

**Temporary Assistance Program (TAP)
FY 2020-2021
Internal Service Fund
Riverside County, California
Cost Allocation Plan**

The following Cost Plan is an effort by the Temporary Assistance Program of Riverside County, California to outline what comprises the reimbursement fees charged to the various county departments for providing temporary staffing needs to meet the requirements of their respective service objectives.

Internal Service Rate to be charged for providing Temporary Employees

The intention of this cost plan is to allocate the full cost of operating a temporary employment service within the County of Riverside, California. The primary motivation in creating an internal temporary service run by human resources is to achieve reduced employment-related costs and reduce the impact of GC 31000.4 by eliminating the 90 day limit per temporary hire, affording greater flexibility in the use of contingent labor for department heads.

Regulation being followed in this plan

2 CFR Appendix A to Part 225 - General Principles for Determining Allowable Costs.

§ 225.5 Purpose. This part establishes principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments and federally-recognized Indian tribal governments (governmental units).

For state and local governments, see "Appendix V to Part 225—State/Local Governmentwide Central Service Cost Allocation Plans, paragraph E.1."

Allocated Central Services

The Temporary Assistance Program is made up of approximately 30 employees who provide recruiting, onboarding, administrative supervision, and various other administrative tasks to ensure adequate availability of temporary workers for the County of Riverside. The services are initiated by a job order submitted by the requesting department. The budgeted costs of operating the program for the new fiscal period are allocated to an estimated number of job orders projected for the coming year based on the previous year's hiring experience. The initial period of the following year may be used if it appears that the anticipated usage doesn't follow the average. The resulting standard rates are billed by referencing the job opening identification on the journal entry line description that transfers the funds to the internal service fund from the customer's budgeted accounting string.

Use of External Vendors

Certain components of the recruitment and selection process are performed by third party vendors. Costs of outside agencies that provide recruiting, drug screening, or background check services, are passed through to the customer agencies at actual costs. Rates are made up of only those costs related to the operation of the internal temporary assistance program. External vendors are paid as part of operating expenses, but then are distributed to the customer agencies in a central allocation journal entry, allowing a single point of contact for the vendors, irrespective of which department is ultimately receiving the services.

Reasonable costs

As a government entity, it was decided that an exceptional savings and desirable flexibility could be experienced if the temporary staffing process could be handled in-house. Comparable services available in private industry charge a fee based on a percentage of the salary of the individual hired.

Market prices for comparable goods or services

- a. External agencies charge rates as a percentage of the salary of temporary employees, meeting the revenue objectives of their agencies without consideration to the cost of operations outside of ensuring that they are maximizing their profit. The rates are primarily driven by the market's willingness to pay. Rates vary from 30% of salary up to as high as 48.4% of salary. It is estimated that the effective rate of TAP in FY 18/19 is approximately 10.2%.
- b. TAP recruiting and administrative staff have as their core responsibilities the reduction of costs to the county agencies, meeting their staffing needs in the most timely and efficient manner possible, and making the best use of funds provided by the constituency.
- c. If the agency were to over-utilize outside vendors for hiring temporary staff, costs would become unreasonably high to the requesting department and the 90-day limit of GC 31000.4 would apply.

Allocable costs

The items of expense to be included in the cost of service are as follows: Salaries and Benefits, Supplies and Services, and allocation of costs from other internal service organizations. These costs are accumulated and distributed to the County departments by developing a standard rate per hiring effort to ensure that all efforts of the agency are paid by the organizations that initiate the hiring process.

There are five areas of hiring effort that have been identified to differentiate the cost accumulation for standard rates:

| | Active Filled | rates for cancellations | | |
|---|----------------------|--------------------------------|-----------------|--------------------------|
| | | 40% | 75% | 100% |
| Position Description | Descr | Phase I | Phase II | Phase III/ Filled |
| 1. Per Diem positions | \$ 3,415 | \$ 1,366 | \$ 2,561 | \$ 3,415 |
| 2. Other than per diem positions | \$ 2,565 | \$ 1,026 | \$ 1,924 | \$ 2,565 |
| 3. Registrar of Voters Temporary Election Assistants | \$ 800 | \$ 320 | \$ 600 | \$ 800 |
| 4. National Date Festival ticket takers and custodial staff | \$ 300 | \$ 120 | \$ 225 | \$ 300 |
| 5. Student Interns | \$ 426 | \$ 170 | \$ 320 | \$ 426 |

Fee History

| Position Description | FY 18/19 | FY 19/20 | FY 20/21 |
|---|-----------------|-----------------|-----------------|
| 1. Per Diem positions | \$ 3,060 | \$ 3,680 | \$ 3,415 |
| 2. Other than per diem positions | 1,920 | 2,650 | 2,565 |
| 3. Registrar of Voters Temporary Election Assistants | 500 | 830 | 800 |
| 4. National Date Festival ticket takers and custodial staff | 300 | 320 | 300 |
| 5. Student Interns | 400 | 460 | 426 |

Cancellations

Billed amount is based on the “Phase” of recruiting/onboarding service already provided at time of cancel. See **Attachment A** for a full description of each Phase and the percentage to be applied to the above rates #1 – 5 and billed to the cancelling department in the month the job order is cancelled.

