

F1.7 Administration Charges Policy



Regional Board Policy

Administration Charges Policy

Category: General	Policy Number: 2019-7-25	Replaces: 2016-10-14
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Office of Primary Responsibility: Finance Department		
Date Adopted: December 2003	Board Resolution Number: 03-12C-18(2)	Date to be Reviewed:
Manner Issued: CRD Policy Manual		

PURPOSE:

To maximize the direct allocation of overhead costs to all identifiable benefiting functions, with any residual costs being allocated to either the Administrative Services function or the Electoral Area Administration function in accordance with this policy.

POLICY:

Background

- The Regional District provides a wide variety of services and functions to its member municipalities, electoral areas and local service areas comprising all or parts of the various jurisdictions.
- The Board and administrative staff of the Regional District provide administration of the functions, in whole or in part.
- The Board has determined that administration costs must be allocated on a fair and equitable basis.
- Administration costs that can be directly attributed to a function/service, will be allocated to that function/service.
- Where administration costs cannot be directly attributed to a function/service, those costs will be apportioned to the Administrative Services and Electoral Area Administration functions in accordance with this policy.

Principles

- Fairness, in that functions should pay for the administration services they consume.
- Transparency, as it should be clear what administrative services a function pays and the amount for these services.
- Consistent and equitable application.
- Application of generally accepted accounting principles.
- Ease of administration.
- Easily understood by the Board, administration and service participants.

Allocation

- All clearly identifiable costs shall be charged directly to the function or capital project involved, including:
 - **Building Expenses, for the three administrative offices, excluding rent where applicable**, comprised of telephone, internet, hydro, gas, water, sewer, building maintenance, computer maintenance, equipment rental/repairs/ maintenance and janitorial costs, will be allocated to various functions on the basis of square footage as follows:

- Library Network	8%
- Planning	5%
- Building Inspection	5%
- Bylaw Enforcement	2%
- Environmental Services	8%
- Protective Services	2%
- Emergency Planning	15%
- Electoral Area Administration	27%
- Administrative Services	27%
 - **GIS Services**

- Administrative Services	7%
- Electoral Area Administration	11%
- Planning	18%
- 911	18%
- Emergency Planning	7%
- Building Insp. Central/South	10%
- Building Insp. North	10%
- Bylaw Enforcement	2%
- Rural Refuse	2%
- South Cariboo Solid Waste	1%
- Invasive Plant Mgt.	3%
- Utilities	12%
 - **Rent** for the 100 Mile House sub-office, will be allocated as follows:
 - Building Inspection – 35%
 - Bylaw Enforcement – 25%

- Planning – 10%
- Electoral Area Administration – 20%
- Administrative Services – 10%
- **Property Insurance** allocated to the function owner of the asset on an actual replacement value basis. Where the function owner is corporate administration, the costs shall be apportioned on a 50/50 basis between Administrative Services and Electoral Area Administration.
- **Liability Insurance** allocated to each function on the basis of total operating costs.
- **Furniture and Equipment** charged directly to the benefiting function. Where identifiable functions are not readily available, costs will be apportioned on a 50/50 basis between Administrative Services and Electoral Area Administration.
- **Specific Legal Fees**, and any special outside consulting costs allocated to the services involved. General legal fees will be charged to Administrative Services.
- **Consulting Fees** – charged directly to the benefiting function. Where identifiable functions are not readily available, costs will be apportioned on a 50/50 basis between Administrative Services and Electoral Area Administration.
- **Interest** from funds on deposit with the Regional District's bank allocated to Services based on budgeted annual operating revenues. Income from investments with the Municipal Finance Authority and other qualifying financial institutions allocated to Services on the basis of Operating Surplus, Capital Reserve, and Deferred Revenue balances
- **Capital Expenditures** and project related overhead costs allocated directly to the function, including salary and benefit costs. It is noted that capital costs that do not relate to identifiable functions will be charged to the Administrative Services function and administrative capital reserves will be maintained within the Administrative Services function.
- **Computer Software Maintenance** allocated to specific functions where the software is associated with an identifiable function. All general computer software maintenance shall be apportioned on a 50/50 basis between Administrative Services and Electoral Area Administration.
- **Stationary, supplies and postage** shall be apportioned on a 50/50 basis between Administrative Services and Electoral Area Administration.
- **Advertising** costs charged directly to the benefiting function and where identifiable functions are not readily available, costs will be apportioned on a 50/50 basis between Administrative Services and Electoral Area Administration.
- **Actual Salary and Benefits**, being all costs relating to positions with responsibilities that are very specific in nature and relate to one or more identifiable services will be charged directly to the identified service(s). Salaries and benefits not readily attributable to a specific function, will

be allocated 25% to Administrative Services and 75% to Electoral Area Administration

- **Travel** – staff travel will be allocated on the same basis as the salary of the individual incurring travel expenses.
 - **Dues, Memberships and Subscriptions** for general corporate staff shall be apportioned on a 50/50 basis between Administrative Services and Electoral Area Administration.
- **Cariboo Chilcotin Regional Hospital District** – will pay \$2,500 annually in respect of insurance premium participation, and \$75,000 annually to the Administrative Services function and all overhead costs associated with administration of the Hospital District shall be borne by the Administrative Services function.
 - **Tenant(s)** – all revenues and expenses associated with leased space within the corporate administration offices shall be allocated to the Administrative Services function.
 - **Revenues** – Other non-requisition revenues shall be allocated as follows:
 - **Federal Grants in Lieu** - Electoral Area Administration
 - **Provincial Grants in Lieu** – Electoral Area Administration
 - **BC Rail Grants in Lieu** – Electoral Area Administration
 - **Regional Hospital District Recovery** – Administrative Services
 - **Building Leases** – Administrative Services
 - **Provincial Revenue Sharing Grant** – 75/25 between Electoral Area Administration and Administrative Services

The policy shall be reviewed on a regular basis to ensure awareness and understanding of the process by the Board members, Cariboo Regional District administration, and municipal administrative staff.

*** END OF POLICY ***

<u>Amended (Y/N)</u>	<u>Date Reissued</u>	<u>Authority (Resolution #)</u>
No	April 17, 2020	2019-7-25
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Yes	August 2015	2015-8-53
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Yes	June 2008	08-6B-92(3)
Yes	August 2007	07-08A-98
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