

# Kids Central, Inc. System of Care Policy & Procedure

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**Series:** Finance, Accounting and Contracts

**Policy Name:** Cost Accounting

**Policy Number:** 923

**Origination Date:** 08/23/06

**Revision Date:**

**Authority:**

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## **Policy:**

In order to establish a consistent allocation of personnel and operational costs to appropriate programs for the books and records of the corporation Kids Central, Inc. will implement and maintain a uniform record of accounts pertaining to all operational and personnel costs identified by programs.

## **Procedure:**

### Operating Expenses:

1. Direct Labor: Salaries, fringe benefits, and payroll taxes shall be utilized as identified for each staff member. Where staff members contribute significant amounts of time to more than one program, that individual's time is allocated between the programs service. The personnel costs associated with general and administrative staff will be segregated and classified as such.
2. Other operating Expenses: Total general and administrative personnel costs, as well as other direct service costs, as identified in items (a) through (c) will be accumulated and allocated in a reasonable manner to the appropriate costs.
  - a. Facility Cost: Rent, capital lease amortization and interest expense, utilities, janitorial services, property taxes, building maintenance, alarm systems and storage shall be allocated by space utilization in relation to total square feet by personnel or unit occupying each location.
  - b. Equipment, supplies, and operating costs: Equipment and vehicle depreciation, travel, supplies, printing, postage, telephone, medications, miscellaneous, general and administrative expenses, Board of Directors expenses, shall be utilized on a personnel/space location basis as determined in #1 above.
  - c. Professional Contracts: Audit, legal, data processing, consultants, etc. shall be utilized as identified for each program.
3. In accordance with the Departments format, the program General and Administration is allocated on a cost basis in relation to program expenses.

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**Approved By:**

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Cynthia A. Schuler, Chief Executive Officer

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Date