

# Excel workbook for allocation of program support - OMBI method

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The Ministry is providing an Excel workbook to assist municipalities in allocating program support to other functions using the allocation method developed by the Ontario CAO's Municipal Benchmarking Initiative (OMBI). Municipalities with populations of 100,000 are required to use the OMBI method.

**The workbook is for the use of the municipality only and is not to be submitted to the province.**

What is **allocated**?

Municipalities allocate the amount of program support in SLC 40 0260 13 (-1) to all other functions, except electricity in SLC 40 3099 xx, gas in SLC 40 3299 xx and telephone in SLC 40 3499 xx. Starting with the 2004 FIR, municipalities will also allocate program support to governance in SLC 40 0240 13 and corporate management in SLC 40 2050 13.

Note that the amount of program support is automatically calculated and entered in SLC 40 0260 13 as a negative value. Therefore, the amount to be allocated equals SLC 40 0260 13 (-1). The amounts assigned to subfunctions are entered in column 13 (Allocation of program support) as positive amounts. The column total will be zero.

The amount of program support allocated equals negative one times the sum of the following columns:

Salaries, wages and employee benefits	SLC 40 0260 01
Materials	SLC 40 0260 03
Contracted services	SLC 40 0260 04
Rents and financial expenses	SLC 40 0260 05
Inter-functional adjustments	SLC 40 0260 12

## Purpose of workbook

The workbook will calculate the total amount of program support allocated to all functions except utilities. The municipality must copy the amounts from the workbook into Schedule 40, column 13 on lines 0240, 0250 and 0410 through 1898.

Amounts entered in Schedule 40 for the allocation of program support will be carried forward to Schedule 91 for governance, corporate management, fire, police, waste collection, waste disposal, recycling, parks, recreation programs, recreation facilities and libraries. These lines are identical to the service areas used for efficiency measures.

This workbook also calculates amounts allocated to narrowly defined service areas which are used in the efficiency measures for paved roads, unpaved roads, winter control (excluding the clearing of sidewalk and parking lots), wastewater collection, wastewater treatment and disposal, drinking water treatment and drinking water distribution. Municipalities should enter the amount for the allocation of program support for these services directly into Schedule 91, column 22 (Allocation of program support).

## New for 2004 FIR

Program support will now be allocated to governance in SLC 40 0240 13 and corporate management in SLC 40 0250 13. This may result in a small increase in the measure, operating costs for governance and corporate management as a percentage of total municipal operating costs. Other service areas measured may have slightly lower cost per unit results.

**It is not necessary to recast results for previous years when reporting to the public.**

## **Fewer categories of program support and changes in driver units**

Program support categories have been reduced from 26 categories to 23. The following categories were eliminated: Information data management, IT application delivery – acquisition and delivery, IT application delivery – operations and maintenance.

Infrastructure tool access (data) and Infrastructure tool access (voice) have been combined into a single category: Infrastructure tool access (data and voice). Driver units may be either the number of PC's or the number of phone lines.

Insurance/risk management administration remains a program support category, but municipalities may now choose insurance premiums or claims as driver units.

Labour and employee relations remains a program support category, but municipalities now have a choice of driver units: number of grievances or average head count of employees (full-time, part-time and casual).

For the printing and graphics category, driver units have been clarified as the number of impressions, including photocopies.

For the stores and commodity management category, municipalities now have a choice of driver units: value of goods processed or the number of stores requisitions processed.

#### SUMMARY OF OMBI METHOD

1. Total program support to be allocated equals SLC 40 0260 13 (-1).

Note that the amount of program support to be allocated is automatically calculated and entered in SLC 40 0260 13 as a negative value. The amounts assigned to subfunctions are entered in column 13 (Allocation of program support) as positive amounts. The column total will be zero.

2. Divide the total to be allocated among program support categories.

#### **For each program support category:**

3. Determine driver units consumed by each subfunction.
4. Determine total driver units.
5. For each subfunction, express driver units as a percentage of total driver units.
6. Determine the amount allocated to each subfunction.  
(Multiply program support from step 1 by the percentage of total expenditures from step 4.)

#### **For each subfunction, determine the total allocation of program support:**

7. Sum amounts allocated for each program support category. Enter the sum as a positive value on the appropriate line in Schedule 40, column 13 (Allocation of program support) or Schedule 91, column 22 (Allocation of program support).

## WORKSHEETS

Worksheets contain lines that correspond to the subfunctions in Schedule 40. However, the worksheets do not include lines for utilities or non-functionalized amounts, since program support is not allocated to these functions.

