

## Internal Distribution Number Account Descriptions

<u>Internal #</u>	<u>Name/Description</u>
<u>00</u>	<u>Supervision</u>  The overseeing and directing of subordinates' work activities, as determined by unit head. This function can be performed by both weekly and bi-weekly paid supervisors, at the discretion of the department/unit head.
<u>01</u>	<u>Salaries</u>  Both exempt and white collar paid compensation other than Supervision (discussed above), Labor (discussed below), and time charged to Clearing Accounts
<u>02</u>	<u>Labor</u>  All blue-collar and seasonal worker paid compensation other than Supervision (discussed above) and time charged to Clearing Accounts
<u>03</u>	<u>Employee Training</u>  The employee time spent in training sessions, etc. as determined by the unit head. This category includes the training time of both weekly and bi-weekly paid employees. Note that payments to consultants, vendors, etc. for training services, course fees and other expenses is not included in this account, but under account #37 - "Training payments".  (As of 2010, this item was no longer being budgeted for)
<u>04</u>	<u>Supervision Overtime</u>  The overtime category for internal #00, Supervision.
<u>05</u>	<u>Salary Overtime</u>  The overtime category for internal #01, Salaries
<u>06</u>	<u>Labor Overtime</u>  The overtime category for internal #02, Labor.
<u>07</u>	<u>Nonproductive Salary and Labor</u>  An overhead amount, representing non-productive time (sick leave, vacation, personal leave etc.) applicable to each particular unit.

Non-Productive time was automatically allocated as a certain percentage of salary/labor and is straight line allocated over the twelve month period. It was then charged off as used during the year through the various units. This resulted in inaccurate budget comparison reporting as it's almost impossible to say when people will use their non-productive time. Much was used during the summer and at the end of the year.

**(As of 2010, this item is no longer used.)**

**08**      **Fringe Benefit Costs**

An overhead amount, representing Fringe Benefit cost applicable to each unit.

**The Fringe Benefit costs include:**

1. Medicare Insurance
2. Vision Plan Expense
3. Workmen's Comp. Insurance
4. Unemployment Insurance
5. Dental Insurance
6. Health Insurance (Excluding Retirees)
7. Group Insurance
8. FICA Expense
9. Pension Expense
10. DBL Insurance

Each year at budget time, all the fringe benefit costs are totaled and compared against salaries for that year to come up with an overhead percentage to be applied against budgeted salaries.

**10**      **Materials and Supplies**

Includes the cost of repair materials issued from inventory, as well as direct purchase of supplies necessary for operation of the unit. This item does not include Office Supplies or Stationary and Printing Forms.

**11**      **Transportation**

An overhead amount, representing the cost of operating and maintaining the Authority's fleet of vehicles. This is applied to each unit based on the number of and types of vehicles in each unit.

**12**      **Travel**

Employee expenses, including transportation, lodging and meals, incurred for the purpose of training or attendance at meetings or seminars, in accordance with the approval guidelines established by the Authority. Use of Authority owned vehicles should not be charged to this account.

**13**      **Chemicals**

Use of the following chemicals used in the treatment of water, as reported on Chemical Usage Reports:

1. Activated Carbon
2. Caustic Soda
3. Chlorine

4. Hydrofluosilicic Acid (Flouride)
5. Potassium Permanganate
6. Sternpac
7. Polymer

**14**      **Power Purchased**

The cost of electric power purchased which is used directly in the production of water and the operation of pumps. This account should not be charged with the cost of light and heat for the water treatment plants, Ellicott Square, the Service Center, Water Quality or the pumping stations.

**15**      **Payments to Contractors-Repair**

For outside repair work, including materials provided by contractors on mains, valves, hydrants & services.

**16**      **Payments to Contractors-Rental**

For rental of safety equipment, such as barricades and flashers, truck rentals, pumps and related equipment rental.

**17**      **Payments to Contractors-Elect.**

For repairs of electric pumps and all other payments made to contractors for non-capitalized electrical repair.

**18**      **Payment to Contractors-Restore**

For asphalt, concrete and landscaping repair and restoration made necessary by service, valve, hydrant and main repairs.

**19**      **Payments to Contractors-Other**

For all payments other than those covered in #'s 15, 16, 17, 18, 39 & 74, to contractors (non-capitalized services only.)

**20**      **Miscellaneous**

All other operating and maintenance expenses not covered by any other account number.

**21**      **Heavy Equipment Usage**

Initially used for backhoes and loaders

**(No longer used; merged with Transportation)**

**22**      **Light and Heat**

The cost of electricity and other fuel necessary to provide lighting and heat to our plants, pumping stations, water quality lab, service center and leased office space in the Ellicott Square. The light and heat account is used by the following units:

1010 - Sturgeon Point  
1015 - Van De Water Plant  
1020 - Control Operations  
3070 - Service Center  
7510 - General Expense (Ellicott Square)

**23 Telephone**

The cost of operating and maintaining the Authority's telephone system, cost of the telephone calls and the cost of cell phones, communication devices(ex. tablets, laptops), and wireless cards. Cell phone charges are lumped together to come up with a per phone charge and then redistributed to each unit based on the number/type of cell phones, communication devices and wireless cards each unit has

**24 Telemetry**

\*\*\* No longer used \*\*\*

**25 Water Purchased-VDW Raw Water**

To record the cost of the water service, supplied by the Town of Tonawanda Water Dept., for water use at the Van De Water Plant Raw Water Station.

