

SAM—MISCELLANEOUS ACCOUNTING PROCEDURES

GENERAL ADMINISTRATIVE COSTS (PRO RATA)

8754

(Revised 07/2016)

General Administrative Costs are commonly referred to as Pro Rata. As mentioned in SAM section 8753, Pro Rata is the sharing of central service costs by funds other than the General Fund and the Central Service Cost Recovery Fund (CSCRF).

The cost of each central service is apportioned to departments. Then, each department's total central service costs are allocated to the department's funding source(s).

The Department of Finance (Finance), Fiscal Systems and Consulting Unit ([FSCU](#)) classifies funds as nonbillable or billable. In general, nonbillable funds are those whose funding source is the General Fund or a federal fund. Billable funds are funded by special revenue sources such as fees, licenses, penalties, assessments, etc.

FSCU calculates Pro Rata costs for both billable and nonbillable funds. Pro Rata cost information is provided to departments so that full departmental/program costs can be determined. These detailed reports are available at:

http://www.dof.ca.gov/Accounting/Statewide_Cost_Allocation/Pro_Rata_Overview/.

Full cost information is particularly important when nonbillable funding sources provide and recover full costs for reimbursable services. See SAM section 8756 for more information on the state's full cost recovery process.

Finance certifies to the State Controller's Office ([SCO](#)) the Pro Rata costs to be charged to billable funds. Pro Rata assessments against billable funds are processed by the SCO transfers. The transfers are first made to the CSCRF up to the amount determined by Finance, FSCU. All subsequent transfers for that fiscal year are made to the General Fund.

For questions concerning Pro Rata, contact the Finance FSCU Pro Rata analyst at fiproswp@dof.ca.gov.