

Attachment 1-Chargeback Methodology

DIVISION OF FACILITIES SERVICES

PROPOSED COST CHARGEBACK METHODOLOGY – DRAFT

PURPOSE: To transfer funding from the occupying agency to the Division of Facilities Services (DFS) in order to fund maintenance and operation costs of State of Alaska facilities.

COST	M&O DIRECT COSTS	INDIRECT COSTS	DEFERRED MAINTENANCE & SPECIAL PROJECTS
Includes:	<ul style="list-style-type: none"> -LTC Personnel and facility professionals -Service Contracts -Utilities -Parts/Materials/Equipment Usage -Travel -Miscellaneous facility direct expenses 	<ul style="list-style-type: none"> -Non-LTC Personnel (Admin, Acct, Mgmt, Prcmt) -Office-related Commodities -Enterprise CMMS fee -IT equipment, computers, printers, comm, fees, etc. -Non-LTC travel -Miscellaneous overhead expenses 	<ul style="list-style-type: none"> -Building restoration, remodel, repairs, and improvements -Special Projects requested by occupying agency
Rate Determination	Rate is based on actual M&O direct costs for the facility from the prior 3-year average of actual costs* and adjusted based on over-under cost recovery from prior complete fiscal year.	Rate is based on the overall sum of DFS indirect costs for a complete fiscal year, distributed among facilities based on the percentage of a facility's direct costs in relation to the total direct costs of all facilities managed by DFS.	At this time, costs associated with deferred maintenance and depreciation is not incorporated into the rate.
	<p>EXAMPLE DIRECT RATE FORMULA: $\text{FY19 Direct Rate by Facility} = [\text{Avg of FY15,16,17 Actuals*}] - [\text{Over Under Cost Recovery}]$ $\text{Over Under Cost Recovery (ΔFY17)} = [\text{FY17 Rate}] - [\text{FY17 Direct Cost Actuals}]$ </p> <p>EXAMPLE INDIRECT RATE FORMULA: $\text{FY19 Indirect Rate by Facility} = [\text{FY17 DFS Total Indirect Costs}] \times \left[\frac{[\text{FY17 Direct Costs of Facility}]}{[\text{FY17 Direct Costs of All Facilities under DFS}]} \right]$ </p> <p>TOTAL FACILITY RATE = DIRECT RATE + INDIRECT RATE</p>		
Chargeback Methodology	Funding associated with facilities maintenance and operations will be appropriated to the occupying agency, including personnel and non-personnel costs. The required funds, based on the Facility Rate, will be disbursed by the occupying agency to DFS at the beginning of each fiscal year via Inter-Agency Transfer (ITA) and accompanied by a Service Level Agreement (SLA). The DFS will spend the funds via Inter-Agency (IA) Receipt Authority. Direct cost expenditures will be coded to each facility via sub-location code.		Deferred maintenance and special projects will be funded via RSA by the occupying agency.

*3-year average is based on direct costs for facilities maintained under DFS. For facilities not previously maintained under DFS, available historical costs will be evaluated and determinations will be made on costs necessary to meet the minimum level of services for the facility.