

**WALTON COUNTY BOARD OF COUNTY COMMISSISONERS
INDIRECT ADMINISTRATIVE GENERAL COST ALLOCATION POLICY**

Purpose

The purpose of this policy is to provide guidance for allocating indirect costs to applicable County programs. General operational costs are necessary for any program to exist. For instance, all programs will use certain services other departments provide such as human resources management and purchasing. Without the benefit of an indirect cost allocation, there would be no standard way for each program to contribute its share of the general management costs without spending extensive staff time accounting for each activity performed. By utilizing an indirect cost study, the County has a measured, efficient way to recover a share of general operational costs for individual programs.

Guidelines for determining direct and indirect costs charged to federal awards are provided in Subpart E – Cost Principles in the Uniform Guidance, §200.56 Indirect (facilities & administrative (F&A)) costs.

Policy

No less than every three fiscal years, the County will obtain a full cost allocation plan in conformity with generally accepted accounting principles, and a corresponding allocation plan based on the application of federal costing principles from OMB Circular 2 CFR 200. These plans will be based on the most recent audited fiscal year's actual costs.

Indirect administrative costs will be charged to applicable funds at an amount not to exceed actual costs derived from the full cost allocation study for the three (3) years following completion of the study, whereby an updated cost allocation plan will be obtained. Indirect administrative costs for programs are reimbursable to the General fund. Realizing that the allocation of indirect administrative costs to some programs will result in a corresponding increase in transfers from General revenues for operations, funds to be charged indirect administrative costs will be determined annually during the budget process and are subject to approval by the Board of County Commissioners (BCC). At the BCC's discretion, the actual allocated cost may be less than the amount provided in the cost allocation plan.