**26 Equipment Maintenance Contract**

Agreements with manufacturers, distributors or other providers of service to provide preventative maintenance on equipment, and/or to provide service on a priority basis.

**27 Safety Equipment**

Equipment provided for and to employees for their personal protection in the performance of their duties.

**28 Small Tools Expense**

Hand tools costing less than the capitlization threshold, unless they are part of a major capitalized project.

**29 Office Supplies/Equip/Furniture**

Includes minor expendable supplies and office furniture costing less than the capitlization threshold.

**30 Lubrication**

Oil, grease and other lubricants used in machinery. This item does not include charges for gasoline, grease, or oil used in the operation and maintenance of our vehicle fleet or generators.

**31 Right of Way Rents**

Payments made to railroads and other utilities for the use of their properties in which some of the Authority's distribution and transmission lines are located.

**32**      **Stone & Cold Patch**

Materials used by the Authority line maintenance crews when engaged in repairing main leaks, etc.

**33**      **Uniforms**

Provided by the Authority to the Meter Service Workers, Bill Collector and Laboratory Personnel

**34**      **Office Equipment Rentals**

Rental fees for copy machines, mailing machines, etc.

**35**      **Refuse and Waste Disposal**

Mostly applicable to water and wastewater treatment systems.

**36**      **Underground Utility Locating**

Payments made to Underground Utilities Locating Service for telephone answering services, and the lease of equipment, representing the Authority's share in the association's total costs.

\*\*\* No longer used \*\*\*

**37**      **Training Payments**

Payments made to consultants, vendors, etc., for employee training services. Note that employees time spent in training sessions, etc. is not included in this account; registration fees for courses are to be included under this number.

**38**      **Studies**

Payments made to consultants for studies done which will not result in the creation of a fixed asset within a 3-year period. (Studies which do result in the creation of a fixed asset within the time period are capitalized)

**39**      **Payments to Contr-Outside Labs**

Payments made to outside laboratories for the expense of testing water and wastewater.

**40**      **Postage**

Includes mailing fees, and other costs of mailing bills, meter reading postcards, return postage, as well as all other outgoing mail from the Administrative and Customer Service and Billing units.

**41**      **Stationary and Printing Forms**

Includes all printed materials purchased by the Customer Service and Billing unit, the Administrative unit and the Clerical unit. Also includes all copy paper and envelopes.

**42**      **Uncollectable Accounts**

Used by the Accounting unit and Customer Service and Billing unit only.

**43**      **Collection Agency Charges**

Used by Customer Service and Billing, fees paid to collection agencies under contract with the Authority to collect bills from delinquent customers.

**44**      **Microfilming**

The cost of placing Authority board meeting minutes on to microfilm and microfiche.

**\*\*\* No Longer Used \*\*\***

(This is now budgeted for under account #20 - Miscellaneous in Unit 6000 - Secretary to the Authority)

**45**      **Temporary Help**

**\*\*\* No longer Used \*\*\***

**46**      **Dues and Subscriptions**

The cost of Authority pre-approved memberships in professional organizations and subscriptions to journals and other related periodicals.

**47**      **Office Rents**

The charge for office space in the Ellicott Square Building

**48**      **General Office Employee Exp.**

A very small miscellaneous expense covering reimbursed expenses of employees in the Ellicott Square Building.

**49**      **Publications**

Payments made to vendors who supply Public Affairs promotional materials such as bill stuffers and the annual report.

**50**      **General Expense Credits**

**\*\*\* No Longer Used \*\*\***

**51**      **Corporate and Fiscal Expense**

Certain fee-based expenses paid by the Authority incurred in administering the bond program such as fees paid to our fiscal agents for their work in making bond payments to bondholders.

**52**      **Legal Services**

Payments for professional legal services obtained from outside counsel

**53 Insurance**

Premiums paid for:

- 1) Special Multi-Peril Package Blanket
- 2) Comprehensive General Liability
- 3) Umbrella Coverage
- 4) Comprehensive Dishonesty
- 5) Public Official's Liability

Premiums paid for Workers Comp. are included in Fringe Benefits and charged to unit 7625 #82; premiums for Automobiles are included in transportation and charged to unit 7615.

**54 Injuries and Damages**

Includes small claims and deductibles on larger claims.

**55 Miscellaneous General Expense**

\*\*\* No Longer Used \*\*\*

**56 Administrative Credits**

Administrative Credits represent a transfer of some of our administrative expenses from O&M expense to capital construction jobs. This is determined by the Capital Budget; an overhead rate is applied against those capital expenses that are eligible for administrative credits.

