

Manitoulin-Sudbury District Social Services Administration Board

Allocation of Program Support Costs for Year 2010

Note: In this draft document actual numbers have not been added but will be once the 2010 program budgets have been finalized. The purpose of this draft paper is to show the principles behind this proposed allocation model)

The Program Support budget includes the costs of those services which are provided across all four programs. These are the shared supports which allow the four Board programs to operate. If a cost can be solely allocated to a particular program then that cost will show up as a line item within that particular program budget. An example of a Program Support cost is Human Resource management which serves all programs.

The Board provides programming mandated by four separate Ministries. In three of the four programs there is grant based funding of administrative costs. We continue to fight for ongoing administrative funding in Social Housing. The province often refers to these as cost shared activities but in all cases they are unilaterally capped by the province and seldom reflect the stated costs sharing formula. It is essential that the program support costs are appropriately assigned to each program in order to reasonably request and receive these administrative grants. The Board needs to know the true cost of running each program so that it can lobby for appropriate and justifiable administrative funding.

The Program Support budget is composed of several components. Each component is divided up among the programs in a manner which attempts to accurately reflect the estimated cost of that component for each program's delivery. In the private sector, there are similar attributions or allocations of costs in corporations with many business activities which receive central or corporate supports. There

is no formula which is deemed to provide an absolutely accurate analysis without incurring significant new costs to refine the allocation process.

This report is meant to be reviewed each year and refined over time so that the Program Support cost allocation is more precise and remains relevant. The financial amounts are based on prior year's audits but staffing is based on that in place at the time of budget creation. This report is an important component of the annual budget process.

#1 Corporate Costs

Allocation: These core administrative costs are is divided equally among all four programs

Cost components:

The salary, benefits and travel of the CAO

The contract cost and travel of the Advisor (2010)

50% of the salary, benefits and travel of the Executive Assistant

Audit costs, Board Costs, Association memberships – AMO, OMSSA, NOSDA

The total of these costs for 2010 is \$

| Program | % allocation | 2010 estimate allocation |
|----------------------------|--------------|--------------------------|
| Children's Services | 25% | |
| Emergency Medical Services | 25% | |
| Ontario Works | 25% | |
| Social Housing | 25% | |
| Total | 100% | |

#2 Human Resources Support

Allocation: Human Resources are provided through an external contract and internal support from the Executive Assistant (50%). Costs are distributed based on the number of fulltime and regularly scheduled Part Time staff

Cost components:

The contract cost and travel of the HR Support received from DiBrina Sure Human Resources Inc.

50% of the salary, benefits and travel of the Executive Assistant

HR related legal costs

Advertising for staffing

The total of these costs is \$

| Program | FT and regular PT staff | % allocation | 2010 estimate allocation |
|-------------------------------|----------------------------|--------------|-----------------------------|
| Children's Services | | | |
| Emergency Medical Services | | | |
| Ontario Works | | | |
| Social Housing | | | |
| Total | | | |

3 Finance Department

Allocation:

These costs are allocated based on

Program expenditures as a percentage of gross audited costs (50%)

Number of service delivery locations as a percentage of all locations (30%)

Program staff as a percentage of total staff (20%)

Cost components:

Salaries, benefits travel of Director of Finance and finance staff & Shared Capital Resource position

Office supplies

Assigned accommodation costs

The total of these costs is \$

3 A Share of Expenditure

| Program | Program expenditure (prior year audit) - A | Percentage of Gross expenditure B | Finance Department Cost C | Gross Share of costs D Column B x C | Allocation 50% Finance Department Cost E 50% of Column D |
|--------------------------------|---|--------------------------------------|------------------------------|--|---|
| Children's Services (F) | | F/J | | | 50% of Col |
| Emergency Medical Services (G) | | G/J | | | |
| Ontario Works (H) | | H/J | | | |
| Social Housing (i) | | I/J | | | |
| Total (J) | \$ | 100% | | | |

#3 B Share of Service Locations/Service Providers

| Program | A Number of service delivery locations - or service providers | B Total Service delivery locations or providers | C Finance Department Cost | D Share of costs $A/B \times C$ | Allocation 30% of Finance Department Cost 30% of Column D |
|----------------------------------|---|--|------------------------------------|--|---|
| Children's Services | | | | | |
| Emergency Medical Services | | | | | |
| Ontario Works | | | | | |
| Social Housing | | | | | |
| Total | | | | 100% | |

#3 C Share of Staff

| | A staff | B % of total staff | C Finance Department Cost | D Share of costs Column C x B | E Allocation 20% of Finance Department Cost 20% of D |
|---|------------|--------------------------|------------------------------------|---|--|
| Children's Services (F) | | | | | |
| Emergency Medical Services (g) | | | | | |
| Ontario Works (h) | | | | | |
| Social Housing (i) | | | | | |
| Total (j) | | | | | |

#4 Accommodations costs:

Allocation: Accommodation costs are allocated to each program based on the number of program staff in that location. All EMS base costs are reflected directly in the EMS budget. All other office costs are divided by number of staff.

Cost components:

All office locations

lease,

utilities,

heat,

improvements,

municipal taxes,

telephone

Fax/Photocopiers, Postage, Insurance

The total of these costs is \$

4 - Accommodation costs

| Program | Location | Location costs | FT and regular PT staff (excluding paramedics) | % allocation | 2010 estimate allocation |
|----------------------------|------------------------|----------------|--|--------------|--------------------------|
| CAO/Executive Assistant | 210 Mead | | | | |
| Children's Services | 210 Mead | | | | |
| Information Technology | 210 Mead | | | | |
| Ontario Works | 210 Mead | | | | |
| Social Housing | 210 Mead | | | | |
| Totals | 210 Mead | | | | |
| Integrated area offices | | | | | |
| | | | | | |
| | | | | | |
| Emergency Medical Services | 2 nd Avenue | | | | |
| Finance | 2 nd Avenue | | | | |
| Total | | | | 100% | |

#5 Information Technology/ Communications

Allocation: Based on number of computers supported

Cost components:

Salary, benefits, travel of two staff

Hardware,

Software (program specific software shows up in the individual programs whereas system wide software is capture here)

The total of these costs is \$

| Program | Number of Computers supported | % allocation | 2010 estimate allocation |
|----------------------------|-------------------------------|--------------|--------------------------|
| Children's Services | | | |
| Emergency Medical Services | | | |
| Ontario Works | | | |
| Social Housing | | | |
| Total | | 100% | |

#6 Integrated Delivery Costs

The cost of providing Integrated reception and related client services are divided among Children's Services, Ontario Works and Social Housing

Cost components:

Salary, benefits, travel of five Intake worker staff

Accommodation costs for four satellite offices including phones, internet, office supplies and postage.

| Program | Formula | % allocation | 2010 estimate allocation |
|---------------------|---------------------------------------|--------------|--------------------------|
| Children's Services | Divided equally among 3 program areas | 33.3% | |
| Ontario Works | Divided equally among 3 program areas | 33.3% | |
| Social Housing | Divided equally among 3 program areas | 33.3% | |
| Total | | 100% | |