



Agenda Item No: 7b

Meeting Date: January 14, 2021

## Cities Association of Santa Clara County Agenda Report

### SCSC Roundtable – Cost Recovery

Prepared by: Andi Jordan  
Executive Director

**TOPIC:** Should the Cities Association Consider Cost Recovery for Fiscal Agency Sponsorship

**SUBJECT:** CONSIDERATION OF ADOPTING FISCAL AGENCY POLICY

#### EXECUTIVE SUMMARY:

The November 2020 Audit Report states:

*Currently, the Association is providing administrative services to the Roundtable. This includes preparing operating budgets, paying approved invoices, providing accounting services, and project management. The associated costs are currently being paid by the Association. Not all members of the Association are members of the Roundtable, therefore non-members are subsidizing the effort. The Executive Director estimates that approximately one-third of her time and one-third of the bookkeeper's time is spent providing these services. This could amount to \$35,000 to \$40,000 in services, based on Executive Director wages, including related fees and taxes, and bookkeeping services for the fiscal year ending June 30, 2020. If the Association remains involved in the operation after separation, the Association should negotiate cost reimbursement for providing its services.*

#### CONSIDERATIONS:

To consider curing the past and/or future cost recovery from the SCSC Roundtable and other ventures such as the Planning Collaborative, the Board may choose to adopt a policy of fiscal sponsorship.

#### SCSC Roundtable Budgets:

Budget Calendar year 2019	\$250,000.00
Budget January 2020	\$125,000.00
Budget FY 2021	\$182,997.78
Current projected Reserves/contingency fy 2021	\$ 47,900.00

Current expenditures by the SCSC Roundtable for first half of FY 21 (6 months):

	July – Dec 2020
Facilitator/Technical Consultant	\$93,280.00
Legal	\$ 4,962.50
Total	\$98,242.50

Many nonprofits and government agencies charge fiscal sponsorship fees for administration costs and oversight. In addition, staff time is also charged. Below is an example of fees associated with sponsorship of \$190,000 which is approximately the revenue of the SCSC Roundtable for FY 2021:

	percentage	Total
	5%	\$ 9,500
	10%	\$ 19,000
SVJV	15%	\$ 28,500
	20%	\$ 38,000

**FISCAL IMPACT:**

The fiscal impact to the Cities Association of Santa Clara County from the SCSC Roundtable has been approximately \$35,000-40,000 for the past fiscal year. Only eight of the Cities Association Members are members of the SCSC Roundtable. Seven of the Association’s cities are subsidizing the SCSC Roundtable.

**OPTIONS:**

The Board of Directors has the following questions and options to consider on this matter:

1. Should the Board adopt a policy to charge for fiscal sponsorship?
2. If yes, what amount?
3. Direct staff to return with more information.
4. Take no action.