

COUNTY OF SHASTA		Number
ADMINISTRATIVE MANUAL		2-202
SECTION:	Finance and Budget	Department Responsibility for Cost Recovery
INITIAL ISSUE DATE:	September 19, 2017	
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PURPOSE

To establish department responsibility to recover full cost, to the extent allowed by law, for services provided to agencies or individuals outside the County of Shasta organization through fees and to inform the Board of Supervisors of the full cost of new or proposed services and the reason for any difference between full cost and anticipated recovery.

BACKGROUND

The Shasta County Board of Supervisors recognizes that, generally, as a matter of equity whenever possible the cost of county services should be charged to the agencies or individuals that receive a direct benefit and not to all taxpayers. This policy provides guidelines for departments to follow when setting fees for services.

POLICY

A. GENERAL

1. Departments will seek to recover the full cost of all services they provide to agencies or individuals outside the County of Shasta organization.
 - a. In the case of the County providing contract services to cities pursuant to Government Code 51350, unless otherwise provided by law, the County will recover all those costs incurred in providing the services so contracted or authorized. Costs that are attributable to services made available to all portions of the County (where the Board of Supervisors determines by resolution that such services are made available to all portions of the County), shall not be charged to cities as direct or indirect overhead charges. County overhead, as defined in Code of Federal Regulations (CFR) Title 2, Subtitle a, Chapter 2, Part 200 (formerly Federal Budget Circular A-87), will not be charged to cities.
2. When setting fees, funding sources that will require a revenue match from the County General Fund shall be limited to the designated match level mandated as a condition of funding.
3. Approval for initiation or revision of fees and charges must be done in accordance with applicable law and generally requires approval by the Board of Supervisors. Fees whose amounts are fixed by statute with no Board of Supervisors discretion as to amount do not require approval of

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the Board of Supervisors. Board of Supervisors approval is not required to reduce fees if reduction of the fee is compelled by State law.

4. Full cost is defined as the sum of direct costs plus departmental overhead costs plus external indirect costs as calculated pursuant to the CFR Title 2, Subtitle a, Chapter 2, Part 200 cost plan (the "A-87 Cost Plan").

B. FEES

Departments shall:

1. Establish all fees or charges, and subsequent changes to fees or charges, by ordinance. Unless otherwise provided by law, there is generally a minimum 30 day waiting period between adoption of a fee or fee increase, and its effective date. The Clerk of the Board shall issue all public notices required by law.
2. Maintain a documented record of all fees or charges established and collected including a brief description of each type of fee, authority for establishing the fee or charge, the data for the amount of the fee or charge, revenue account code, amount of fee or charge, date of last revision and other data as required by the Auditor-Controller.
3. Provide a copy of all fee calculation worksheets and substantiation to the Auditor-Controller.
4. Review all fee schedules annually, or more frequently if warranted, and make recommendations to the Board of Supervisors for changes to recover full cost.

PROCEDURE

1. The department providing the service, after meeting the policy or other review requirements of the CEO and Auditor-Controller, shall complete and submit an Auditor and Controller Rate/Fee Packet including sufficient documentation to support the calculation of all costs to the Auditor-Controller at least three weeks prior to the anticipated Board of Supervisors' meeting date.
2. The Board of Supervisors shall review all proposed fee changes at a properly noticed public meeting and, in those cases where it determines that no fee or a reduced fee is

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appropriate, advise the CEO of the revenue source to be used to offset the loss of fee income.

3. Departments shall pursue the prompt collection of all fee revenues and collect and report revenue within the guidelines established by law and policies set by the Board of Supervisors, and in accordance with the standards and procedures established by the Auditor-Controller. Departments may not waive the collection of fees once fees are set by the Board of Supervisors.

4. At least annually, the Auditor-Controller shall bring a report of proposed new or revised fees to the Board of Supervisors. However if an emergent need arises, a department may take new fees to the Board of Supervisors directly at an earlier interval, provided the Rate/Fee Packet including sufficient supporting documentation to support the calculation of all costs, is provided to the Auditor-Controller at least three weeks prior to the anticipated Board of Supervisors' meeting date.

REFERENCES

- Government Code §51350
- Government Code §54985 through §54988
- Government Code §66016 through §66019
- Code of Federal Regulations Title 2, Subtitle a, Chapter 2, Part 200
- Government Finance Officers Association Best Practice: Establishing Government Charges and Fees