

<h1>A-87 Cost Plan Procedure</h1>	Document No.	
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1. Purpose

To inform County departments of:

- Cost Plan guidelines
- Required A-87 Cost Plan information from select County departments
- Timelines for submitting the required A-87 Cost Plan information to the Auditor-Controller's Office
- How to use fund/department A-87 Cost Plan allocation

2. Revision History

Date	Rev. No.	Change	Reference Section(s)
06/30/2009	0	Original Procedure	All
3/30/2010	1	Added Section & Updated Calendar	Section 8.2
5/15/2011	2	Updated Calendar	Appendix A

3. Departments Affected

All County Departments

4. Authority

4.1. 2-CFR-Part 225

Provides principles and standards for determining both direct and indirect costs applicable to Federal cost-based awards to governmental units. Referenced throughout this procedures under the former title of OMB A-87.

4.2. Handbook of Cost Plan Procedures for California Counties

Assist California counties in the understanding and application of the cost principles established by the federal office of Management and Budget Rules and Regulations 2-CDR-Part 225 for state, local, and federally-recognized Indian tribal governments.

[http://www.sco.ca.gov/Files-ARD/manual\\_costplanhandbook.pdf](http://www.sco.ca.gov/Files-ARD/manual_costplanhandbook.pdf)

5. Policy

Accumulate total allowable costs for each service department to reasonably reflect the value of services provided by that department. Distribute and/or bill to each operating department equitable costs reflecting the value of services received by these departments based on the most reasonable allocation basis.

6. Definitions

6.1. Allocation Basis

A method used to distribute a given service cost based on statistical information that can be compiled without prohibitive cost and that provides a direct causal relationship between allocation methods used and the expenditures allocated.

6.2. Fixed (Estimated) with Carry-Forward

An allocation method whereby the fixed (estimated) amounts approved for the cost plan year are adjusted in a subsequent year when the actual cost of the year estimated becomes known.

6.3. Direct Cost

A cost that can be identified specifically with a particular final cost objective.

6.4. Indirect Cost

A cost incurred for a common or joint purpose benefiting more than one cost objective; and not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved.

6.5. Personnel Activity Reports

Tracks all time spent on projects of a specific nature as well as those activities that are continuous or ongoing by nature. A daily record that tracks all time spent.

7. Responsibilities

It is the responsibility of all departments to notify the Cost Plan Coordinator in writing when changes occur in the department that could affect the Cost Plan. It is also the responsibility of all departments to notify the Cost Plan Coordinator of the person responsible for submitting cost plan data in your department.

7.1. County Administrative Office and County Counsel

7.1.1. Submit Personnel Activity Reports for prior fiscal year to the Cost Plan Coordinator by the date indicated on the annual calendar in Appendix A.

7.2. Treasurer-Tax Collector's Office

7.2.1. Submit Personnel Activity Reports for prior fiscal year to the Cost Plan Coordinator by the date indicated on the annual calendar in Appendix A.

7.2.2. Submit treasury bank charges for prior fiscal year to the Cost Plan Coordinator by the date indicated on the annual calendar in Appendix A.

7.3. Personnel/Risk Management Departments

7.3.1. Submit Personnel Activity Reports for prior fiscal year to the Cost Plan Coordinator by the date indicated on the annual calendar in Appendix A.

7.3.2. Submit County of Sutter's Actuarial Review of the Self-Insured Liability Program for prior fiscal year to the Cost Plan Coordinator by the date indicated on the annual calendar in Appendix A.

7.3.3. Submit prior year program summary for Primary Workers' Compensation Program to the Cost Plan Coordinator by the date indicated on the annual calendar in Appendix A.

7.3.4. Submit prior year program summary for Excess Workers' Compensation Program to the Cost Plan Coordinator by the date indicated on the annual calendar in Appendix A.

7.4. Purchasing Department

7.4.1. Submit Personnel Activity Reports for prior fiscal year to the Cost Plan Coordinator by the date indicated on the annual calendar in Appendix A.

