Managing Agency Costs and Allocation
MANAGING AGENCY COSTS

- FULL COSTING OF GOVERNMENT AND PUBLIC SERVICES
- HOW DO MANAGING AGENCY COSTS GET CHARGED TO CALTRAIN?
- HOW ARE MANAGING AGENCY COSTS ACTUALLY PAID BY CALTRAIN?
OVERVIEW OF FULL COSTING OF GOVERNMENT / PUBLIC SERVICES
Purpose of Full Costing in Public Agencies

• Establish government charges and fees (set rates and fees for services)
• Evaluate service delivery alternatives
• Disaster recovery cost documentation
• Grants administration
• Performance measurement
• Policy / legal requirement (appropriately allocate costs of shared services)
SERVICES PROVIDED BY CALTRAIN

FULL COST of SERVICE = DIRECT COST: labor + non-labor + INDIRECT COST: labor + non-labor (colloquially “OH”)

Rail Transportation Service

Specific Service

Revenue Category

Farebox

- Operator Svcs (TASI)
- Cost of trains, equipment,
- Fuel diesel
- Insurance
- Direct rail related labor
- Equip maint, security, etc.

Shared central service costs that support Caltrain operations, capital planning, and development (e.g. finance, payroll, accounting, treasury, etc.)
HOW DO MANAGING AGENCY COSTS GET CHARGED TO CALTRAIN?

BUDGET PROCESS

OPERATING
• Labor distribution
• Non-labor e.g. fuel, TASI
• Application of managing agency costs (AIA)

CAPITAL
• Addition of projects
• Application of managing agency costs (AIA)
• Application of capital administration costs (CapAdmin)
Allocation of Shared Services Costs

Managing Agency Costs (AIA) and Internal Cost Allocation Plan (ICAP)

- Costs that cannot be specifically identified to an agency or a set of projects

- All costs are calculated pursuant to an ICAP, developed by an outside consultant, based on a variety of metrics

Examples:

- CFO office (some accounting, payroll, AP, Treasury, etc.), Agency IT, HR, Security
- Non-chargeable C&P functions
- Central facility utilities and maintenance

AIA costs are allocated to:

- SamTrans Operating and Capital
- Caltrain Operating and Capital
- TA Operating and Capital
- JPA Operating
Allocation of Shared Services Costs (cont.)

For Caltrain Operating Budget
• Only Managing Agency Costs (AIA) are charged

For Caltrain Capital Projects
• Both Managing Agency Costs (AIA) and Cap Admin are charged

• ICAP calculates AIA costs that is then charged against all direct costs

• ICAP rate is used to recover overhead costs related to agency indirect administration overhead and capital projects
ICAP - Internal Cost Allocation Plan

• Developed by an outside Consultant who reviews costs and allocated overhead (AIA) on a variety of metrics and CapAdmin (based on charges of labor and non-labor to a collection of capital project efforts)

• Develops rates for both AIA and Cap Admin that are used to recuperate all costs identified in the ICAP (and only the costs identified in the ICAP)

• ICAP is approved by FTA annually as our “cognizant agency”

• ICAP also subject to audit as part of the FTA triennial audit and independent auditors conducting the annual financial audits

• Pursuant to OMB regulations, ICAP is developed using the most recent audited results (FY2020 audited results used to develop FY2022 rates)
## FY2020 AIA Costs by Department

<table>
<thead>
<tr>
<th>Department</th>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR</td>
<td>4,042,785</td>
</tr>
<tr>
<td>Finance</td>
<td>4,173,970</td>
</tr>
<tr>
<td>Payroll</td>
<td>1,794,474</td>
</tr>
<tr>
<td>IT</td>
<td>10,650,649</td>
</tr>
<tr>
<td>C&amp;P</td>
<td>1,730,648</td>
</tr>
<tr>
<td>Treasury</td>
<td>1,187,665</td>
</tr>
<tr>
<td>Safety &amp; Security</td>
<td>572,331</td>
</tr>
<tr>
<td>Facilities Management</td>
<td>1,545,800</td>
</tr>
<tr>
<td>Others</td>
<td>1,504,386</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27,202,708</strong></td>
</tr>
</tbody>
</table>
## FY2022 AIA Allocation

