



Section 9

Internal Service Funds

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2 CFR Part 225

Cost Principles For State, Local, And Indian Tribal Governments

(Formerly OMB A-87)

- Statewide Cost Allocation Plan (SWCAP)
- Internal Service Funds



SWCAP

- Controller's Office
- Treasurer's Office
- Budget Office
- State Archives
- Legislative Audit
- Internal Audit
- Building Depreciation



SWCAP Methodology

FY '3 Actual Allocation

Less: FY '3 Plan Amount (based on FY '1 actual)

FY '5 Carry Forward

Plus: FY '3 Actual Allocation

FY '5 Fixed Plan



SWCAP Example

Central Service

FY '13 Actual Cost	\$100
<u>Divided by: Allocation Base (units)</u>	<u>100</u>
FY '13 Actual Allocation per unit	\$ 1



SWCAP Example

Operating Unit

Amount Allocated from Central Service <u>in FY '13 Plan (based on FY '11 actual)</u>	<u>\$ 8</u>
Actual FY '13 Units of Central Service	10
<u>Actual FY '13 Central Service Allocation</u>	<u>\$10</u>
Carry Forward Amount	\$ 2



SWCAP Example

Operating Unit (cont.)

Actual FY '13 Central Service Allocation	\$10
<u>Carry Forward Amount</u>	<u>\$ 2</u>
<u>FY '15 <i>Fixed Plan</i> Amount</u>	<u>\$12</u>



SWCAP Exhibit A

- Budgeted SWCAP Amounts **May Not** be the Approved Plan Amounts
- <http://adminsvcs.nv.gov>



Internal Service Funds

- Mail Service
- Enterprise IT Services (EITS)
- Motor Pool
- Purchasing
- Personnel
- Buildings and Grounds
- Risk Management



Internal Service Fund Billing Methods

- Assessment
- Billed Service



Internal Service Fund (ISF) Billed Service Example

ISF Budgeted Cost to Provide Phone Service	\$100
Divided by: Statewide Budgeted Units of Phone Service	
Operating Unit A – 50 Units	
Operating Unit B – 50 Units	100
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Budgeted Per Unit Cost of Phone Service	\$ 1



Internal Service Fund

Billed Service Example (cont.)

Actual Units Phone Service

Operating Unit A – 50 Units

Operating Unit B – 20 Units 70

Multiply: Budget Per Unit Cost of Phone Service \$ 1

Actual ISF Revenue \$70



QUESTIONS?

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**May fair
winds be
with you as
you sail on to
build your
budget!**