7.4.2. Submit Departmental Activity Allocations (report that states how many hours were spent per department per Purchasing function) for County departments for prior fiscal year to the Cost Plan Coordinator by the date indicated on the annual calendar in Appendix A.

7.5. Building Maintenance Department

7.5.1. Submit completed labor spreadsheet (personnel activity summaries for department), with updated project numbers for prior fiscal year electronically to the Cost Plan Coordinator by the date indicated on the annual calendar in Appendix A.

7.5.2. Submit completed Utility Charges schedule for prior fiscal year to the Cost Plan Coordinator by the date indicated on the annual calendar in Appendix A.

7.6. Information Technology Department

7.6.1. Submit Labor Distribution Reports for 1102-CAO, 1201-Auditor-Controller's Office, 1202-Treasurer-Tax Collector's Office, 1205-Purchasing Department, 1301-County Counsel, 1401-Personnel

Department, and 1700-Building Maintenance for prior fiscal year to the Cost Plan Coordinator by the date indicated on the annual calendar in Appendix A.

7.6.2. Submit Expenditure Reports for funds 0001 thru 5195 and funds 6000 thru 6999 for prior fiscal year to the Cost Plan Coordinator by the date indicated on the annual calendar in Appendix A.

7.6.3. Submit Payroll Warrant Count (including direct deposits) for County, Elections, Special Districts, and Schools for prior fiscal year to the Cost Plan Coordinator by the date indicated on the annual calendar in Appendix A.

7.6.4. Submit Vendor Warrant Count for County, Schools, and Welfare for prior fiscal year to the Cost Plan Coordinator by the date indicated on the annual calendar in Appendix A.

7.6.5. Submit Year to Date Claim Recap for prior fiscal year to the Cost Plan Coordinator by the date indicated on the annual calendar in Appendix A.

7.6.6. Submit Appropriations and Revenue by Budget Unit Report (ADB-100-013) for prior fiscal year to the Cost Plan Coordinator by the date indicated on the annual calendar in Appendix A.

7.7. Public Works

Submit completed Locations by Department Report for prior fiscal year to the Cost Plan Coordinator by the date indicated on the annual calendar in Appendix A.

7.8. All Departments

Submit Sutter County A-87 Cost Plan Departmental Questionnaire for prior fiscal year to the Cost Plan Coordinator. See Appendix C

8. Procedures

8.1. Personnel Activity Reports

Personnel Activity Reports track all time spent on projects of a specific nature as well as those activities that is continuous or ongoing by nature. Personnel activity reports may be maintained either electronically or manually. The Personnel Activity Report:

- Reflects an after-the-fact distribution of each employee's actual activity
- Accounts for the total activity for which each employee is compensated
- Provides full and complete substantiation of the distribution of effort and supports direct charges for services
- Is prepared monthly and fully account for the total monthly labor hours

- Is required to be signed and dated by the employee no later than the end of the pay period that follows the pay period covered by the report
- Documents, by signature or initials and date, after-the-fact supervisory review and approval of each activity report
- Functional time categories can be found in Appendix B.

8.2. Uses of Fund/Department A-87 Cost Plan Allocation

Various uses of fund/department A-87 Cost Plan allocation include:

- Included in fund/department budget
- Included in Federal/State awards
- Included in fund/department rate calculations
- Various analytical procedures

8.3. Time Lines for Document(s) Submission

A time line will be published every year by May 1<sup>st</sup>. See Appendix A

8.4. Departmental Review of the Cost Plan

Departments will have an opportunity to review the draft Cost Plan before it is submitted to the State Controller's Office. Departments should submit any concerns in writing to the Cost Plan Coordinator by the date specified in the A-87 Cost Plan Calendar.

8.5. Contacting the Cost Plan Coordinator

All inquires related to the A-87 Cost Plan must be submitted in writing and addressed to the Cost Plan Coordinator.