True-up from estimates

The fiscal period ends on June 30 of each year. After mid-year, the quarter ended December 31, a journal entry will be created that adjusts balances pro rata across all billings to match actual costs of the TAP agency. It is expected that the standard rates derived will result in only a minor adjustment at midyear, having only a small impact on each customer’s budget. Any residual variances at year-end will be used to adjust the next rate development cycle. Due to the uncertainty of implementing a new rate methodology, a two-year performance review is expected before affecting the rate calculation with any excess equity.

TAP Outsourcing and Transition Fee

When temporary employees are sourced using outside agencies, TAP will charge a fee for setting up the recruitment based on a time study. Approximately 11.5 hours are spent setting up the process with the outside agency at an approximate rate for an HR Tech II at \$43.12 results in a fee charge of **\$495.88**. If a temporary employee who was hired through an outside agency is transitioned into full-time employment, the TAP Transition fee is charged for administrative costs associated with the transfer. Approximately four hours are spent monitoring and processing internal information by an HR Analyst at

\$71.84 for a total fee charge of **\$287.36**. These fees will only be charged if departments use outside vendors. Rates increased from previous years due to updating the salaries referenced in the calculation.

| Fees | FY 2018/19 | FY 2019/20 | FY 2020/21 |
|-----------------|------------|------------|------------|
| Outsourcing Fee | \$370.85 | \$370.85 | \$495.88 |
| Transition Fee | \$146.73 | \$146.73 | \$287.36 |

Human Resources Services Fee

The Human Resource Rate does not pertain to the recruitment of temporary employees, but rather ongoing services available to all active employees of the county. Because this cost represents services equally available to all active temporary and per diem employees of the county, this charge will be booked to the general ledger each month based on active temporary and per diem payroll at a rate of **\$24 per pay check**. This rate was calculated by taking the \$700,000 charge to TAP and dividing it by 29260 paychecks issued in FY 2018/19 to temporary employees.

Deficit Recovery Fee

FY 18/19 ended the year without a net working capital deficit. Internal service rate policy recommends that any deficit be recovered over three years, up to the 45 Day working capital amount. If a fee were to be charged, the added fee would be billed per pay check issued. In the event the deficit is recovered by the end of the current fiscal period, the additional charge would be eliminated. There is no deficit recovery fee for FY 20/21.

Composition of Cost

1. Total cost. Total Costs include a portion of Salaries and Benefits of Recruiting and Onboarding employees as a reflection of direct costs of hiring, in addition to an allocation of general and support staff salaries and benefits, operating expense, and internal service fund costs allocated to the program.
2. Classification of costs. Direct Costs are viewed as those costs related specifically to the identification, selection, and processing of temporary employees in satisfaction of a given job order. All other costs are viewed as indirect; however, allocation of internal service rates are separately identified.

Direct Costs

Direct costs are comprised of activities that define the hiring process: sourcing, recruiting, testing, interviewing, screening, selecting, onboarding, and ongoing supervision and support of the candidate and the department that placed the job order.

Sourcing/Recruiting – Upon receiving the job order, a recruiter may contact the hiring manager to clarify the needs of the organization for any unique knowledge, skills, or abilities that would improve the likelihood of a good quality match of employee to employer needs. The recruiter will search the existing

databases for qualified applicants and communicate the opportunity directly. Department requestor may also review qualifications of applicants.

If no potential applicants are identified, the positions will be advertised with reputable professional job websites, and or publications in order to create a database from which to interview.

Testing – Knowledge and/or skills testing may be required. Test(s) may be online or in-person proctored exam(s). Only applicants who pass the designated test(s) are scheduled for an interview.

Interviewing- Mostly in person, by TAP or department, (may be remote depending on the skills being sought).

Screening – If applicant passes the interview process, their personal information will be submitted for a background check, and a drug screen will be coordinated. In the event the position requires it, a medical exam may also be scheduled. Different positions require different levels of screening.

Selecting – Once the candidate has been screened, they can be officially selected and offered a position. This initiates the onboarding process.

Onboarding - These activities are coordinated with the hiring department to assure the requesting agency that they will have the temporary employee when needed. The requirements of the position will usually determine the length of time onboarding will take.

Ongoing supervision and support – Candidate and the department who placed the job order will receive continuous support for the following: counseling, administration, performance review, coaching, termination(s), grievance, etc.

Any direct cost of a minor amount may be treated as an indirect cost for reasons of practicality where such accounting treatment for that item of cost is consistently applied to all cost objectives.

