

Treatment of Distributed Administrative Costs in Hyperion By Department of Finance

In general, Finance does not require departments to include distributed administrative costs for budgeting purposes, as these costs are contained within each respective program. Unless specifically required or agreed upon, departments should remove reference to Administration and Distributed Administration Programs from the Governor's Budget and/or the budget bill. Having Administration and Distributed Administration Programs in Hyperion unnecessarily adds to the amount of details in the system and creates additional opportunities for errors. In most cases the presence of Administration and Distributed Administration programs adds an unnecessary additional layer of complexity. These programs are not needed in Hyperion for a department to track administrative costs in the accounting systems as budgeting is performed at a higher level than accounting tracking.

If there is a need to show distributed administrative costs in Hyperion, a three-entry scheme is required to properly reflect the in-and-out nature of distributed administrative costs. In addition, departments will use the statewide program numbers (9900100—Administration and 9900200—Administration - Distributed) along with the program that actually pays for various distributed cost.

Process:

1. Allocate out all dollars for the positive side of the administrative costs among the different account category (AC) codes, under Program 9900100—Administration, and include any associated positions with the different salaries and wages AC codes (i.e., AC 510XXXX) line items.
2. Utilize the Indirect Distributed Cost AC code, AC 5342500, to reflect the positive dollars within the program(s) associated with the cost allocation plan.
3. Create a negative distributed line under Program 9900200—Administration – Distributed and AC 5342500—Indirect Distributed Cost, to net the adjustment to zero.

This process allows for the dollars associated with a particular program to be included in the program total (providing needed authority to pay for administrative costs) and provide a break out of the costs by AC code (to tie back the total salaries and wages amount for your Department).

NOTE: The program should only include positions that provide direct services associated with that program (e.g. Program 8888 in the example below). Administrative costs will reflect the associated positions and should NOT be removed when the dollars are distributed.

Item	ENY	Program	Account Category (AC) Code	Request Amount BY	FTE BY
1234 001 7777	ENY 2020	8888-Program	5100000-Earnings - Permanent Civil Service Employees	18,786,000	316.5
1234 001 7777	ENY 2020	8888-Program	5100150-Earnings - Temporary Civil Service Employees	102,000	20.0
1234 001 7777	ENY 2020	8888-Program	5108000-Overtime Earnings (Other than to Temporary Help)	24,000	
1234 001 7777	ENY 2020	8888-Program	5150350-Health Insurance	1,728,000	
1234 001 7777	ENY 2020	8888-Program	5150600-Retirement - General	3,983,000	
1234 001 7777	ENY 2020	8888-Program	5308900-Insurance - Other	3,821,000	
1234 001 7777	ENY 2020	8888-Program	5301400-Goods - Other	370,000	
1234 001 7777	ENY 2020	8888-Program	5302900-Printing - Other	296,000	
1234 001 7777	ENY 2020	8888-Program	5304800-Communications - Other	388,000	
1234 001 7777	ENY 2020	8888-Program	5324350-Rents and Leases	3,367,000	
1234 001 7777	ENY 2020	8888-Program	5368115-Office Equipment	2,804,000	
1234 001 7777	ENY 2020	8888-Program	5390900-Other Items of Expense - Miscellaneous	20,000	
1234 001 7777	ENY 2020	8888-Program	5342500-Indirect Distributed Cost	3,369,000	
1234 001 7777	ENY 2020	9900100-Administration	5100000-Earnings - Permanent Civil Service Employees	2,110,000	30.3
1234 001 7777	ENY 2020	9900100-Administration	5100150-Earnings - Temporary Civil Service Employees	17,000	2.0
1234 001 7777	ENY 2020	9900100-Administration	5108000-Overtime Earnings (Other than to Temporary Help)	11,000	
1234 001 7777	ENY 2020	9900100-Administration	5150350-Health Insurance	194,000	
1234 001 7777	ENY 2020	9900100-Administration	5150600-Retirement - General	447,000	
1234 001 7777	ENY 2020	9900100-Administration	5308900-Insurance - Other	268,000	
1234 001 7777	ENY 2020	9900100-Administration	5301400-Goods - Other	28,000	
1234 001 7777	ENY 2020	9900100-Administration	5302900-Printing - Other	5,000	
1234 001 7777	ENY 2020	9900100-Administration	5304800-Communications - Other	26,000	
1234 001 7777	ENY 2020	9900100-Administration	5324350-Rents and Leases	263,000	
1234 001 7777	ENY 2020	9900200-Administration - Distributed	5342500-Indirect Distributed Cost	-3,369,000	

This is the positive total amount that is distributed to a particular program. (Step 2 of the process outlined.)

This is the positive total amount (\$3,369,000) that is shown using Program 9900100. (Step 1 of the process outlined.)

This is the negative total amount reflecting distributed costs to other programs. (Step 3 of the process outlined.)

Who to Contact for Questions/Problems:

Hyperion Log-in Access/Password Issues:

Contact the **FI\$Cal Service Center (FSC)**

- Phone: 1-855-FISCAL0 (1-855-347-2250) (Toll Free)
- E-mail: fiscalservicecenter@fiscal.ca.gov

Business/Process Questions:

Contact your Finance Budget Analyst