Appendix A

**A-87 Cost Plan Calendar**

<b>Fiscal Year 2011-2012</b>	
<b>A-87 Cost Plan Calendar for 2012-2013</b>	
<b>Scheduled Timetable</b>	<b>Description of Work to be Completed</b>
May 24 & May 26	Training/Refresher Sessions on A-87 Cost Plan Procedures as part of the Year-End Closing Procedures conducted by Auditor-Controller's Office to facilitate FY 2010-2011 year-end close-out.
July 17	Service Department Personnel Activity Reports need to be submitted to the Auditor-Controller's Office.
	Sutter County A-87 Cost Plan Departmental Questionnaire needs to be submitted to the Auditor-Controller's Office. Appendix C
	County of Sutter's Actuarial Review of Self-Insured Liability needs to be submitted to the Auditor-Controller's Office.
	Program summary for Primary Workers' Compensation Program needs to be submitted to the Auditor-Controller's Office.
	Program summary for Excess Workers' Compensation Program needs to be submitted to the Auditor-Controller's Office.
	Departmental Activity Allocations needs to be submitted to the Auditor-Controller's Office.
	Labor spreadsheet needs to be submitted to the Auditor-Controller's Office.
	Labor Distribution Reports for Departments needs to be submitted to the Auditor-Controller's Office.
September 16	Location by Department Report needs to be submitted to the Auditor-Controller's Office.
	Treasurer Bank Charges needs to be submitted to the Auditor-Controller's Office.
	Utility Charges needs to be submitted to the Auditor-Controller's Office.
	Payroll Warrant Count needs to be submitted to the Auditor-Controller's Office.
	Vendor Warrant County needs to be submitted to the Auditor-Controller's Office.
	Year to Date Claim Recap needs to be submitted to the Auditor-Controller's Office.
July 17 through November 17	Expenditure Reports for funds 0001 thru 5195 and funds 6000 thru 6999 needs to be submitted to the Auditor-Controller' Office.
	Appropriations and Revenue by Budget Unit Report (ADB-100-013) needs to be submitted to the Auditor-Controller's Office.
November 18	Auditor-Controller Staff to review and verify data submitted by departments. Prepare draft of A-87 Cost Plan.
November 18	A-87 Cost Plan draft posted on the intranet.
November 18 through December 2	A-87 Cost Plan to be reviewed by departments. Any changes or inquiries need to be submitted in writing to the Auditor-Controller's Office.
December 5 through December 22	Auditor-Controller Staff to make any necessary changes and finalized the A-87 Cost Plan draft.
December 30	Auditor-Controller to submit A-87 Cost Plan Draft to the State Controller's Office.

Appendix B

**Descriptions for Functional Time Categories used by  
Service Departments**

1. County Administrative Office
  - 1.1. Budget Preparation

Time spent by the County Administrative Office coordinating the annual fiscal budget effort.
  - 1.2. Departmental Assistance

Activities not related to budget preparation but benefit all County departments.
  - 1.3. Direct Identified Costs

Time spent on activities that benefit only one fund or department.
  - 1.4. General Government

General activities that are required to carry out the overall responsibilities of local governments but do not benefit any department.
  - 1.5. Administration

Time spent on departmental activities for a common or joint purpose benefiting more than one fund/department.
2. Auditor-Controller's Office
  - 2.1. Departmental Accounting

Includes compilation of the final budget, accounting for County payments and receipts, cost accounting, audit management of special districts, accounting for Courts, and preparation of various financial reports to State and Federal agencies.
  - 2.2. Payroll

Processes payroll and all related duties for the County.
  - 2.3. Claims

Issues warrants to vendors, welfare and child support recipients.
  - 2.4. Direct Identified Costs

Time spent on activities that benefit only one fund or department.
  - 2.5. General Government

General activities that are required to carry out the overall responsibilities of local governments but do not benefit any department; this also includes property

tax assessment roll maintenance, accounting for various types of benefit assessments, special assessments and bonds.

2.6. Administration

Time spent on departmental activities for a common or joint purpose benefiting more than one fund/department.