Indirect Costs

Indirect Costs are those costs related to the general and administrative operations that support the recruiting/onboarding process. General management, accounting, purchasing, and records maintenance are all functions considered indirect cost of the TAP agency.

Interagency Services

There are several internal service funds in the County of Riverside which allocate costs to every organization within the County. These are: Facilities, Auditor-Controller's Office, Human Resources, Worker's Compensation, General Liability, Property Insurance, Information Technology, and others.

Below are the projected FY 2020-2021 costs for each:

| | |
|---|--------------------|
| Human Resources | \$735,262 |
| Facilities Mgt - Rent-Lease / Buildings | \$476,926 |
| Information Technology Services | \$365,976 |
| County Support Services | \$140,404 |
| Workers Comp Insurance | \$45,621 |
| Insurance-Liability | \$15,985 |
| Insurance-Property | \$11,420 |
| Auditing And Accounting | \$4,500 |
| County Counsel | \$6,000 |
| Unemployment Insurance | \$28,487 |
| Total | <u>\$1,830,581</u> |

Attachment A

Phase 1 (40% of hiring process)

Senior HR Analyst Assigns Job Order (JO) to Recruiter and emails Clerk

HR Clerk Inputs new job order data into SharePoint and attaches original JO request within 24hrs of receipt from Senior HR Analyst.

- Logs as TAP, TAP-ROV, TAP-FAIR, MAP, PER DIEM, WFC, WFC-ROV.
- Logs appropriate Recruiter and Onboarder.
- Inputs any specifically requested candidate.
- Email confirmation of job order number to Recruiter, Senior HR Analyst, and departmental contacts.

HR Technician I/II (Recruiter):

- Sends Introduction email to department (within 48 hours of receipt).
- Conducts position evaluation with department.
- Builds appropriate Talent Acquisition Management System (TAM) Posting / sources from TAM Posting if applicable.
- Sends screening questionnaire and builds TAM Draft for Senior HR Analyst approval.
- Adds TAM ID Number to Job Order in Sharepoint and Check Off Sheet.
- Adds appropriate attachments into TAM.
- Complete screening process once TAM posting closes.
- Puts candidate into ROUTE in TAM if not already complete.
- Ensures any re-hires are approved by HRSM. Review notes on previous encounters with applicant for any issues of concern prior to scheduling interview.(Tempus or TAM)
- Interviews –
 - Accept - Initiates background check (DOJ/LiveScan/Accurate Background)
 - Reject - Enter rejection in TAM software.
- Uploads resume, test results, JD, PEV, and other pertinent information into SharePoint - Enters Candidates Name into "Identified Candidate" field
- Re-assigns to Senior in SharePoint for review and final selection approval.
- Sends status of job order via email to the department customer EVERY THURSDAY until job is filled.

Senior HR Analyst

- Approves or disapproves Candidate

HR Technician I/II (Recruiter)

- Inputs Live Scan "initiate and meets requirements" date into SharePoint
- Sends Status Update to Senior HR Analyst
- Hands off to Onboarder listed in Sharepoint.

Attachment A

Phase II (35% of the hiring process)

HR Technician I/II (Onboarder)

- Sends Introduction Email (Within 48 hours of receipt).
- Sets up appropriate physical examination date.
- Emails Conditional Offer Letter to candidate.
- Emails Module information to applicant (if applicable).
- Creates correct Employee Transfer Form(ETF).
- Ensures candidate passes physical / Enter PASS/FAIL in SharePoint.
- Creates PD mini pack to give to Clerks to obtain EMPLID prior to orientation.
- Sends Status Update to Senior HR Analyst.

Phase III - Filled (25%)

HR Technician I/II (Onboarder)

- Sets up Orientation date / Logs in SharePoint.
- Schedules MAB, PCO, PCT.
- Checks Medical License Status.
- Coordinates Start Date / Logs in SharePoint.
- Sends Status Update.
- Changes to OFFER ACCEPTED in TAM.

HR Clerk

- Gets PC Number from PC Log.
- IMPORTANT! If there is 50 or less PC Numbers left available, please contact designated HR Tech to retrieve more PC Numbers.
- Check PC Number against Open PC's in PeopleSoft.
- Add PC Number, Start Date and Compensation to ETF.
- Check to see if this is a Bilingual Job Order. Verifies test scores and request form are accurate.
- Checks Social Security Number and CALPERS website for membership.
- Complete New Hire Form.
- Changes to PREPARE FOR HIRE in TAM.
- Submits ETF and new hire docs to HR Services Manager for signature.
- Sends Employee Services new hire files via Laserfiche.
- Gets EMPLID > Updates People Management with EMPLID > Creates TAP Panel > Entering ID Number into Static Group Panel.
- Email employee and supervisor EEID number.
- Write/Stamps EEID on each page of new hire packet.
- Stores hard copy record until transferred to Employee Services.