Policy

POL.COR.20.04
Interfunctional Transfer Policy

Policy Type: Corporate Policy (Approved by Council)

Date Approved: July 13, 2020

Department: Financial Services

Staff Report: FAF.15.62, FAF.20.099

By-Law No.: N/A

Policy Statement

The Interfunctional Transfer Policy will provide the framework and formulas required for calculating and charging any Divisions for the services provided to them by the various Administration Departments.

Purpose

This policy will outline which services are to be charged back to the applicable Taxation and User-Fee funded Divisions, as well as how the annual cost is calculated. This policy will also clearly outline what services are charged out, how these services are charged out and why they are being charged out to the various Divisions throughout the Town.

Application

This policy applies to all Town officials and employees with respect to the annual Approved Budget.

Definitions

Administration Division means any Division that is listed in Schedule A.

Approved Budget means the annual budget for the given year that has been approved by Council.

Council means the Council of The Corporation of The Town of The Blue Mountains.

Director means a person holding a senior management position of Director within a department and includes the Treasurer, and Chief Administrative Officer (CAO), and any other title approved by Human Resources as a staff position equivalent to that of a Director.

Manager means a person holding a management position of Manager within a department and includes the Project Manager, Clerk, and any other title approved by Human Resources as a staff position equivalent to that of a Manager.

Non-Administration Division means any Division that is listed in Schedule A.

Taxation Funded Division means any division that is funded using taxation collected through property taxes; this includes Finance, Council and Human Resources.

Town means The Corporation of The Town of The Blue Mountains.

Treasurer means the Council appointed Treasurer of The Corporation of the Town of The Blue Mountains.

User-Fee funded Division means any divisions that are 100% funded through self-generated revenue; this includes Water, Wastewater, Harbour, and Building.

Procedures

Actual versus Budget Interfunctional Transfers

The Town has two different types of interfunctional transfers; actual and calculated or estimated. Actual Interfunctional transfers refer to services provided that can be easily, accurately and quantitatively identified/valued, such as grass cutting at the Harbour. For example, the Parks Division keeps track of the hours used for cutting at the Harbour and the staff and vehicle costs are then charged back to the Harbour. By doing this two things are accomplished; first, the Town gets an accurate view of what the Harbour costs to operate, and the users that benefit from the Harbour are funding these costs rather than having all of the Town's taxpayers fund these costs. These types of Interfunctional transfers will continue to be budgeted based on the actual service delivery costs as well as other budgeting factors.

Facility Maintenance will be fully charged out as an "Actual Interfunctional Transfer" to the applicable Divisions. For example, The OPP Detachment Facility Maintenance will be charged fully to the OPP Budget, and the Town Hall Facility Maintenance Budget will be fully charged out to those Divisions that have office space in Town Hall.

The second type of Interfunctional transfer is the calculated or estimated transfer; this type of transfer has historically been based on budget percentages as the costs could not be easily, accurately or quantified/valued. However, with the staff in the Administrative Divisions now tracking their time accurately, these items can now be better quantified.

Administrative Divisions

The Purposed of the Interfunctional Transfers is to allocate all costs from the Administrative Divisions to the Non-Administrative Divisions, except for any Benefits costs associated with Vacation, Sick, or Statutory Holiday pay, which will stay in the applicable Division.

There will be two types of Budget Interfunctional Transfers – the time that staff in the Administrative Divisions specifically spend on other Divisions, as well as Calculated Transfers.

Time Tracked Transfers

Staff will transfer actual time that the Administrative Divisions specifically spend on other Divisions, based on time tracking, as well as an hourly overhead rate.

This is a very straight-forward transfer, as the hours and applicable over-head rate is directly charged to the Division that the Administrative Staff is doing the work for.

Calculated/Estimated Transfers

Once any time tracked hours are transferred out of the Administrative Divisions, staff will then address the time staff spend on tasks that cannot be accurately or realistically allocated to another Division, such as the time that Finance staff spend on the financial audit.

This time will be allocated to the various Town Divisions based on various calculation methods, as outlined in Schedule B.