<table>
<thead>
<tr>
<th>Description</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>SamTrans Operations</td>
<td>14,081,693</td>
</tr>
<tr>
<td>SamTrans Capital</td>
<td>987,240</td>
</tr>
<tr>
<td>Caltrain Operations</td>
<td>3,844,132</td>
</tr>
<tr>
<td>Caltrain Capital</td>
<td>6,509,907</td>
</tr>
<tr>
<td>TA Operations</td>
<td>625,946</td>
</tr>
<tr>
<td>TA Capital</td>
<td>1,108,340</td>
</tr>
<tr>
<td>ELJPA Operations</td>
<td>45,450</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27,202,708</strong></td>
</tr>
</tbody>
</table>

**Pie Chart**

- SamTrans Operations: 52%
- Caltrain Capital: 24%
- TA Operations: 14%
- TA Capital: 4%
- ELJPA Operations: 0%
• All labor and shared non-labor costs are initially paid by managing agency.

• All direct labor charges to Caltrain, as evidenced by timesheets, (operating, direct capital and CapAdmin) are then charged to Caltrain by the District.

• All direct non-labor costs are paid directly by Caltrain.
### Timesheet Sample #1

#### Timesheet Details
- **Job Title:**
- **Employee ID:**
- **Reported Hours:** 40.0000
- **Scheduled Hours:** 40.0000
- **Date:** 12/29/2021

#### Populated Time From:
- **From:** Sunday, 12/26/2021 to Saturday, 12/31/2022

#### Time Reporting Codes

<table>
<thead>
<tr>
<th>Time</th>
<th>Taskgroup</th>
<th>Business Unit</th>
<th>HR Department</th>
<th>Business Unit PC</th>
<th>Project ID</th>
</tr>
</thead>
<tbody>
<tr>
<td>8:00 AM</td>
<td>STS_ADM_C</td>
<td>SAMTR</td>
<td>032010</td>
<td>Q</td>
<td>099110</td>
</tr>
<tr>
<td>8:50 AM</td>
<td>REG-Regular</td>
<td>SAMTR</td>
<td>032010</td>
<td>Q</td>
<td>099450</td>
</tr>
<tr>
<td>12:00 PM</td>
<td>REG-Regular</td>
<td>SAMTR</td>
<td>032010</td>
<td>Q</td>
<td>099250</td>
</tr>
<tr>
<td>3:00 PM</td>
<td>REG-Regular</td>
<td>SAMTR</td>
<td>032010</td>
<td>Q</td>
<td>099260</td>
</tr>
</tbody>
</table>

---

**Caltrain**
# Timesheet Sample #2

## Timesheet Details

- **Employee ID:** [Input Field]
- **Empl Record:** 0
- **View By:** [Dropdown] [Week]
- **Reported Hours:** 40.0000
- **Scheduled Hours:** 40.0000
- **Date:** 12/26/2021

## Time Reporting Code Table

<table>
<thead>
<tr>
<th>Date</th>
<th>Task Level</th>
<th>Task Group</th>
<th>Business Unit</th>
<th>HR Department</th>
<th>Business Unit FC</th>
<th>Project ID</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sun 12/26</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mon 12/27</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tue 12/28</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wed 12/29</td>
<td>8.0000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thu 12/30</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fri 12/31</td>
<td>8.0000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sat 1/1</td>
<td>8.0000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>24.0000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Time Reporting Code:** [Input Field]
- **Type:** [Input Field] [Hours]
- **Task Group:** [Input Field] [STS_ADM_C]
- **Business Unit:** [Input Field] [SAMTR]
- **HR Department:** [Input Field] [096100]
- **Business Unit FC:** [Input Field] [SAMTR]
- **Project ID:** [Input Field] [099110]

## Task Values

- **From:** Sunday 12/26/2021
- **To:** Saturday 1/1/2022

Caltrain
HOW MANAGING AGENCY COSTS ARE ACTUALLY PAID BY CALTRAIN (cont.)

FOR OPERATING BUDGET:
• AIA rate are used against all costs at each agency.

FOR CAPITAL BUDGET:
• AIA and CapAdmin rates are currently charged against all capital project costs.

For Managing Agency costs that are not directly charged to Caltrain (and are reviewed as part of the annual audit process), over or under collection of overhead (AIA) is trued up in succeeding years as part of the ICAP calculations.