



Administrative Policies and Procedures

Policy Title: Interdepartmental Service Billings	Policy Number: 201
Effective: 8/07	
Supersedes: APR #201, dated 9/92	
Approval: <i>Roag W. Fraser</i>	Page 1 of 3

1. Purpose

To provide clear guidelines for the billing of one service area or service unit for services rendered by another.

2. Policy

In addition to other regular or routine requirements, ALL billings sent from any service area or service unit shall be specific about:

2.1 Required Content for Billings

2.1.1 The date the service(s) was rendered.

2.1.2 The location where services(s) were rendered.

2.1.3 The nature of the service(s) rendered.

2.1.4 The per unit cost of such service(s).

2.1.5 A reference which authorized the charge.

2.1.6 Appropriate supporting documentation shall be attached.

2.2 Direct Charges

- 2.2.1 If a service area or service unit wishes to charge amounts greater than \$1,000 directly to another's account, it is required that written authorization (email acceptable) is obtained from the area or unit to be charged.
- 2.2.2 General Fund service units not included in the Municipal Service Charge may bill other General Fund units and/or Other Funds for direct labor, equipment, materials related to services rendered, and overhead.
- 2.2.3 General Fund units included in the Municipal Service Charge shall not charge other Funds for direct labor, equipment, material costs, and overhead as these are covered by the Municipal Service Charge. Materials provided that are outside the scope of normal service provided will be charged at cost.
- 2.2.4 Other Funds may charge General Fund and Other Funds for direct labor, equipment, and materials related to services rendered.

2.3 Overhead Charges

- 2.3.1 In calculating overhead charges to Other Funds, General Fund units not included in the Municipal Service Charge shall charge fringes and administrative fees. (See the Cost Allocation Plan to determine service units that allocate costs for the Municipal Service Charge).
- 2.3.2 Overhead charges shall not be charged between General Fund units.
- 2.3.3 Other Funds will charge overhead charges, including fringes and administrative fees, to the General Fund and to Other Funds.
- 2.3.4 The overhead rate will be reasonable and based on individual service unit's overhead costs.
- 2.3.5 The Finance & Administrative Service Area will review and approve the calculations for overhead rates for each General Fund and Other Fund unit. If a unit wishes to change its overhead rate, the Finance & Administrative Service Area will review and indicate their opinion as to the reasonableness of the requested change.

2.3.6 Exception - No overhead shall be charged to federally or state funded programs that prohibit overhead charges unless there is an approved Cost Allocation Plan or other authorization to charge the overhead as part of the approved program.