

Internal Service Funds Overview

Internal service funds are established to account for the financing of goods and services provided by one department or unit to other departments or units of the government on a cost-reimbursement basis. In general, expenses associated with these funds are billed to other City units through allocation methodologies deemed reasonable for each activity performed. External revenues are deducted from expenses before allocation. All internal service fund and indirect cost allocations are updated each year to reflect updated statistical allocation formula data. A brief description of each budgeted internal service fund follows along with the basis of cost allocation.

Human Resources Fund

The Human Resources Fund supports activities performed by the City's Human Resources & Workforce Development (HRWD) Department. HRWD provides overall policy development, implementation, and administration on human resource management in the areas of Talent Acquisition, Workplace Safety, Employee & Labor Relations, Policy Administration, Compensation and Benefits, Talent Learning and Development, Employee Wellness, and HR Analytics. This includes managing and coordinating organizational initiatives that impact City employees.

Allocation Method:

City departments that utilize HRWD services receive a Human Resource allocation. A full-time equivalent employee (FTE) count by department/agency is determined to assign percentages based on total City FTEs. Each department is then given its proportionate share of HRWD total expenses based on the current year's requested budget for the Human Resource Fund.

Accounting Fund

The Accounting Fund supports activities performed by the following divisions of the Department of Financial Services: Financial Reporting, Fixed Assets and Accounts Receivable, Payroll and Enterprise Resource Planning (ERP). Activities include general accounting functions, payroll, ERP systems support and financial reporting for the City of Tallahassee, Blueprint Intergovernmental Agency (BPIA), Capital Regional Transportation Planning Agency (CRTPA), and Consolidated Dispatch Agency (CDA). All revenues are derived from charges to user departments.

Allocation Method:

City departments that utilize functions such as payroll, financial reporting, and processing, or that maintain assets, receive an Accounting allocation. Transactions for these functions result in journal entries posted to the General Ledger. Citywide Enterprise Resource Planning (ERP) functions are allocated based on a full-time equivalent employee (FTE) count by department/agency. The Office of Resource Management assigns each city department its proportionate share of the expenses for Financial Reporting, Fixed Assets and Accounts Receivable, and Payroll based on each City user department's percentage of total required journal entries and FTE count for ERP support.

Purchasing Fund

The Purchasing Fund supports all components of the city's centralized procurement and accounts payable services for the City of Tallahassee, Blueprint Intergovernmental Agency (BPIA), Capital Regional Transportation Planning Agency (CRTPA), and Consolidated Dispatch Agency (CDA). The Procurement and Disbursements are part of the Department of Financial Services. Revenues are provided through the distribution of costs to user departments.

Allocation Method:

City departments that utilize the purchasing system through the Procurement Division receive a Purchasing allocation. Purchase activity is captured through purchase card (P-card) transaction counts and processed Purchase Order (PO) counts. A total count from the most recently completed fiscal year is determined to assign percentages based on City user department activity. The Office of Resource Management then assigns each city department its proportionate share of Procurement's and Disbursement's total expenses based on the current year requested budget for those divisions.

Information Systems Fund

Technology & Innovations (T&I) is responsible for innovating and providing computer, telecommunications, and radio services for all City departments. Revenues are derived through the distribution of costs to user departments.

Allocation Method:

The distribution of T&I's cost is based on statistical data, primarily related to each department's utilization of City network logins, telephones, and public safety hours. Various other direct charges for specific dedicated service costs, such as, but not limited to, software licenses, geographic information system (GIS), electronic documents management systems and the permit enforcement tracking system, may be charged directly to specific user departments.

Risk Management Fund

The Risk Management Fund supports activities of the Risk Management unit in the Office of the Treasurer-Clerk. The unit is responsible for administering the City's self-insurance policy, purchased insurance policies, and claims investigations. Revenues are derived by allocating costs to user departments based on the dollar value of all projected insurance and average claim activities.

Allocation Method:

City departments that utilize the City's insurance plan through the Risk Management unit receive a Risk Management allocation. Activities are converted into costs that are divided into two categories: Risk Management claims allocation and Property Premiums. The Treasurer Clerk's Office assigns Property Premiums based on properties occupied by user departments. The remaining Risk Management cost is allocated based on a three-year event count average.

Pension Fund

The Pension Fund supports the Pension Division in the Office of the Treasurer-Clerk. The division's costs are included in the cost of pension benefits contained within all operating departments' personnel services budgets. The fund's position is reviewed annually to ensure sufficient balances are available to support the City's retirement plan.

Radio Communications Fund

The Communications Fund supports the 800 MHz Radio Communications unit within the Technology and Innovations Department (T&I). Revenues are derived from the Leon County Sheriff's Office per agreement and rentals from other users. The remaining cost is allocated to City user departments and is based on the number of 800 MHz radio devices per department.

Allocation Method:

City departments that utilize radio services receive a Radio Communications allocation. T&I maintains a radio issuance count for all City departments. T&I allocates each City user department its proportionate share of the Radio Communications Fund's total costs based on that radio count. The Office of Resource Management then determines each City department's proportionate percentage and applies that to the current year's requested budget for the Radio Communications Fund.

