

REDDING RANCHERIA TRIBAL GOVERNMENT POLICIES

Chapter TP 4-150

Cost Allocation



May 11, 2021

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SECTION 1: PURPOSE

To establish uniform policies for the allocation of costs within the governmental operations of the Redding Rancheria to ensure uniformity of budgeting, accumulation, accounting and reporting of costs in an efficient manner which will result in an accurate assessment of the costs of programs and operations.

SECTION 2: BACKGROUND AND INTENT

This Chapter sets forth the categories and functional components into which under which costs shall be allocated for all governmental operations and provides for the appropriate allocations of the cost of services provided by governmental operations to non-governmental organizations operated by the Redding Rancheria.

This policy, together with its implementing “operating procedures” shall constitute the Redding Rancheria’s cost allocation plan for the purpose of federal regulations (CFR 2 Part 200, Appendix V).

SECTION 3: DEFINITIONS (Reserved)

SECTION 4: DELEGATED AUTHORITY (Reserved)

SECTION 5: APPLICABILITY

This policy applies to the Redding Rancheria and all of its subordinate organizations and enterprises as applicable to the business purpose of each unit of the Redding Rancheria Tribal government and shall be utilized as a basis for the allocation of costs to federal, state, and other funding sources.

For the purpose of this policy, Tribal governmental operations shall include all operations of the Redding Rancheria except business operations and other subordinate organizations which operate under delegated authority of the Tribal Council.

SECTION 6: GENERAL COST ALLOCATION

All costs and expenditures within Tribal government operations shall be allocated by fund, organizational unit or budget category, and cost classification as hereinafter provided.

SECTION 7: ALLOCATION TO FUND

Costs shall be allocated to the fund from which expenditures have been planned and authorized pursuant to Tribal budget, laws, and regulations. Only those funds authorized by Tribal law shall be utilized.

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SECTION 8: ALLOCATION TO ORGANIZATIONAL UNITS OR BUDGET CATEGORY

All costs and expenditures shall be allocated to the organizational unit, budget category, program or service benefiting from the cost. "Cost centers" shall be utilized to segregate the costs of these organizations' units or programs.

SECTION 9: COST CLASSIFICATION

- (a) Within individual cost centers, costs and expenditures shall be separated according to cost classification, to be known as "object class" of cost. In classifying costs, at a minimum, costs shall be segregated into the following object classes:
- (1) Personnel Costs: including salaries and wages, payroll taxes, and fringe benefits.
 - (2) Office Expenses: including office supplies, postage, telephone, reproduction, or other office expenses.
 - (3) Materials and Supplies: including operating supplies, materials, groceries, or laundry.
 - (4) Travel and Transportation: including per diem/meals and lodging, airfare, mileage/vehicle rental, or other travel costs.
 - (5) Training: including employee development, continuing education, and community training.
 - (6) Equipment Costs: including equipment maintenance, minor equipment and tools, equipment leases and rentals, etc.
 - (7) Facilities Costs: including facilities rent, utilities, operations and maintenance, janitorial, grounds maintenance, real property taxes, etc.
 - (8) Fees and Services: including personal services costs, professional services, purchased services, licenses and fees, dues and subscriptions, or other fees.
 - (9) Other Operating Expenses: including interest, insurance, etc.
 - (10) Miscellaneous Costs/Activities: (identify each specific cost item.)

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- (11) Pass through Costs; including capital expenditures (defined as items having an acquisition cost of \$5,000 or more and an estimated useful life in excess of one year), land purchases, etc.
 - (12) Construction Costs: including architects and engineers associated with construction.
 - (13) Individual Assistance Costs; including scholarships, energy assistance, welfare payments, down-payment assistance, rental assistance, burial assistance, etc.
 - (14) Contractual Services: including contracts for specific products or deliverables with an aggregate cost in excess of \$5,000. Lesser amounts shall be classified as services.
- (b) The Chief Financial Officer shall assign object class accounts or "codes" on a uniform basis and in sufficient detail to permit effective management accountability and financial analysis. Codes shall be so assigned as to permit efficient summary of costs according to the major classifications listed under (a) above.
 - (c) All costs shall be allocated unless such costs are determined by the Chief Executive Officer to be non-allocable to individual cost centers.

SECTION 10: CENTRAL SERVICE ALLOCATIONS

- (a) The following services and functions and costs shall be considered central service functions and shall not be allocated directly to benefiting cost objectives:
 - (1) Tribal Council and committees
 - (2) Executive and General Management
 - (3) Policy, Planning, Contracts, and Grants Administration
 - (4) Personnel Management and Human Resource Development
 - (5) Financial Management, including:
 - (i) Accounting, cash management, budget, and internal auditing
 - (ii) Procurement and materials management

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- (iii) Property management
- (6) Information Resource Management support, including:
 - (i) System development, programming, data processing, and all costs associated with central support of automated information systems.
 - (ii) Public information
- (7) General and Administrative Services, including:
 - (i) Insurance of a general nature including, property, liability, fidelity and the administration thereof.
 - (ii) Legal services
 - (iii) Auditing services
 - (iv) Management consulting services
 - (v) General office services, including central reception, mail handling and telephone watts lines.
 - (vi) Records management
 - (vii) Executive secretarial services
- (8) Facilities operation and maintenance
 - (i) Space rental or its equivalent
 - (ii) Water, sewer, sanitation and refuse removal
 - (iii) Electricity and heating fuel
 - (iv) Buildings and grounds maintenance
 - (v) Janitorial services
 - (vi) Building improvement, construction, or renovation
- (9) Capital Equipment related to central service functions or for general use.

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- (10) Postage provided by the central mail service.
 - (11) Equipment rental and maintenance for centrally operated equipment.
 - (12) Insurance costs; except when purchased for a specific function
 - (13) Legal, Audit, and other professional services, except where purchased for a specific program or function.
 - (14) Training where provided to groups of employees as a matter of general human resource development, as opposed to individual training.
 - (15) General office supplies
- (b) The Chief Financial Officer shall determine the amount and method of distributions to be made for cost classifications which require distribution, provided that, payroll taxes and fringe benefits shall be pooled and allocated pro-rata on the basis of total payroll to all cost centers.
 - (c) All proprietary fund operations and subordinate organizations shall bear their respective shares of any central service costs associated with them and shall pay for any services obtained from Tribal government on the basis of the cost to the Tribal government of providing such services. The cost allocation shall be prepared by the Chief Financial Officer and approved by the Chief Executive Officer.

SECTION 11: COST ALLOCATION TO GRANTS AND CONTRACTS

- (a) Costs shall be allocated to federal and other grants and contracts or other form of agreement on the same basis as provided by this policy in a fair and uniform manner. In the case of the allocation of central service costs, such costs shall be allocated on the basis of an indirect cost rate negotiated with the appropriate agency of the federal government.
- (b) No costs shall be allocated to any federal or other grant or contract or other form of agreement which would in any way violate the applicable agreement or the laws or regulations of the funding source. Any costs which are associated with but are not appropriate to allocate to such funding source shall be allocated to the appropriate Tribal fund as shall be directed by the Tribal Council through budget, or as otherwise approved. To the extent that no Tribal Council direction has been provided, such costs shall be allocated to the General Fund and reported to the Tribal Council through the Chief Executive Officer.

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Legislative History:

Originally Adopted by Tribal Council Resolution #06-11-96-B, dated June 11, 1996.

Amended by Tribal Council Resolution #026-05-11-21, dated May 11, 2021