The OMBI method of allocation breaks program support into 23 categories. Expenditures for each program support category are allocated based on the percentage of total “driver” units used by each subfunction.

In general, two program support categories are reported on each tab of the workbook. The last tab in the workbook contains a worksheet which calculates the total program support allocated to each subfunction in Schedule 40.

See the table at the end of the instructions for a list of the program support categories and the “driver” units.

## SCHEDULE LINE REFERENCES

To the left of each worksheet is a column containing a Schedule and Line reference. If Schedule 40 is listed, the line number refers to a subfunction. If Schedule 91 is listed, the line number refers to an efficiency measure.

Copy data from the final worksheet, “Total program support” to SLC 40 xxxx 13 (Allocation of program support) or SLC 91 xxxx 22 (Allocation of program support) as appropriate.

## REMOVING PROTECTION ON WORKSHEETS

Data is entered on line 9999 (Total) of column “a” and on all lines in column “b” except subtotals and the total in line 9999. Column “c” automatically calculates the percentage of total driver units consumed, but may be overwritten if the municipality does not use column “b”. Column “d” is protected.

No password was used to protect worksheets. Therefore, to remove protection on a sheet use the following sequence:

1. Tools/Protection/Unprotect sheet
2. To unlock individual cells, highlight the cells and right click. Select Format Cells. Go to the tab titled “Protection”. Remove the check mark in the box labelled “Locked”.

## COLUMNS

Each program support service category contains 4 columns:

**a Total**

Total expenditures for each program support category are reported on line 9999. This is the amount that will be allocated to subfunctions.

**b Number of driver units per subfunction**

For each subfunction, the municipality reports the number of “driver” units consumed.

Total units are automatically calculated and entered in line 9999, column “b”.

**c %**

The percentage represents the percentage of total driver units consumed by each subfunction.

The percentage is automatically calculated for each subfunction. Note that the percentage in column “c” can be overwritten if a municipality does not complete column “b”.

If the Schedule Line reference at the left side of the sheet refers to Schedule 40, the percentage equals the number of units for a subfunction divided by total units entered in line 9999, column “b”. The quotient is multiplied by 100 to express the result as a percentage.

If the Schedule Line reference refers to Schedule 91, the percentage equals the number of units reported for the narrow service area divided by the number of units reported in column “b” for the subfunction used in Schedule 40. For example, the percentage of total “driver” units for paved roads equals the number of units reported for paved roads on line 2105 of column “b”, divided by the number of units for roadways on line 0610 of column “b”, times 100.

**d Amount allocated**

The amount allocated to a subfunction is automatically calculated and equals total expenditures for a program support category from line 9999, column “a”, times the percentage of driver units in column “c”.

## TOTAL ALLOCATED TO A SUBFUNCTION

The last tab in the Excel workbook is entitled "Total program support". The amount allocated to each subfunction is automatically calculated and equals the sum of the amounts entered in column "d" (Amount allocated) for each program support category.

Copy the amount of total program support allocated to each subfunction to Schedule 40 or each efficiency measure in Schedule 91, as appropriate, using the Schedule Line reference provided on the worksheet.

If the Schedule Line reference indicates Schedule 40, a municipality copies data from the final worksheet, "Total program support", and enters it in Schedule 40, column 13 (Allocation of program support) on the line for the subfunction.

If the Schedule Line reference indicates Schedule 91, a municipality copies data from the "Total program support" worksheet and enters it in Schedule 91, column 22 (Allocation of program support) on the line for the efficiency measure.

## OMBI ALLOCATION METHOD IN DETAIL

1. Total program support to be allocated equals:  
SLC 40 0260 13 (-1)

The amount in SLC 40 0260 13 (-1) consists of salaries, wages and employee benefits; materials; contracted services; rents and financial expenses and interfunctional adjustments for program support.

2. Divide the total to be allocated among program support categories.

There are 23 categories of program support.

On line 9999, column "a" (Total), enter the expenditures for each program support category. Consider that the amount allocated should consist only of:

Salaries, wages and employee benefits  
Materials  
Contracted services  
Rents and financial expenses  
Interfunctional adjustments

### FOR EACH PROGRAM SUPPORT CATEGORY:

3. Determine driver units consumed by each subfunction.

Report "driver" units consumed by each subfunction in column "b". Where the Schedule Line reference indicates Schedule 91, examine the number of units consumed by the subfunction in Schedule 40 and determine how many pertain to each performance measurement area.

For example, on line 0810 report the number of units consumed by the sanitary sewer system. On line 3106, report the number of units consumed by collection services and on line 3104 report the number of units consumed by treatment and disposal.