Revenue Collection Fund

The Revenue Fund supports activities performed by the Revenue Collection unit. Revenue Collection is a part of the Treasurer-Clerk's Office and is responsible for collecting customer payments for City services, fees, and taxes. The Revenue Collection unit also enforces telecommunication tax ordinances and operates the City's mailroom. Revenues are derived from charges to user departments.

Allocation Method:

City departments that collect fees and (or) taxes through the Revenue Collections Unit receive a Revenue allocation based upon the workload they generate. The number of transactions by fund and a transaction report by utilities for the most recently completed fiscal year determines the proportionate share of Revenue's total expenses to each City department.

Utility Services Fund

The Utility Services Fund supports the Customer Operations Department. Customer Operations provides Customer Account Services, Utility Account Administration, and other special projects. Revenues for the Utility Services Fund are derived by allocating cost to City User Departments based upon projected time and resources devoted to these areas. The services provided include utility accounting and billing, meter reading, service connection and disconnection, customer services, non-metered billing, and customer support for Fire and Stormwater.

Allocation Method:

Utility Services allocates its costs to the City's Electric & Gas, Solid Waste, Fire Service, Underground Utilities (Water, Sewer, and Stormwater), StarMetro, and General Fund Departments to which it provides services. Each utility's proportionate share of the total cost is determined by applying several allocators to the costs of each of the services provided based on the most recently completed fiscal year. Examples of the allocators used include the number of service agreements for each utility type, the number of meters read, the number of financial transactions, and the number of field activities performed.

Facilities and Environmental Fund

The Environmental Services and Facilities Management Fund supports the Environmental Services and Facilities Department (ESFM). ESFM assists City facilities and operations with achieving and maintaining compliance with all federal, state, and local environmental laws, rules, and ordinances and building-related repair, maintenance, renovation, and new construction.

Allocation Method:

Environmental Services and Facilities Management allocates their costs based on two metrics. Environmental Services are allocated to the Utilities, while Facilities Management is allocated based on the relative square footage of the served facilities. Services include HVAC servicing, building design and construction management, interior office design, facility renovations, and ongoing policy and standards development for all City facilities.

Energy Services Fund

The Energy Services Fund supports the Wholesale Energy Services division of the Electric and Gas Utility. Revenues for the Utility Services Fund are derived by allocating costs to City User Departments based upon actual resources devoted to these areas in the most recently completed fiscal year. The services provided include natural gas purchasing and wholesale power transactions.

Allocation Method:

The Energy Services fund allocation is based on actual revenues from the Electric and Gas utilities from the most recently completed fiscal year. Natural gas and oil utilized by the Electric and Gas utilities are purchased by Energy Services and sold to the Electric and Gas utilities.

Garage Fund

All activities associated with the cost of maintaining and operating the City's fleet, with the exception of StarMetro buses, are accounted for within the Garage Fund. Budgeted revenues are based upon prior fiscal year actual amounts of labor, parts, repairs, oil and lubricants, motor pool charges, and fuel. Actual revenues are derived from current year hourly service costs and overhead rates that are charged to departments for vehicle service. These rates are determined annually to offset the cost of the Garage Fund operations.

Allocation Method:

City departments that coordinate to purchase vehicles, receive maintenance and repair, and participate in the motor pool through the City's Fleet department receive a Garage allocation. The Fleet department maintains and tracks the usage of services, vehicles, and fuel by user City departments. This activity is then separated into three categories: vehicle fuel, vehicle garage, and vehicle replacement. Each department is then allocated its proportionate share of the Garage Fund's current year requested budget. Fleet tracked fuel and garage expenses throughout the year and allocated based on actual prior-year usage. Vehicle Replacement is allocated based on total department vehicle replacement value.

Community Relations Fund

Community Relations, a citizen engagement and educational function of the Communications and Parks, Recreation and Neighborhood Affairs Departments, provides strategic communications, marketing, and effective public awareness campaigns for City departments, including but not limited to: Electric, Community Beautification & Waste Management Services, Underground Utilities & Public Infrastructure, Fire, StarMetro, and Aviation. The Department of Communications utilizes a variety of platforms to ensure a broad reach when communicating to internal and external customers, providing accurate, timely, and on-brand information related to innovative programs and services offered by the City.

Allocation Method:

Costs are allocated to the City's Electric, Solid Waste, Fire Service, Underground Utilities (Gas, Water, Sewer, and Stormwater), and General Fund Departments to which it provides services. Each utility's proportionate share of the total cost is determined by applying allocators to the costs of each of the services provided based on the most recently completed fiscal year.

Diversity and Inclusion Fund

The Office of Diversity and Inclusion works to ensure the further development and implementation of the City's diversity, equity and inclusion initiatives to ensure that the City's workforce reflects the community's demographics. This includes developing a strategic focus on recruiting, retaining, and promoting the best and most diverse talent available.

Allocation Method:

City departments that utilize D&I services receive a Diversity and Inclusion Expense allocation. A full-time equivalent employee (FTE) count by department/agency is determined to assign percentages based on total City FTEs. Each department is then assigned its proportionate share of D&I total expenses based on the current year's requested budget for the Diversity and Inclusion Fund.