Allocation Method

Staff will use a step method to transfer costs to all non-Administrative Divisions in a sequential process. In the step method, staff will start with one Administrative Division and allocate out all time tracked and calculated transfers to all remain Divisions, both Administrative and Non-Administrative. Once the first Administrative Division is allocated, staff will move on to the second Administrative Division and repeat the same steps but will not charge any time back to any Administrative Division that came before it. These steps are repeated until all Administrative Divisions have been allocated to the non-Administrative Divisions. The order that staff will use to allocate out the costs of the Administrative Divisions is outlined in Schedule C.

Exclusions

There are no exclusions to this policy and any deviations must be approved by Council.

References and Related Policies

N/A

Consequences of Non-Compliance

N/A

Review Cycle

This policy will be reviewed once per term of Council.

Schedule A

Division Classifications

Administrative Divisions	Non-Administrative Divisions
Council	Attainable Housing
Chief Administrative Officer	Beaver Valley Community Centre
Clerks	Building Services
Human Resources	By-law
Finance	Cemetery
Information Technology	Committees of Council
Legal Services	Community Services
	Conservation Authority
	Development Engineering
	Fire
	Garbage Collection
	Harbour
	Health and Social Services
	Landfill
	LE Shore Library and Craigleith Depot
	Ontario Provincial Police
	Operations
	Parks and Trails
	Planning
	Roads and Drainage
	Short Term Accommodation
	Thornbury BIA
	Tomahawk
	Transit
	Waste Diversion
	Wastewater
	Water

Schedule B

Calculation Methods

Allocation Calculation Method	Task
Percentage of Corporate Budget	Accounts Payable, Accounts Receivable, Asset Management, Audit, Bank Deposits, Bid Opportunities, Budget, Capital Projects, CEDC General, Communications General, Communications Outreach, Communications Strategy, Corporate Strategic Plan, Economic Development General, Economic Development Outreach, Economic Development Strategy, FOI's, Front Counter – Customers, GIS, Grant Applications, Grants and Donations, Legal, Licenses, Main, Month End, P-Cards, Policy Development, Purchase Orders, Records Retention, Service Delivery Review, Tourism Development, Year End.
Percentage of Taxation Corporate Budget	Assessment, Taxation
Number of Employees	Accessibility Initiatives, Advertisements, Background Checks, Benefits Administration, Bereavement, Coaching and Mentoring, Compensation, Conference/Training, Disability Management, Drivers Abstract, Email/Phone, Employee Relations, Event Planning, External or Internal Complaint Investigation, Facilitating Training, Health and Safety Investigations, Health and Safety Audit, HR Audit, Integrity Commissioner/Ombudsmen, Training, Interviews, Labour Relations, Management Time, MOL Initiatives, On and Off-Boarding, OMERS, Organizational Design, Payroll, Recruitment, Staff Meetings, Succession Management, Surveys, Timesheet System, WSIB Administration.
Percentage of COW & Council Staff Reports	Committee Meetings, Council Registrations, Council and Committee Action Items, Council Meetings, Election, Mayor/Council, Meet the Mayor, Prepare Minutes, Report Writing, Report and Notice Preparation.
Percentage of Insurance Premium	Insurance, Claims
Percentage of Computers/IT Devices	After Hours Email and Phone, After Hours Service, Applications and Other Databases, CityView, CityWorks, Client Computer and Printer Support, Great Plains, HelpDesk, Infrastructure, Land Line Phones, Licensing, Network Support, Public Support, Smart Phones, Website Administration
Development Charges Collected	Development Charges
Water and Wastewater Billing	Water Billing, Wastewater Billing
Development Agreements	Development Agreements

Schedule C

Administrative Divisions - Step Sequence

The following table outlines the order that will be used to allocate costs out using the step method.

Order	Administrative Division
1	Finance
2	Information Technology
3	Chief Administration Officer
4	Human Resources
5	Communication and Economic Development
6	Clerk’s Office
7	Council
8	Legal Services