



FISCAL POLICY MANUAL

POLICY B-5

APPROVED:

AUTHORITY:

ISSUE/REVISED DATE:

Policy for Cost Plan

Auditor-Controller-Treasurer-Tax Collector (ACTTC)

Auditor-Controller-Treasurer-Tax Collector (ACTTC)

July 18, 2025

I. PURPOSE

To establish procedures and criteria for timely preparation of the Countywide Cost Allocation Plan (Cost Plan) to ensure that reliable cost information is available for use in budget preparation, departmental indirect cost proposals, and prevent payment delays of claims submitted by county departments for reimbursable costs from federal and state grantors. California counties are required to have received from the State Controller's Office (SCO) either a provisionally or formally approved Cost Plan before any indirect costs or direct billings for central support services may be reimbursed by state and federal agencies.

II. POLICY

Sonoma County shall submit a Cost Plan every fiscal year to the SCO, the delegated cognizant authority, by December 31st (at least six months prior to the fiscal year for which the Cost Plan is to be used) unless an extension is approved by the SCO.

III. RESPONSIBILITIES

A. ACTTC

The ACTTC is responsible for preparing and submitting the Cost Plan in accordance with federal guidance on cost principals and procedures for developing Cost Plans, as well as the most recent version of the SCO handbook for Cost Plan Procedures for California Counties.

B. SERVICE DEPARTMENTS

County service departments are responsible for providing the ACTTC with information to assist with the preparation of the Cost Plan, to ensure that costs are broken out in the correct Functions (cost pools), and that the department's information is complete and accurate. In a manner prescribed by the ACTTC, County service departments shall:

- Provide allocation basis units
- Provide detail of any revenues/reimbursements that apply by Function (cost pool):
 - Direct Billed – amounts that can be identified to one or more specific departments/agencies are applied as part of the allocation process (direct billed). Detail of revenues and reimbursements must be organized by Function and customer Department ID.
 - Reduction of Expenditures – any amounts that cannot be attributed directly to a specific benefitting department/agency are applied before allocation (off-the-top). Detail of revenues and reimbursements must be organized by Function.

- Provide detail of department costs that apply by Function (cost pool):
 - Labor
 - Services & Supplies
- Ensure totals are reconciled to EFS Reports
- Provide clarifications or additional data upon request
- Review preliminary allocation figures attributed to the department and confirm or dispute the accuracy
- Approve or acknowledge the final cost allocations that pertain to the department
- Promptly notify the ACTTC of any planned changes in services, staffing, or operations that may impact the Cost Plan; it is highly recommended that ACTTC be engaged prior to implementing such changes

IV. RESOURCES

[SCO Cost Plan Handbook](#)