4. Determine total driver units.

Total driver units on line 9999 are automatically calculated and consist of the sum of all driver units in column "b" where the Schedule Line reference refers to Schedule 40.

5. For each subfunction, express driver units as a percentage of total units.

The percentage of driver units consumed by a subfunction is automatically expressed as a percentage of total units in column "c".

If the Schedule Line reference for a subfunction refers to Schedule 40, the percentage equals the number of units reported in column "b" for a subfunction divided by total units entered in line 9999, column "b". The quotient is multiplied by 100 to express the result as a percentage. Note that the percentage in column "c" can be overwritten.

If the Schedule Line reference refers to Schedule 91, the percentage equals the number of units reported in column "b" for the narrow service area divided by the number of units reported in column "b" for the subfunction used in Schedule 40. For example, the percentage of total "driver" units for paved roads equals the number of units reported for paved roads on line 2105, column "b", divided by the number of units for roadways on line 0610, times 100.

Note that the percentage in column "c" can be overwritten if a municipality does not complete column "b".

6. Determine the amount allocated to each subfunction.

(Multiply program support from step 1 by the percentage of total expenditures from step 4.)

The amount allocated to a subfunction is automatically calculated and equals total expenditures to be allocated from line 9999, column "a", times the percentage of driver units for a subfunction in column "c".

For each subfunction, determine the total allocation of program support:

7. Sum amounts allocated for each program support category. Enter the sum as a positive value on the appropriate line in Schedule 40, column 13 (Allocation of program support) or Schedule 91, column 22 (Allocation of program support).

The last tab in the Excel workbook is entitled "Total program support". The amount allocated to each subfunction is automatically calculated and equals the sum of the amounts entered in column "d" (Amount allocated) for all program support categories.

Copy the total amount of program support allocated to each subfunction in Schedule 40 or the appropriate performance measurement area in Schedule 91 using the column for the allocation of program support.

The Schedule Line reference on the "Total program support" worksheet provides a guide. If the Schedule Line reference refers to Schedule 40, a municipality copies data from the final worksheet, "Total program support", and enters it in Schedule 40, column 13 on the line for the subfunction. If the Schedule Line reference refers to Schedule 91, a municipality copies data from the "Total program support" worksheet and enters it in Schedule 91, column 22 on the line for the efficiency measure.

PROGRAM SUPPORT	
Program support category	Allocation "driver" (type of units) used to track consumption by each subfunction
Accounts payable	Number of invoice paid/Transactions processed
Accounts receivable	Number of transactions
Budgeting	Estimated time
Compensation management	Average head count (full-time, part-time, casual)  Average head count refers to the average annual number of actual employees (not FTEs) employed by a business unit.
Facilities and property management	Floor space (on a facility by facility basis) or Average headcount (full-time, part-time and casual) in each building
Fleet	Time and material
Health and Safety	Average headcount (full-time, part-time and casual)  Average head count refers to the average annual number of actual employees (not FTEs) employed by a business unit.
HR Counselling	Average headcount (full-time, part-time and casual)  Average head count refers to the average annual number of actual employees (not FTEs) employed by a business unit.
IT Application delivery & data management	Estimated time
Infrastructure tool access (Data and Voice)	Number of PC's or Phone lines
Insurance/risk management administration	Insurance premiums or Claims

Please see the Instructions to the Financial Information Return and the chapter on Functional Classification of Expenditures and Revenues for definitions of each program support category.

PROGRAM SUPPORT	
Program support service category	Allocation "driver" (type of units) used to track consumption by each subfunction
Labour and employee relations	<p>Number of grievance or Average headcount of employees (full-time, part-time and casual)</p> <p>Municipalities may use an average headcount of union employees if activities are predominantly related to unionized activities.</p> <p>Municipalities may use an average headcount of all employees if activities are directed to all employees.</p> <p>For better precision, the number of grievance per program may be used to allocate the costs of grievances and arbitration administration.</p>
Mailroom	Program cost
Payroll	Number of cheques/direct deposits
Printing and graphics	Number of impressions, including photocopies
Program accounting	Estimated time
Program specific communication	Estimated time
Program legal support	Estimated time
Purchasing	Volume of transactions
Records management	Number of records
Staffing	Number of job postings (both internal and external)
Stores & commodity management	Value of goods processed or Number of stores requisitions processed
Training and development	<p>Average headcount (full-time, part-time and casual)</p> <p>Average head count refers to the average annual number of actual employees (not FTEs) employed by a business unit.</p>

