



RECOVERY OF GENERAL GOVERNMENT ADMINISTRATION CHARGES POLICY

Applicability: All CVRD

Effective Date: April 24, 2019

PURPOSE:

To establish a policy for recovery of general government administration charges.

POLICY:

1. That a standard general government administration overhead charge be levied against the previous year's operating expenditures (excluding debt payments, transfers to reserves, transit passes, and prior year's charge) for each function.
2. Functions with no qualifying operating expenditures may be assessed an administration charge at the discretion of the Chief Financial Officer.
3. The administration overhead charge varies based on level of service received as follows:
 - a. Full Service – 9% - functions that involve most, if not all of the Corporate Services Department's divisions (Information Technology, Human Resources, Finance and Legislative Services) such as accounts payable, accounts receivable, payroll, human resources, information technology, procurement, parcel taxes, billing, Board reporting, grants and contract management;
 - b. Partial Service – 5% - functions that use many of the services noted above, but not all; and
 - c. Limited Service – 2% - functions that have few monthly transactions and use no Information or Human Resources services (such as annual grants).
4. An additional surcharge will be applied to all functions which have significant Full Time Equivalent (FTE) staff, thus requiring more service from Human Resources, payroll etc.
 - a. Functions with more than 10 FTEs will be charged an additional 1% and functions with more than 15 FTEs will be charged an additional 2%.
 - b. Function 576 (Engineering Services – Utilities) is exempt from this additional surcharge as staff in this function support all utility services.
5. The Municipal Regional District Tax (MRDT) revenue that is transferred to Tourism Cowichan Society is exempt from this policy.
6. This policy shall be reviewed on a regular basis to ensure awareness and understanding of the process by Board members and CVRD administration, and also to ensure the policy continues to meet the needs of the organization.

Approved by: Board Approval date: April 24, 2019