**57 Employee Refreshment Expense**

\*\*\* No Longer Used \*\*\*

**58 Auditing**

Professional fees paid to the Authority's outside independent auditors for the examination of our year-end and interim financial statements as required.

**59 Doctor Examination Fees**

Professional fees paid to medical doctors/facilities for new employee physicals, drug testing and other employees health maintenance related programs.

**60 Special Services**

Payments for outside professional consulting services.

**61 LMWD Service Installations**

This account is charged with the actual costs of installing 3/4" thru 2" diameter water services in lease managed water districts. These actual costs included construction costs, Authority labor and transportation charges, and overhead. This account is also credited with fees received from the applicants for water service in the lease-managed water districts.

Our fee schedule is designed to absorb the actual costs, which should put that account at or near zero but that is not always the case. Typically the small service contract costs continue to outpace our fees which need adjustment every time the small service contracts are rebid. The period of adjusting this fee can result in this account reflecting a loss.

**62**      **Inventory Adjustments**

An adjustment to the Stores Expense Clearing account made by the Accounting Department to reflect differences between inventory items actually counted and those on our books and records.

**63**      **Stores Allocation**

\*\*\* No Longer Used \*\*\*

**64**      **Annual Reports**

The cost incurred by the Public Information unit in producing the Annual Report of the Authority as well as the Annual Water Quality Report.

**65**      **Special Events**

The cost, incurred by the Public Information unit, of producing Public Affairs and employee programs including, but not limited to, the following: Employee Recognition Program, National Drinking Water Week, employee seminars, town meeting(s) etc.

\*\*\* No Longer Used \*\*\*

**66**      **Water Quality Billings**

This revenue account is for recording the billings to outside agencies for the Water Quality tests performed in our lab.

\*\*\* No Longer Used \*\*\*

**67**      **Software Maintenance & Support**

Agreements with software vendors and other providers of software technical support to correct software defects, provide improved releases of computer software and provide telephone and on-site technical assistance relating to the proper use of computer software.

**68**      **PCs and Peripherals**

Cost of the personal computers and associated equipment, including software, costing less than \$10,000. Any one item of computer equipment, even though purchased in bulk, costing less than \$10,000 is considered an operating expense. If it is over \$10,000 it is considered a capital expense.

**69**      **Delivery Services**

Cost of messenger and delivery services for items delivered to and from Authority facilities including overnight delivery. Does not include shipping costs already in cost of goods delivered.

**70**      **Security**

\*\*\* No Longer Used \*\*\*

**71**      **Depreciation Expense**

Depreciation is recorded on two major classes of assets:

1) Vehicles - Autos, trucks and heavy equipment (This depreciation formerly was charged to Transportation Expense Clearing and is now directly expensed.)

2) Water Plant - The depreciation charge for water plant, which includes all of the Authority's capitalized buildings, mains, equipment, etc. appears as an expense item directly on the Income Statement.

\*\*\* No Longer Used \*\*\*

**72**      **Retiree Health Insurance**

The cost of providing health insurance for retired employees. This was previously included as part of Fringe Benefits but since it was not associated with current active employees it was removed and put under unit 7510 -General Expense.

**74**      **Payments to Contractors - Tanks**

For all non-capital tank work including inspections, painting and refurbishment.

**75**      **Generator Lease**

The cost of leasing our current fleet of temporary generators; eventually this should go away as the permanent generators are purchased, installed and put in operation.

\*\*\* No Longer Used \*\*\*

**76**      **Renewals and Replacements**

Those O&M items that do not meet the true definition of a capital expense as they are required in order for the asset to reach its expected life. Most of these are large scale maintenance/repair items that previously were located under the capital budget due to the excessive costs associated with them (Ex. Tank Painting)

\*\*\* No Longer Used \*\*\*

**77**      **Stores Expense Credit**

Credit to stores expense representing the stores overhead amount on OWIP billings.

**78**      **Gas, Oil and Grease**

These are expenses charged to Transportation Expense Clearing as part of the cost of operating and maintaining our fleet of vehicles.

**79**      **Vehicle Repairs-Outside Shops**

The cost of repairing Authority vehicles performed by outside shops. This account is used in the Transportation Expense Clearing Account only.

**80 - 89**      **Specific Fringe Benefit Costs**

These actual costs, including Medicare & FICA expense, Workers Compensation Insurance, health insurance premiums, etc. are prorated to the various units based on payroll and appear under the account #08 - Fringe Benefit Costs.

**90 - 99**      **Specific Non-Productive Salary and Labor**

These items, including actual vacation, sick leave, etc. used by employees is charged to the Non-Productive Salary and Labor account # 07. This is distributed to the various units based on a percentage of non-productive time assigned to each employee based on the amount of benefit time they have available to them for the year. It is charged off against each unit as it is used.