

**Department of Human Services
Office of Housing and Community Development
(OHCD) & Office of Homelessness and Community Services
(OHCS) Division (program 461)**

Cost Allocation Plan

The Division of Housing and Community Services' Office of Housing and Community Development (OHCD) and Office of Community and Homeless Services (OCHS) manages federal, state and locally generated funds, which is administered by the County for the following purposes: 1) development, operations and maintenance of affordable housing and supportive services for homeless and low- and moderate-income households, and 2) public facilities and infrastructure projects to develop or provide improvements in low- and moderate-income neighborhoods. Most of these funds are passed through to community based organizations or local municipalities who engage in specific projects to further the goals of each funding source. This program represents the internal County costs associated with properly managing the funds and responding effectively to federal, state, and local legislation.

The purpose of this Cost Allocation Plan is to document how the division identifies direct costs, and allocates indirect costs to the various grants/programs within OHCD/OHCS.

Background

Since OHCD/OHCS receives funding both directly and indirectly from the federal government, this Plan is required to meet the standards set forth in OMB 2 CFR 200. It enables OHCD/OHCS to 1) adequately identify the source and application of funds and 2) accurately and consistently distribute direct and indirect costs.

Basic Guidelines. This plan incorporates the following basic guidelines set forth in federal regulations regarding the allocation of costs:

- ~ Direct costs are those easily identifiable with a particular grant/program.
- ~ Indirect costs are those costs which are not readily identifiable with a particular grant/program, but are costs (other than direct) which benefit the division as a whole.
- ~ Indirect costs are allocated on the basis of program staff time charges (documented via timesheets).
- ~ Costs are treated consistently. That is, all costs incurred for the same purpose and in similar circumstances are distributed in the same way.
- ~ Where a grant has fully expended available admin, charges will be reallocated to a local, discretionary funding source (eg. General Revenues; EHP, etc...).

Allowability. To be allocable to a program receiving government funding, a cost must be allowable. Allowable costs must meet the following criteria. They are:

- ~ Reasonable and necessary for the operation of the grant/program.
- ~ Adequately supported by formal accounting records/documentation.
- ~ Not explicitly (or implicitly) unallowed by the grant/program, or State or federal law.
- ~ Are allocable to Federal awards under the provisions of OMB Circular A-87/CFR 200; or State and Local grants based on specific guidelines and Contract provision.

Any costs which do not meet the above criteria are therefore unallowable and must be charged against general revenues or other discretionary funding source.

Allocation Method

The OHCD/OHCS division of Human Services uses Program Staff hours as the basis for allocating indirect costs. OHCD/OHCS separates costs into three basic categories: Program Staff, Support staff (HS Admin), and Interfund indirect costs (Central Services).

Personnel. Snohomish County uses an in-house payroll system (Highline) to calculate and distribute personnel costs. Hours worked, together with payroll taxes and employee benefits directly related to the employee, are charged directly to programs through this automated system and posted monthly to the accounting system's general ledger. Hours worked are documented in the timesheet system (electronic) completed by staff and then reviewed and approved by the supervisor directly responsible for the program. Hardcopies of timesheets are printed and signed by both the employee and supervisor, and retained in Human Services Fiscal division.

- ~ Direct (or Program) staff- Are OHCD/OHCS personnel *directly* responsible for administering grants/programs within the OHCD/OHCS division. The OHCD/OHCS division Manager may be considered direct depending on the work activity performed **AND** the time is accurately reflected on their timesheet. Included are salaries, benefits (which includes all applicable employer paid State and federal withholdings).
- ~ Indirect staff. Human Services personell NOT directly responsible for administering grants/programs. These include, department admin staff and Director, fiscal staff, contracting staff, and other staff serving in a general support capacity. Indirect staff document their time within the timekeeping system (electronic), charging to the general Human Services division (eg. Mental Health; Aging; OHCD/OHCS, etc...) Included are salaries, benefits (which includes all applicable employer paid State and federal withholdings).

DIRECT staff hours is the basis for which all indirect staff, and other indirect costs are allocated amongs the various OHCD/OHCS grants/programs.

Allocated costs: Costs which cannot be identified with a particular grant/program, but which benefit the OHCD/OHCS division as a whole.

- ~ Reimbursables: Reimbursables are costs incurred by Human Services Administration, and include Admin Staff Salaries and Benefits, Supplies, Professional Services, and Interfund costs. Admin staff record time charged to all programs (OHCD included). Actual admin staff charges are charged to each program based on actual admin staff time. Supplies, Professional Services, and interfund costs are also allocated to the various programs based on documented admin staff time.
- ~ Workers Compensation: Snohomish County is self-insured for workers compensation costs. Central Finance allocates Worker's Compensation costs to departments based on actual costs of the prior year. Worker's Compensation costs are allocated to every program based on the number of FTE's in each program.
- ~ Unemployment Compensation: Snohomish County is self-insured for unemployment compensation costs. Central Finance allocates Unemployment Compensation costs based on the actual costs of the prior year. Unemployment Compensation is allocated within the Human Services department based on the number of FTE's in each program.
- ~ Interfund DIS Overhead: The OHCD/OHCS division share of Human Services' allocated costs of the Department of Information Services. These costs are allocated to the various divisions within Human Services based on number of FTEs within each division, and/or other matrix (# of program user IDs, # of Voice Ports, # of PCs) or a combination of FTE and other measure.

- ~ Interfund Indirect Costs: The OHCD/OHCS division share of County-wide allocated costs of Financial Planning (Budget), Financial Operations (Central Accounting), Purchasing, Human Resources, Treasurer, and Prosecuting Attorney (internal Council). These costs are allocated to the various divisions within Human Services based on actual charges incurred within each division, on an annual basis. These costs are further allocated to each program within a division, based on the number of FTEs in the program. Elected Officials and aids of the Executive and Council branches are excluded from allocable costs.
- ~ Contract Security: The OHCD/OHCS division share of Human Services' allocated costs of the Office of Campus Security. These costs are allocated to the various programs within Human Services based on number of FTEs within each division.
- ~ Interfund Space Rent: The OHCD/OHCS division share of Human Services facilities costs (office space). These costs are allocated to the various programs within Human Services based on number of workstations.
- ~ Interfund Furniture Payment: The OHCD/OHCS division share of Human Services' allocated costs of cubicles/desks. These costs are allocated to the various divisions within Human Services. These costs are allocated to the various programs within Human Services based on number of workstations.
- ~ Interfund County Premium: The OHCD/OHCS division share of Human Services' allocated cost insurance (other than health insurance coverage). These include general liability, auto, and thefts/omissions. These costs are allocated to the various programs within Human Services based on number of FTEs.
- ~ Interfund Training: The OHCD/OHCS division share of Human Services' allocated costs of the County-wide training program offered by the Human Resources department. These costs are allocated to the various programs based on number of FTEs.

Reviews and Updates

The Human Services Department's Fiscal division Manager, and staff, are responsible for reviewing updated OMB circulars pertaining to this allocation plan and modifying the plan, as needed, to comply with applicable circulars.

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