



County of Santa Clara

Policy Name: Fees and Charges

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Policy Type: Administrative

Category: Fiscal and Budget **Sub-Category:** Payments and Fees

Policy Name: Fees and Charges

Policy Owner: Controller-Treasurer Department

Policy Purpose

The purpose of this policy is to establish guidelines for setting and modifying fees and charges imposed by the County.

Policy Summary

Fees and charges that are imposed by County Agencies and Departments for services to outside agencies, businesses, individuals, and other County Agencies and Departments are to be based on full cost recovery to the extent legally allowable. Full cost recovery requires that departments' calculations of fees and charges include appropriate indirect costs. Indirect costs are costs that are not readily identified with particular services but are necessary for general operations and to conduct services. Indirect costs include office supplies, rent, utilities, and accounting and administration costs. Fees and charges may only be imposed consistent with the California Constitution and all applicable laws.

Countywide Annual Master Fee Schedule

For informational purposes, on an annual basis, the Controller-Treasurer Department's Cost Management Unit (CMU) prepares the Countywide Annual Master Fee Schedule listing all imposed fees and charges and submits it to the Finance and Government Operations Committee (FGOC).



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County Agencies and Departments must provide advance notice to the CMU of fees and charges that are new, revised, or have been discontinued. In odd-numbered years, to ensure the accuracy of the CMU's records of fees and charges, CMU conducts a survey of County Agencies and Departments to ensure the fees and charges in its records are up to date, reflect the Agencies' and Departments' operational practices, and are properly recorded in the Agencies' and Departments' revenue accounts.

New or Revised Fees or Charges

Except when restricted by law, County Agencies and Departments must prepare cost calculations for new or revised fees or charges on a full cost recovery basis, which should include applicable indirect costs, labor costs and hourly rates, and/or a time study analysis.

County Agencies and Departments must submit cost calculations to the CMU for review, with a copy to the Agencies' or Departments' assigned deputy county counsel, and provide citations to any statute, regulation, or rule that limits any of the fees or charges to less than full cost recovery.

The Controller-Treasurer Department CMU is responsible for reviewing the County Agency's or Department's fee calculation to ensure:

- Calculations are accurately supported by proper cost analysis;
- A full cost recovery methodology is used;
- Deviations from full cost recovery methodology are appropriate and
- Fees and charges are in compliance with laws and regulations;

Once the new or revised fee or charge has been reviewed and approved by the Controller-Treasurer Department CMU, the County Agency or Department must submit the new or revised fee or charge to the Board of



Supervisors for approval at a public meeting of the Board and in accordance with applicable laws. Some laws provide for other processes, which should be followed after consultation with County Counsel. If a new or revised fee or charge does not reflect full cost recovery, and is not otherwise limited by state law, the County Agency or Department must provide justification to the Board, and the fee or charge must be specifically approved as a separate Recommended Action on the Board agenda item where the fee is being considered.

Procedures

New or Revised Fees or Charges

- 1) **County Agencies and Departments** must prepare and review the fee calculation, including indirect cost, labor cost, labor hourly rates, and time study analysis for new or revised fees and charges.
- 2) **County Agencies and Departments** must survey comparable jurisdictions to provide a benchmark analysis and additional information for the Board of Supervisors' or designee's review.
- 3) **County Agencies and Departments** must submit all new and increased fees and charges, including supporting documentation identified in (4)(a)-(d) below, to County Counsel for review. Revisions to delete or reduce fees and charges may be submitted to County Counsel for review as needed, unless such deletion or redaction is only applied to certain entities, in which case it must be submitted to County Counsel.
- 4) **County Agencies and Departments** must submit any new or revised fees and charges to the Controller-Treasurer Department CMU for review, including documentation to support the new or revised fees



or charges. This documentation should include the following information:

- 4a) Fee calculation, including indirect cost, labor cost, labor hourly rates, and time study analysis.
- 4b) Cost analysis to ensure full cost recovery.
- 4c) Explanation of methodologies used and the basis for setting the fees or charges.
- 4d) Statement to explain the department's rationale for deviating from a full cost recovery methodology, if applicable. For example:
 - Certain fees or charges are limited by State law. Include citation to the statute, regulation, or rule that limits the fees or charges to less than full cost recovery.
 - Setting the fee to full cost recovery will be counterproductive to program's policies or goals.
 - The full cost recovery rate is materially out of alignment with the fair market value of the services provided.
 - The rate increases will drastically reduce revenue received, thus creating a departmental hardship.
 - Approved Board of Supervisors' directives to set fees or charges at less than full cost recovery.



