

Police Services Cost Allocation Plan (CAP)

Washtenaw County allocates indirect costs as a means to reflect the total cost of the county conducting business. This allocation is completed through a Cost Allocation Plan prepared annually by Maximus, Inc in accordance with the Federal Office of Management & Budget Circular A-87. Following each fiscal year, Maximus receives year-end audited financial data for all county indirect service funds and determines the appropriate allocation of these funds to each county program area. This calculation is based on an estimate amount of use by each program area. The indirect service charges are categorized as follows:

- Building Use Charge – 2% of acquisition cost and capital improvements plus allowable interest allocated based on square footage for each program
- Equipment Use Charge – acquisition of furniture and equipment based on benefiting department
- County Administration – management of organization allocated based on # FTE
- Finance Department – all financial services including accounting, accounts payable, payroll, budget, purchasing, and auditing allocated based on number of transactions and size of budget
- Information & Technology Services – allocated based on # PCs
- Finance/ITS – allocated based on number of transactions, FTE and dollar value of telephone services
- Human Resources – allocated based on # FTE
- Corporation Counsel – only including costs associated with civil counsel, labor relations and union negotiations allocated based on # FTE
- County Treasurer – only including costs associated with accounting and cash management for the organization allocated based on # of transactions by department
- Facilities Management – allocated based on assigned square footage
- Insurance – allocated to benefiting department

For purposes of Police Services, each indirect cost category was reviewed to determine if it should be classified as an indirect or overhead line item. Only insurance and technology were deemed indirect as these costs are more directly aligned to needs to put a deputy on the road. The remaining categories of the CAP have in the past remained within Overhead for which the costs were paid for by the county. A more thorough review of each remaining indirect cost category could be completed to determine what would be necessary for a police agency to operate.