

St. Louis County

Cost Policy Statement

1. General Accounting Policies

- Basis of Accounting - Accrual
- Fiscal Period – St Louis County - January 1, - December 31
Workforce Development – July 1, - June 30
Miscellaneous grants – Fiscal Periods vary.
- Allocation Basis – Direct Cost Allocation – Program Staff Salaries &
- Indirect Cost – All costs other than Program Staff.
- St Louis County maintains adequate internal controls to insure that no cost is charged both directly and indirectly to Federal contracts or grants.
- Only Actual expenses are allowed to be posted to the General Ledger.

2. Description of Cost Allocation Methodology

- **Salaries and Wages:**
 - Direct Costs – The program staff employees direct charge their salary costs since their work is specifically identifiable to specific grants, contracts or other activities of the organization. The charges are supported by auditable labor distribution reports which reflect the actual activities of employees. All direct service staff complete a daily time sheet documenting all time worked in each program or activity.
 - Indirect Costs – The following staff members charge 100% of their salary costs indirectly, i.e. Administrative, Fiscal and the Directors office. Indirect time spent by staff, including services related to the overall performance of duties rather than to a specific program and paid absences, including holiday, sick time, jury duty, vacation time, and leave without pay are distributed based upon the individual's percentage of direct time documented in each program. The procedure for allocating costs are as follows:
 - Mixed Charges – The following employees may charge their salary costs to both direct and indirect activities. **This would only be the program staff.**
List of Positions see attachment A -The distinction between direct and indirect is primarily based on functions performed. For example, when the positions shown are performing functions that are necessary and beneficial to all programs, they are indirect. When functions are specific to one or more programs they are considered direct because they do not benefit all programs. Auditable labor distribution records which reflect the actual activities of employees are maintained to support the mix of direct/indirect charges.

Implement CAP Procedures
1. > Cost Policy Stmt
2. > DHS Cost Allocation Plan
3. > Email From the STATE Auditor Approving how DHS charges Overhead.
4. > Excel Spreadsheet that shows how overhead is charged to the grants

The Directors office is separated from FSIS and the expenses are allocated to all divisions including Lakeside. FSIS is not allocated to Lakeside due to the fact that Lakeside has its own accounting personnel. This allocation is done separately; the two columns of expenses are then totaled to get more accurate costs for the services each department provides

Non Productive time - Vacation, sick leave, holiday pay, etc. These dollars are pooled and allocated to all grants and divisions based on a percent to total of all direct charges. Without direct charging of overhead staff time, these are treated the same as the overhead salary costs.

- Fringe Benefits - Charges follow the wages in the same manner to which they apply.

All expenses below are included in the total expenses to be allocated to the funds based on a percent to total.

- Travel
- Occupancy Expenses
- Supplies and Materials
- Communications
- Photocopying and Printing
- Repairs and Maintenance
- Charges allocated down from the County (Central Service Charges such as, Depreciation, Legal, audit, etc.)
- Capital Items – excluded from the expense totals.

Signature _____
Andrea Jackson-Jennings

Date _____

Title Director of Human Services

Signature _____
Adriann Adams-Gulley

Date _____

Title Director, Financial Services & Information Systems (FSIS)