



2025 Cost Allocation Plan Overview

Budget Contacts Meeting

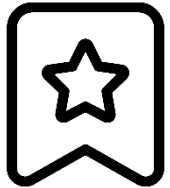
Finance Department | March 12, 2024

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Agenda

1. Introductions: MGT of America
2. Timeline & Inputs for Cost Allocation
3. Understanding the Plan and Inter-D Charges
4. Questions



- Slides will be available on Employeeenet:
<https://www.cityofmadison.com/employeeenet/finance/budget>
- Recordings available on Mediasite Budget Training Page:
https://media.cityofmadison.com/Mediasite/Channel/budget_training_2023

Introductions

Timeline and Inputs for Cost Allocation

Key Dates for 2025 Budget Development

	Capital	Operating
Kick-Off Meeting	Tuesday, March 19 11:00am	Monday, June 17 1:00pm
Agency Requests Due	Friday, April 19	Friday, July 19
Agency Briefings with Mayor's Office	May 8 – 17	August 12 – 14
Executive Budget introduced to Common Council (CC)	Tuesday, September 10	Tuesday, October 8
Finance Committee (FC) Briefings	September 16 – 17	October 14 – 15
FC Amendment Meeting	September 30	October 28
CC Amendment Week	October 29 – November 6	
CC Budget Adoption Meetings	November 12 – 14	

Cost Allocation Plan Timeline

- Cost allocation plan is developed as part of Cost to Continue in March – May
- Sent out data requests late February
- Due to Finance by April 1st
- Finance sends data to MGT of America on a rolling basis
- Draft plan received from consultants by May, Finance enters in Central Budget by kick off

What is the cost allocation plan?

- The Full Cost Allocation Plan is a method for distributing, or allocating, City indirect costs to non-general fund agencies. Indirect costs are those costs incurred by City agencies that benefit other City agencies (primarily administrative agencies like civil rights, finance, HR, IT).
- Methodology 1) identifies agencies providing central services, 2) identifies agencies receiving support, 3) accumulates allowable expenditures, 4) allocates expenditures based on measurable allocation statistics that reflect the services provided.
- Plan is the basis for many of the inter-departmental charges/ billings included in the base budget


Data Inputs: Agencies providing data

- Attorney
- Civil Rights (DCR)
- Employee Assistance Program (EAP)
- Finance
- Human Resources (HR)
- Information Technology (IT)
- Traffic Engineering (Radio Services)

City of Madison, Wisconsin				
FY 2023 Cost Allocation Plans				
Data Requests				
Item Number	Cost Plan Department	Responsible Agency	Data Point/Report	Source System (to be completed/updated by City)
4	All	Finance	Position Inquiry Report as of December 2023; need breakdown for Sewer, Stormwater, and Landfill staff also	
5	Building Depreciation	Finance	FY2023 Depreciation	
6	Building Depreciation	Engineering	2023 Occupied Square Footage for City/County Building, Fairchild, and MMB by Department	
7	Employee Assistance Program	Employee Assistance Program	Personnel Activity Report for each employee showing a breakdown of time/effort by service/function for 2023	MGT Provided PAR Template
8	Employee Assistance Program	Employee Assistance Program	Total Employee and Supervisor Contacts/ Consultations by department during 2023 broken down by Internal EAP staff vs. External EAP staff	EAP Office
9	Employee Assistance Program	Employee Assistance Program	Total Number of Critical Incident Attendees during 2023 by department broken down by Internal EAP staff vs. External EAP staff	EAP Office
10	Attorney's Office	Attorney's Office	Personnel Activity Report for each employee showing a breakdown of time/effort by service/function for 2023	MGT Provided PAR Template
11	Attorney's Office	Attorney's Office	Breakdown of effort/support provided by Attorney for General Counsel activities	MGT Provided Effor Analysis Worksheet
12	Attorney's Office	Attorney's Office	Breakdown of effort/support provided by Attorney for Ordinance Enforcement activities	MGT Provided Effor Analysis Worksheet
13	Human Resources	HR	Personnel Activity Report for each employee showing a breakdown of time/effort by service/function for 2023	MGT Provided PAR Template

Where to Find the Plan

New section on main budget webpage:
<https://www.cityofmadison.com/finance/budget>



Finance

David Schmiedicke, Finance Director

- Home
- Treasury
- Budget**
- Purchasing
- Accounting
- Risk Management
- Data & Innovation
- Contact

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Budget

2025 Budget

+

2024 Budget

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2023 Budget

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American Rescue Plan Act (ARPA)

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Cost Allocation Plan

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City completes an annual cost allocation plan to accurately and consistently allocate central service costs to enterprise agencies receiving services. Charges associated with cost allocation are reflected in the inter-departmental charges and billings in the operating budget.

The plan is developed using actual expenditure data from the prior year. For the 2025 budget, the plan will be developed in 2024, using actuals from 2023.

- [Cost Allocation Plan for the 2024 Budget PDF](#)
- [Cost Allocation Plan for the 2023 Budget PDF](#)
- [Cost Allocation Plan for the 2022 Budget PDF](#)
- [Cost Allocation Plan for the 2021 Budget PDF](#)

Understanding Charges




[Cost Allocation Plan](#) for 2024 Budget

- Developed in Spring 2023
- Based on Actuals from 2022

Finance Calculation of Charges

Budgeted Agencies - Cost Allocation Plan

 Charging Agencies		Paying Agencies	
<ul style="list-style-type: none"> • Attorney's Office • Building Depreciation • Department Civil Rights • Employee Assistance Program • Equipment Depreciation • Finance Department • Human Resources 	<ul style="list-style-type: none"> • Information Technology • Mayor • Public Works - Engineering Services • Public Works - Traffic Engineering 	<ul style="list-style-type: none"> • Golf Enterprise • Metro Transit • Monona Terrace • Parking Utility • Public Works - Landfill 	<ul style="list-style-type: none"> • Sewer Utility • Stormwater Utility • Water Utility

	2019	2020	2021	2022	2023	2024
% of Actual Plan Amounts Used	75%	75%	75%	80%	80%	85%
Allocated Amounts	\$2.6m	\$2.9m	\$3.7m*	\$3.9m	\$4.1m	\$4.6m

* Civil Rights and Traffic Engineering (radio services) added as charging agencies in 2021 plan



Questions?