

From: Dodie Putney <DPutney@bldhd.org>
Sent: Tuesday, September 21, 2021 10:56 AM
To: Chet Janik <cjanik@leelanau.gov>; Laurel Evans <levans@leelanau.gov>
Subject: Requested Information

Hi Chet & Laurel.

Melinda Lautner asked me for a couple things this morning. But we got to talking about our cost allocation method. I emailed her this attachment but thought this might be helpful for all the Commissioners. Can you please make sure the rest of the Commissioners receive a copy of this.

Thanks Much!

Dodie Putney
Director of Administrative Services
Benzie-Leelanau District Health Department
6051 Frankfort Highway; Suite 100
Benzonia, Mi 49616
231-882-2113
dputney@bldhd.org



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Benzie-Leelanau District Health Department Cost Allocation Method

GENERAL:

Benzie-Leelanau District Health Department makes every effort to determine that costs are reasonable, allowable and allocated in a consistent manner across all programs within the Agency. All costs must be in accordance with the requirements of Title 2 CFR Part 200, "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards," and the federal and state awards to which they apply. Costs unallowable in programs will not be spread to programs and have been adjusted for in allocating costs as indicated in the cost allocation plan. All costs are properly allocable to the specific programs on a basis of a beneficial causal relationship between the expenses incurred in the program to which they are allocated in accordance with applicable requirements. **Further, the same costs that have been treated as indirect costs have not been claimed as direct costs.** Similar types of costs have been accounted for consistently

PROCEDURES:

Benzie-Leelanau District Health Department approves reasonable expenses and allocates costs as follows:

Salaries & Fringes: Employees enter time into the paperless coding system. Supervisors must approve all timekeeping. Distributed based on the actual amount of time each employee spends in each program for which they work. Pay for leaves (vacation, sick, holiday etc.) is allocated in the based on the percentage of time worked in the program during the quarter in which the leave is taken. If there is not service time in the pay period (i.e. the whole pay period is leave time), the pay would be distributed based on the last pay period in which there was service time.

Supplies and Materials:

Supplies must be approved by supervisor and at a minimum the administrative services division director who determines if the cost is reasonable and allowable. All expenses are approved by the Board of Health at their regular scheduled meeting.

Supplies can be allocated in two ways:

- 1) Items purchased that directly benefit specific program(s) identified by the employee will be directly expensed to the program(s).
- 2) Items purchased that benefit multiple employees without an identifiable program will be purchased in the division overhead and distributed as indirect (i.e. printer that will be utilized in a main area in the division).

Travel: All travel is entered into the paperless coding system by the employee. Travel costs are charged directly to the program for which the travel was incurred. If there is not an identifiable program(s) that will benefit from the travel, the costs will be allocated based on the percentage of time the employee worked in each program in the current period.

Communications: Distributed based on the percentage of time staff worked in each program in the current period.

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Space Costs: Distributed based on the square footage used by the FTE and the percentage of time they worked in each program. Common area square footage is distributed as indirect.

All Others: (Miscellaneous services, insurances, dues, etc) Costs are charged directly to the program for which the service occurred. If there is not an identifiable program(s) that will benefit from the cost, it will be allocated based on the percentage of time that the employee worked in each program in the current period or will be in the correct administration category and spread through indirect.

General Administration Indirect costs: Distributed across all programs of the agency based on the percentage of salaries and fringes of staff in each program. Costs include, but not limited to, the following:

- Director of Administrative Services wages and benefits
- Account clerk wages and benefits
- General liability and property insurance
- Human resources, payroll and personnel management
- Finance
- Information technology
- Computer software licenses (Office 365)
- Facilities management
- Health officer
- Advertising
- Legal
- Supplies that benefit the agency as a whole; postage, general office supplies

Environmental Health Indirect costs: Distributed across all environmental health programs of the agency based on the percentage of salaries and fringes of staff in each environmental health program. Costs include, but not limited to, the following:

- Environmental Health Director wages and benefits
- Health Officer
- Environmental Health staff time spent working in:
 - Department of Health and Human Services facility inspections (daycares, foster homes, children's camps)
 - Campground licensing and inspections
 - Public swimming pool licensing and inspections
 - Septage pumper truck and disposal site inspections
 - Rabies
 - Radon testing
 - Mold
 - Swimming beach monitoring
 - Nuisance monitoring
 - Clean air regulations
 - PFAS
- Environmental health computer software
- Space costs
- Mileage

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Personal Health Administration Indirect Costs: Distributed across all personal health programs of the agency based on the percentage of salaries and fringes of staff in each personal health program. Costs include, but not limited to, the following:

- Director of Personal Health and Supervisor wages and benefits
- Electronic medical record software and support
- Health Officer
- Medical Director
- Space costs
- Mileage

General Nursing Indirect Costs: Distributed across all personal health programs of the agency based on the percentage of salaries and fringes of staff in each personal health program. Costs include, but not limited to, the following:

- Personal health staff time spent in:
 - Answering telephones
 - Walk-in traffic
 - Scheduling
 - Staff meetings
 - Trainings
 - Purchasing
 - Inventory
- Blood lead testing and follow up
- General personal health office and clinic space