



FISCAL POLICY MANUAL

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| POLICY B-2: | Policy for Interdepartmental Billings |
| APPROVED: | Board of Supervisors |
| AUTHORITY: | Auditor-Controller-Treasurer-Tax Collector (ACTTC) County Administrator (CAO) |
| ADOPTED/REVISED: | March 22, 2017 |

I. PURPOSE

To establish criteria and responsibilities for interdepartmental billings.

II. POLICY

Direct billings for services will be considered an appropriate option when they meet all of the following criteria:

1. Maximize revenues or reduces costs to the County:
 - a. serve to control demand for services;
 - b. provide central funding pool for providing services which are more economically provided on a central basis; and
 - c. provide information for good economic decision-making.
2. Are more appropriate than charging based on the A-87 cost plan (i.e. because more precise and timely user accountability is preferred; highly variable costs); and
3. Are sufficiently cost beneficial to warrant the billing of such services.

III. RESPONSIBILITIES

Responsibilities for billings include:

Department heads will work with the Auditor Controller Treasurer Tax Collector to establish:

- a. a justification for the new billing;
 - b. a clear methodology for calculating rates;
 - c. systems for internal accounting controls; and
 - d. budgetary accounts.
1. Such request should be submitted in time to be approved by November 30th for implementation in the following fiscal year.
 2. The department head will negotiate an agreement with other department heads/agency directors for the provision of services.

For approved billings:

1. The justification and calculation methodology for each rate will be reviewed by the Auditor Controller Treasurer Tax Collector annually by November 30th, for implementation in the following fiscal year. Mid-year changes to billings or rates are discouraged. However, if

absolutely essential, they must be coordinated with the affected department heads and approved by the Auditor Controller Treasurer Tax Collector.

2. The department head is responsible for maintaining appropriate internal controls for accounting. Supporting documentation must be maintained on the costs of the service and billings to departments.
3. The billing department will compare billed amounts to actual costs for the immediate past fiscal year and modify subsequent rate calculations as appropriate. Documentation will be provided to the Auditor Controller Tax Collector.
4. The ACTTC will provide a report of large variances in the A-87 cost plan to billing departments as appropriate. The department head will be responsible for reviewing the variance and determining whether a change in rate calculation methodology is required.
5. Review on an annual basis.

Budget Coordination

1. Each department is responsible for including a copy of the agreed upon charges between departments, which is signed by both department heads, within their budget submittal package to the CAO.