

Department of Administrative Services
State Controller's Division
Shared Client Services

Rate Development Summary
Biennial Budget Development

Related Program Costs / Activities

Describe the program this assessment or fee for service will support.

Shared Client Services receives revenue from state agencies based on individual Interagency Agreement service charges. These agencies contract with SCS to provide accounting services, along with budget and cashflow services, payroll and personnel services.

Assumptions

List the assumptions that were made when developing this rate. Examples might include expected CSL budget, expected beginning balance, expected policy packages, volume of service, level of usage, number of customers, economic climate, inflation factors considered, etc.

Because these rates are required nearly two years in advance, we assume that we will retain all of our Client Agencies for the next biennium. If the Legislature eliminates or transfers an agency, the estimated revenues from the Client Agencies will be short in regards to the biennial budget for SCS.

Methodology/Rate Calculation

Give a detailed narrative description of how the rate for this assessment or fee is derived. Include steps for review and approval. Include alternatives that were considered, describing why they were not used.

We receive our estimated expenditure costs for the next biennium from our DAS/Operations financial analyst. This is the basis of our total service charges to all our Client Agencies. The charges to the agencies are divided between the accounting/financial services and the accounts payable services. The sum total of all accountants' salary costs plus one-half of the manager's salary costs are the basis of the accounting/financial services charge. The sum total of the accounts payable position's salary costs plus one-half of the manager's salary costs are the basis of the accounts payable services charge.

The two totals are calculated for each agency based on their usage of those services over the prior two years. Each month, the SCS accountants submit a 'billable hours report' to the manager. The totals are input and accumulated over the period of time to give the percentage of usage for each agency for accounting services. For accounts payable, a Brio report is run to determine how many lines (hits) of accounts payable data were entered for each agency for the prior two year period. The amounts are combined for a base number and the percentage of accounts payable usage is determined for each agency. The amounts for accounting usage and accounts payable usage are combined for a SCS charge of standard services.

Additionally, special service charges are listed for agencies that require SCS to perform unique or special services. These special services may include performance as the ORBITS/PICS coordinator, compilation of an annual financial statement, compiling and publishing an agency's budget book or revenue/invoicing services. The total of these two sections are the basis of revenue income for Shared Client Services.

Also, within these same Interagency Agreements are service charge total for payroll (DAS/OPS) and personnel (DAS/HRSD). These separate amounts represent the revenue received by OPS and HRSD from each individual Interagency Agreement.

The service charges for each individual Interagency Agreement is the combined amounts charged by SCS, OPS and HRSD under the SCS agreements to our Client Agencies.

These interagency agreement are entered into and agreed upon between the Agencies and Shared Client Services.