



qathet

REGIONAL DISTRICT

SECTION 3	FINANCIAL POLICIES
POLICY	3.4
SUBJECT	ADMINISTRATION CHARGES
ADOPTED	OCTOBER 28, 1999
AMENDED	JANUARY 30, 2020

Annual administration charges for all Regional District services will be calculated as follows:

OPERATIONS ADMINISTRATION CHARGES

Standard Charge

The standard administration charge will be calculated as 9% of the net operating budget; i.e., the annual budget for operations and maintenance expenditures minus allocations for capital reserves, debt or lease payments, and contributions to current year capital expenditures.

Minimum Charge

The following minimum administration charges shall apply:

- \$1,500 for services with an annual requisition exceeding \$10,000.
- \$750 for services with an annual requisition of \$10,000 or less.
- \$2,500 for the Electoral Area Feasibilities Service.

Maximum Charge

The maximum administration charge for any service shall be \$50,000.

Planning Department Contribution to Office Overhead

In addition to the standard 9% charge, the Planning service shall pay 20% of the current year budget allocations for office overhead expenses.

Accounts to be included as overhead are:

Equipment Rentals/Repairs	Stationary & Supplies
Equipment Purchases	Strata/Rental Fees
Software & Licences	Taxes
Services – Other	Water
Services – Telephone/Internet	Sewer
Services – Heat	Postage
Services – Hydro	Facility/Grounds Repair/Maintenance
Services – Garbage	

Regional Emergency Preparedness Department Contribution to Office Overhead

In addition to the standard 9% charge, the Regional Emergency Preparedness service shall pay 10% of the current year budget allocations for office overhead expenses.

Accounts to be included as overhead are:

Equipment Rentals/Repairs	Stationary & Supplies
Equipment Purchases	Strata/Rental Fees
Software & Licences	Taxes
Services – Other	Water
Services – Telephone/Internet	Sewer
Services – Heat	Postage
Services – Hydro	Facility/Grounds Repair/Maintenance
Services – Garbage	

Formula Rationale

The net operating budget generally reflects the activity in a particular service and, therefore, the associated demand on administrative services.

Establishing minimum charges of \$750 and \$1,500 ensures that all services contribute a nominal amount to the administration costs. Setting a maximum will ensure that no single service is charged excessively for administration.

Establishing the minimum charge of \$2,500 to the Electoral Area Feasibilities service accounts for some of the additional demand on staff time to administer the service. The additional charge to the Planning and Regional Emergency Preparedness services acknowledge that, unlike most other services, the departments occupy defined office space and, therefore, are responsible for some of the costs of operating that office as in any tenant arrangement.

Most other services cover overhead costs in their individual budgets, e.g., the fire departments maintain and operate their halls, parks facilities pay their own utilities and maintenance costs, Texada Recreation Commission finances the operation and maintenance of two buildings, etc.

PREVIOUSLY AMENDED: Mar-12-02: Dec-19-02: Mar-24-05: Mar-22-07: Oct-25-12