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- The costs of other departments providing part of the services may not be included in the calculation if they are reimbursable through other revenues or the cost is so immaterial or insignificant that it will not be feasible or practical to gather the cost data.
- 5) The **Controller-Treasurer Department CMU** must review and approve the fee calculation provided by the County Agency or Department to support the new or revised fees or charges.
 - 6) The **Controller-Treasurer Department CMU** must ensure the County Agency or Department is using a full cost recovery analysis that allows all costs to be recovered, whenever legally allowable.
 - 7) The **Controller-Treasurer Department CMU** must review the County Agency's or Department's explanation for any deviation from a full cost recovery methodology, if applicable.
 - 8) The **Controller-Treasurer Department CMU** must ensure fees and charges have been approved by County Counsel, if applicable, prior to consideration by the appropriate Policy Committee.
 - 9) After obtaining the approval from the County Counsel and CMU's signatures for the Fees and Charges Review and Approval Checklist, **County Agencies and Departments** must submit the fees or charges proposal to the following approving authorities, if applicable:
 - 9a) The appropriate Policy Committee (e.g., CSFC, FGO, HHC, HLUET, and PSJC).
 - 9b) The Board of Supervisors for approval.



- 10) The **Controller-Treasurer Department CMU** must review the final fees and charges submitted to the Board of Supervisors to ensure they are the same as those approved by the Controller-Treasurer Department CMU.
- 11) **County Agencies and Departments** must publish new or revised fees and charges online, prior to implementation.
- 12) **County Agencies and Departments** must implement new or revised fees and charges on the date specified in the Legislative File.

Annual Reporting of Fees and Charges

- 1) The **Controller-Treasurer Department CMU** must monitor the annual reporting of fees and charges by Agencies and Departments to ensure fees and charges are up to date.
- 2) In odd-numbered years, the **Controller-Treasurer Department CMU** must send a survey to County Agencies and Departments for updated information on fees and charges. This includes requesting information on fees and charges that are new, revised, or have been discontinued.
- 3) **County Agencies and Departments** must complete the survey from the Controller-Treasurer Department CMU and provide information on all new or revised fees and charges by the specified deadline.
- 4) **County Agencies and Departments** must identify fees and charges that have not been updated within the last three years and work with the Controller-Treasurer Department CMU to update them.



- 5) The **Controller-Treasurer Department CMU** must prepare and submit an informational Countywide Annual Master Fee Schedule to the FGO.

Other

- 1) **County Agencies and Departments** must notify the Controller-Treasurer Department CMU, via email, when the fee is no longer being charged. The notification must occur within 30 days of when the fee has been discontinued. Board approval of the discontinuance may be required if the Board's approval of the fee did not include authorization to discontinue it.
- 2) The **Controller-Treasurer Department CMU** must assist County Agencies and Departments in revising cost-based fees and charges.
- 3) The **Controller-Treasurer Department CMU** must provide training and updates to County Agencies and Departments on cost accounting, Federal and State laws and regulations, and pricing procedures, including full cost analysis and indirect cost recovery percentage calculation review.

Definitions

None.

Frequently Asked Questions

None.

Related Policies



None.

Related Forms and Information

- Government Code Section 51350 - https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=1.&title=5.&part=2.&chapter=1.&article=3.
- Government Code Section 54985 - http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV§ionNum=54985.
- Code of Federal Regulations: The Executive Office of the President, Office of Management and Budget's (OMB) Guideline 2 CFR Part 200 (referred to as the "Supercircular") Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards - https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.
- Ordinance Code Division A14 Fees and Charges – Miscellaneous https://library.municode.com/ca/santa_clara_county/codes/code_of_ordinances?nodeId=TITAGEAD_DIVA14FECHIS

History

Date	Changes Made
01/25/2019	Policy Adopted.