

FISCAL MEMORANDUM

FROM: FIRST 5 CALIFORNIA

TO: EXECUTIVE DIRECTORS, COUNTY COMMISSIONS

DATE: April 14, 2006

SUBJECT: STATE COMMISSION GUIDELINES DEFINING ADMINISTRATIVE FUNCTIONS PURSUANT TO CHAPTER 284, STATUTES OF 2005 (AB 109)

Per paragraph (1) of subdivision (d) of Section 130140 of the Health and Safety Code, First 5 California (state commission) is issuing the following guidelines that define administrative functions. These guidelines will be used by county First 5/Children and Families Commissions (County Commissions) when adopting a limit on the percentage of the county commission's operating budget that may be spent on administrative functions.

In defining administrative functions, the state commission referenced information contained in the First 5 Financial Management Guide (Guide). This Guide was developed by the Government Finance Officers Association with technical assistance from First 5 California and the First 5 Association of California and can be found on the First 5 Association's website at www.f5ac.org.

DEFINITION OF ADMINISTRATIVE COSTS AND FUNCTIONS

Administrative costs are defined as costs incurred in support of the general management and administration of a county commission, for a common or joint purpose that benefits more than one cost objective (other than evaluation activities), and/or those costs not readily assignable to a specifically benefited cost objective.

- Administrative costs support a county commission's basic mission rather than specific program goals.
- Staff costs may be assigned to program costs, as long as that time is limited to actual time spent on program-specific activities.
- Administrative costs do not include evaluation costs for funded programs.
- Typical administrative costs are for, but not limited to, the following functions:

Guidelines Defining Administrative Functions
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1. General Accounting/Financial Reporting
2. Local Annual Reporting Activities
3. Financial Planning
4. Commission/Association meetings/travel
5. Payroll/Benefits
6. Human Resources Services
7. Legal Services/Consulting
8. Contract Compliance
9. Audit
10. Strategic Planning
11. Procurement
12. Rent
13. Maintenance
14. Utilities
15. Insurance
16. Cleaning/Janitorial