

Engage Gwinnett Information on Indirect Cost Allocations within the Gwinnett County Government

March 9, 2010

Gwinnett County allocates the cost for the following six "back-office" or support departments to the areas which receive the benefit of services from these functions.

1. County Administrator
2. Law Department
3. Finance
4. Human Resources
5. Support Services; and
6. Information Technology

For 2009 and previously, costs were allocated based upon a percentage developed by an outside consultant, DMG Maximus. The study was specifically commissioned to identify the correct allocation of the above costs to each respective cost center. The study utilized information from 1998 and prior to determine these percentages. On an annual basis, these percentages were applied to the upcoming year's budget using the prior year actual expense. The study took into account many factors, i.e. amount of square footage occupied; number of employees; volume of revenues and expenditures; number of phones, computers, and IT devices supported, etc.

100% of these support office functions were allocated. The amounts allocated to operating funds outside the General Fund are as follows:

Street Light Fund - \$22,785.96
Recreation Fund - \$1,272,750.00
Water and Sewer Operating - \$6,570,170.64
Local Transit Operating - \$19,842.96
Airport Operating - \$86,775.00
Stormwater Operating - \$389,196.00
Solid Waste Operating - \$6,561.00
Total: \$8,368,081.56

In formulating the 2010 budget, the above allocation method was examined based upon applicability and accuracy from the 1998 report. With assistance from the Economic Analysis Division, an allocation was completed using a simple method of employees per function as compared to the total number of employees county-wide. This allocation yielded the following distribution to funds other than the General Fund:

Street Light Fund - \$10,762
Recreation Fund - \$1,915,655
Water and Sewer Operating - \$5,531,721
Local Transit Operating - \$43,048
Airport Operating - \$53,811
Stormwater Operating - \$613,440
Total: \$8,168,437

Oper Budget to Actual (as of last refresh)

Applictn	
Fiscal Year	
Structure	TOTAL Obligated
Fund	
Funds Center	
Cost Center	
Commitment It	GC01/5100/1001/Indirect Cost Allocation

Applictn	1000
Commitment It	Expenditures
Fiscal Year	2008
Value type via F	ISSI
Funds Center	Operations

Fund	Funds Center	Commitment Item	Indirect Cost Alloc	TOTAL Obligated
GC01/002	Operations	GC01/5100/1001	Indirect Cost Alloc	\$20,733.96
GC01/105	Operations	GC01/5100/1001	Indirect Cost Alloc	\$1,158,126.00
GC01/501	Operations	GC01/5100/1001	Indirect Cost Alloc	\$5,805,005.76
GC01/515	Operations	GC01/5100/1001	Indirect Cost Alloc	\$18,055.92
GC01/520	Operations	GC01/5100/1001	Indirect Cost Alloc	\$78,960.96
GC01/590	Operations	GC01/5100/1001	Indirect Cost Alloc	\$319,797.96
GC01/595	Operations	GC01/5100/1001	Indirect Cost Alloc	\$5,970.00
Overall Result				\$7,406,650.56

Oper Budget to Actual (as of last refresh)

Applcn	
Fiscal year	
Structure	TOTAL Obligated
Fund	
Funds Center	
Cost Center	
Commitment Itc	GC01/51001001 Indirect Cost Allocation

Applcn	1000
Commitment Itc	Expenditures
Fiscal year	2009
Value type in F	[55]
Funds Center	Operations

Fund	Funds Center	Commitment Item	Indirect Cost Alloc	TOTAL Obligated
GC01/002	Operations	GC01/51001001	Indirect Cost Alloc	\$22,785.96
GC01/105	Operations	GC01/51001001	Indirect Cost Alloc	\$1,272,750.00
GC01/501	Operations	GC01/51001001	Indirect Cost Alloc	\$6,570,170.64
GC01/515	Operations	GC01/51001001	Indirect Cost Alloc	\$19,842.96
GC01/520	Operations	GC01/51001001	Indirect Cost Alloc	\$86,775.00
GC01/590	Operations	GC01/51001001	Indirect Cost Alloc	\$389,196.00
GC01/595	Operations	GC01/51001001	Indirect Cost Alloc	\$6,561.00
Overall Result				\$8,368,081.56