3,403	10,990	8,724	6,503	4,089	708	523	5,525		135		53,626	
Support Svcs - Telephone	857	4	698		1,800	1,752	2,038	117	1,635	179	978				19,050	
Support Svcs - Central Svcs	4,750	1,046	1,927		2,797	2,188	14,072	5,542	818	240	894				34,264	
Facility Maintenance Admin															0	
Facility Maintenance - Work Cont.															0	
Facility Maintenance - Utility	2,134		30,911	2,835	26,248	34,266	2,076	758	379	1,137	3,774				104,518	
Facility Maintenance - Electric				89,595											89,595	
Facility Maintenance - Resource Pl.															0	
Facility Maintenance - Structural															0	
Facility Maintenance - Mechanical	2,428		59,200		24,594	22,594		11,071	6,895	31,453	66,290				294,515	
Public Works Admin				107,639	167,146	151,400	250,407								678,592	
Public Works - Eng & Trans															0	
Planning & Development Admin															0	
Parks & Community Services Admin									16,813	18,936	94,411				130,160	
Recreation Admin									7,813	9,252					16,265	
Building Use Charge	911														911	
Equipment Use Charge	1,627	140	1,975												3,742	
Other Op Costs	3,515								-31,570						-28,055	
Total Allocated Costs	\$162,519	\$406,943	\$431,755	\$370,520	\$811,356	\$1,077,715	\$1,104,175	\$147,713	\$13,776	\$75,345	\$207,441	\$13,098	\$78,395	\$8,546	\$14	\$4,921,331

CITY OF SACRAMENTO
INDIRECT COSTS RATESEXHIBIT B

	Indirect Rates
Treasurer	.2575
Revenue Cashiering	.7249
Revenue Public Service	6.8056
Workers Compensation	.6066
Fleet Management	.2272
Risk Management	4.7118
Police	.2329
Fire	.1218
Parking Facilities	.2799
On-Street Parking	.1162
Street Maintenance	.3008
Engineering	.2055
Waste Removal	.3138
Water	.4311
Sewer	.5610
Animal Control	.2181
Planning	.5899
Building Inspections	.2022
Library	.2787
Community Center	.4238
Recreation	.2425
Camp Sacramento	.6294
Boat Harbor	.6447
Parks	.2018
Tree Services	.2051
Golf	.2591
Zoo	.1740
Crocker	.2810
Metro Arts	.2409
Museum	.4522

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

RESOLUTION ADOPTING THE REVISED INDIRECT COST ALLOCATION PLANS, ESTABLISHING RATES FOR THE 1985-86 YEAR, AND AUTHORIZING THE USE OF THESE PLANS IN DETERMINING APPROPRIATE MUNICIPAL COST RECOVERY

WHEREAS, Federal Management Circular 74-4 and the implementing instructions contained in the Guide OASC-10 published by the Department of Health and Human Services provide for reimbursement for eligible municipal support service costs incurred in connection with Federal grant programs; and

WHEREAS, in Resolution No. 78-175, the City Council directed staff to continuously monitor and recover all General Fund indirect costs associated with participation in various grant programs and/or municipal enterprise activities; and

WHEREAS, the City's "Indirect Cost Allocation Plans" compiled by David M. Griffith and Associates which establish proper General Fund cost recoveries for the 1985-86 year in compliance with appropriate guidelines.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. The Indirect Cost Allocation Plans "A" and "B" are hereby approved and adopted. The detailed rates and charges developed through this plan shall be used when calculating services costs provided to state/local governmental agencies, citizens, enterprise, and internal service funds for 1985-86, and shall constitute Interdepartmental Support Fund charges for the 1985-86 Budget.

MAYOR

ATTEST:

CITY CLERK