

Financial Services

Cost Accounting

Measuring the cost of District services is necessary for decision making in a variety of contexts. Perhaps most importantly, it allows for evaluation of the benefits of District programs and services against the relative demands they make on District financial resources. In addition, accurate cost information provides the basis for setting user fees and charges where appropriate.

It is the policy of the District to calculate the “full” cost of programs and services that enhance basic academic programs. Full cost is defined to include all direct and indirect costs related to the program or service.

Direct costs include salaries, wages and benefits of employees while they are exclusively working on the delivery of the service as well as the materials and supplies and other associated operating costs such as utilities, occupancy, training, and travel. Likewise they include costs that may be accrued but not paid in the current period such as interest expense and depreciation.

Indirect costs include shared District administrative expenses (e.g. technology, maintenance, finance, human resources etc.). District Administration is responsible for developing a systematic basis on which to allocate indirect costs to District programs and services.

The Superintendent will include program cost in the data provided to the Board at the time that program performance is evaluated by the Board. Costs for all programs will be available for review by the Board in August as a part of the tentative annual budget presentation. At that time, the Superintendent and Board will agree on the individual programs for which costs are to be reported during the upcoming year. The evaluation schedule will be included as part of the annual pro forma Board calendar.

ADOPTED: — July 12, 2006

REVISED: — November 18, 2009