

**RESOLUTION 2015-014**

**A RESOLUTION OF THE CITY OF BINGEN, WASHINGTON  
AMENDING OVERHEAD COST ALLOCATION POLICY**

**WHEREAS**, the City of Bingen budgets and calculates overhead cost allocation to the operating and maintenance funds of the city; and

**WHEREAS**, the Washington State Auditor's Office has provided guidance and recommendations regarding how cities calculate overhead cost allocations; and

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF BINGEN,  
WASHINGTON, HEREBY RESOLVES AS FOLLOWS:**

**Section 1.** The following overhead cost allocation policy is adopted:

1. Overhead costs are allocated to all operating and maintenance funds, including any capital and debt funds attributed to the specific operating and maintenance funds.

For purposes of this policy, Current Expense includes the following funds:

001 – Current Expense  
104 – Community Development  
151 – Police Car Reserve  
152 – Fire Equipment Reserve  
154 – Fire Fund  
302 – Building Construction  
305 – Park Construction and Maintenance  
**601 – Court Remittance Agency Fund**

For purposes of this policy, Street includes the following funds:

101 – Street  
153 – Street Equipment Reserve  
155 – Street Construction and Maintenance

For purposes of this policy, Real Estate Excise includes the following funds:

301 – Excise Taxes

For purposes of this policy, Water includes the following funds:

- 401 – Water
- 417 – Drinking Water State Revolving Fund Loan**
- 421 – Water Construction and Maintenance
- 422 – Water Equipment

For purposes of this policy, Sewer includes the following funds:

- 403 – Sewer
- 411 – 1995 Bond Reserve
- 414 – 1995 Bond Redemption
- 423 – Sewer Construction and Maintenance
- 424 – Sewer Equipment

For purposes of this policy, Treatment Plant includes the following funds:

- 405 – Treatment Plant
- 410 – 1973 Bond Reserve
- 413 – 1973 Bond Redemption
- 425 – Treatment Plant Replacement (capital expenditures for existing treatment plant)
- 428 – Sewer Reserve (for future replacement or expansion of the treatment plant per interlocal agreement)

2. Overhead costs include finance/administrative expenditures coded to 001.514 23 excluding any expenses that are already prorated between the operating and maintenance funds including but not limited to: labor attorney expenditures and BIAS software maintenance agreement expenditures. Finance/administrative expenditures directly support all the operating and maintenance funds and the costs shall be shared appropriately.
3. Operating and maintenance expenditures are used to determine the percent that overhead costs are allocated to each operating and maintenance fund. Operating and maintenance expenditures for the purposes of this policy do not include the following:
  - a. ~~Capital expenditures including equipment and uniforms purchased out of capital expenditure funds, capital improvements, and professional services when paid out of capital expenditure funds. Professional services includes but are not limited to architectural and engineering services and planning services for such things as water and wastewater plans and feasibility plans.~~
  - ba. Debt payments.

- eb.** Ending balances.
  - dc.** Interfund transfers and interfund loan payments
  - ed.** State funds (~~596~~ 601 expenditures).
4. The overhead cost allocation is established when the budget is adopted and amended any time there is an amendment to expenditures in a fund.
  5. Overhead cost allocations will be made through an interfund transfer on a monthly basis based on the budget adopted at that time.
  6. The overhead cost allocation plan is reconciled at the end of the year based on actual expenditures and adjusted as necessary. Expenditures are reviewed to determine if they are an appropriate overhead cost.

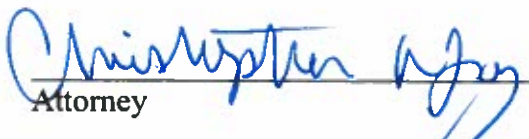
**ADOPTED** by the City Council of the City of Bingen, Washington and approved by its Mayor, at a regularly scheduled open public meeting thereof this 6<sup>th</sup> day of October 2015.

  
\_\_\_\_\_  
Mayor

Attest:

  
\_\_\_\_\_  
City Clerk – Treasurer

Approved as to Form:

  
\_\_\_\_\_  
Attorney