3. Treasurer-Tax Collector

3.1. Treasury

This function includes time spent on receipt, disbursement and investment of funds for the County, special districts, and school districts and warrant handling for payroll and vendors.

3.2. General Government

General activities that are required to carry out the overall responsibilities of local governments but do not benefit any department; this also includes the property tax collection system.

3.3. Administration

Time spent on departmental activities for a common or joint purpose benefiting more than one fund/department.

4. Purchasing

4.1. Purchasing

Time spent on purchasing general items for County departments. Time is tracked by department.

4.2. Telecommunications

Time spent on contracts for department phone lines. Time is tracked by department.

4.3. Fixed Assets

Time spent on the purchase or removal of fixed assets. Time is tracked by department.

4.4. Vehicles

Time spent on the purchase or removal of vehicles. Time is tracked by department.

4.5. Mail Service

Mail services include collection of U.S. mail from the U.S. Post Office, sorting U.S. mail by department, and delivery of U.S. mail and interdepartmental correspondence to all County departments.

4.6. Printing Services

Printing Services includes receiving requests from departments and coordinating with an outside printing agency, obtaining proofs and final approval from departments and final delivery of products.

4.7. Direct Identified Costs

Time spent on activities that benefit only one fund or department.

4.8. Administration

Time spent on departmental activities for a common or joint purpose benefiting more than one fund/department.

5. County Counsel

5.1. Services to County Departments

Provides legal opinions to County departments and special districts, attends all meetings of the Board of Supervisors, the County Planning Commission, the Local Agency Formation Commission and the Assessment Appeals Board. Represent the Public Guardian in establishing and renewing conservatorship and the child Protective Services Division of the Human Services Department in juvenile court proceedings.

5.2. General Government

General activities that are required to carry out the overall responsibilities of local governments but do not benefit any department; this also includes County Liability services performed for the County.

5.3. Administration

Time spent on departmental activities for a common or joint purpose benefiting more than one fund/department.

6. Personnel

6.1. Personnel

All County personnel functions including labor relations, recruitment and certification for selection, review of compliance with non-discrimination laws, health insurance and benefit administration, classification and salary analysis, administration of personnel rules and regulations, deferred compensation administration, unemployment insurance administration, and other compliance programs relating to personnel which are mandated by law. .

6.2. Direct Identified Costs

Time spent on activities that benefit only one fund or department.

7. Building Maintenance

7.1. Maintenance

This function is responsible for repairs and alterations for County property and the general servicing of equipment. Time is tracked by project number.

7.2. Grounds

Care of landscaping and grounds for County buildings and parks. Time is tracked by project number.

7.3. Custodial

This function provides custodial services to County buildings. Time is tracked by project number.

7.4. Administration

Time spent on departmental activities for a common or joint purpose benefiting more than one fund/department and provides specialized administrative services to departments. Time is tracked by project number.

Appendix C

**Sutter County A-87 Cost Plan**

**Departmental Questionnaire**

**For Fiscal Year Ended** \_\_\_\_\_

How much did your department receive in federal grants? \_\_\_\_\_

How much did your department receive in state grants? \_\_\_\_\_

Please list the capital assets purchased with federal grant money and the amounts.

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

Attach additional pages if necessary.

Please list the capital assets purchased with state grant money and the amounts.

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

If your department contributed monies to the general fund to pay for any capital assets please list the capital assets purchased and the amounts.

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

If there are any outstanding issues regarding the A-87 Cost Plan charges for the year just ended you would like to discuss please list your concern.

\_\_\_\_\_  
\_\_\_\_\_

If there are any concerns regarding the allocation of square footage of your department please list your concerns.

\_\_\_\_\_  
\_\_\_\_\_

Please list any changes in your fund/department that would affect the allocation basis of your fund/department (new programs or departments/functions moved).

\_\_\_\_\_  
\_\_\_\_\_

If there are A-87 costs that your fund/department can claim/charge that have not been claimed/charged in the past please list them.

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Name

\_\_\_\_\_  
Department

\_\_\_\_\_  
Date