

Full Cost Accounting For Non-accountants

How can it help your program?



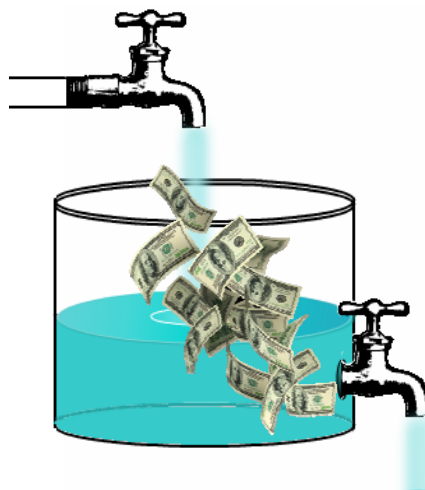
What does it **take** to manage solid waste?



What does it ~~take~~ cost to manage solid waste?



Why do full cost accounting?



Why is this important?

- To know what MSW management actually costs
- To clearly explain MSW rates to citizens, political leaders
- To have a sustainable program
- To be less dependent on outside funding
- To better manage cash flow
- To decide on the appropriate mix of MSW services
- To improve efficiency of MSW programs

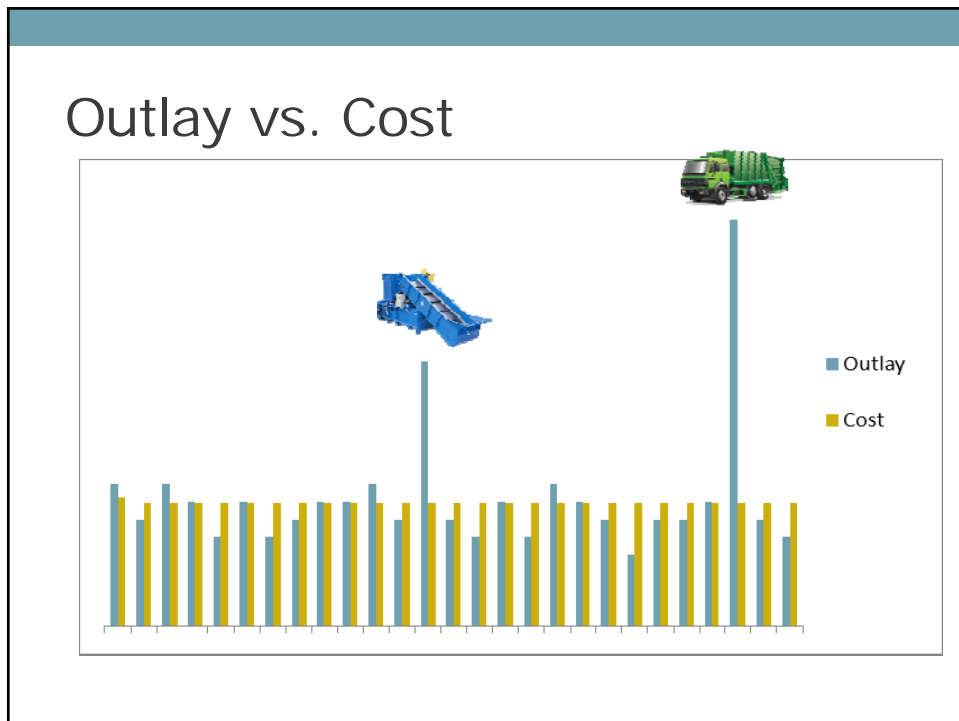
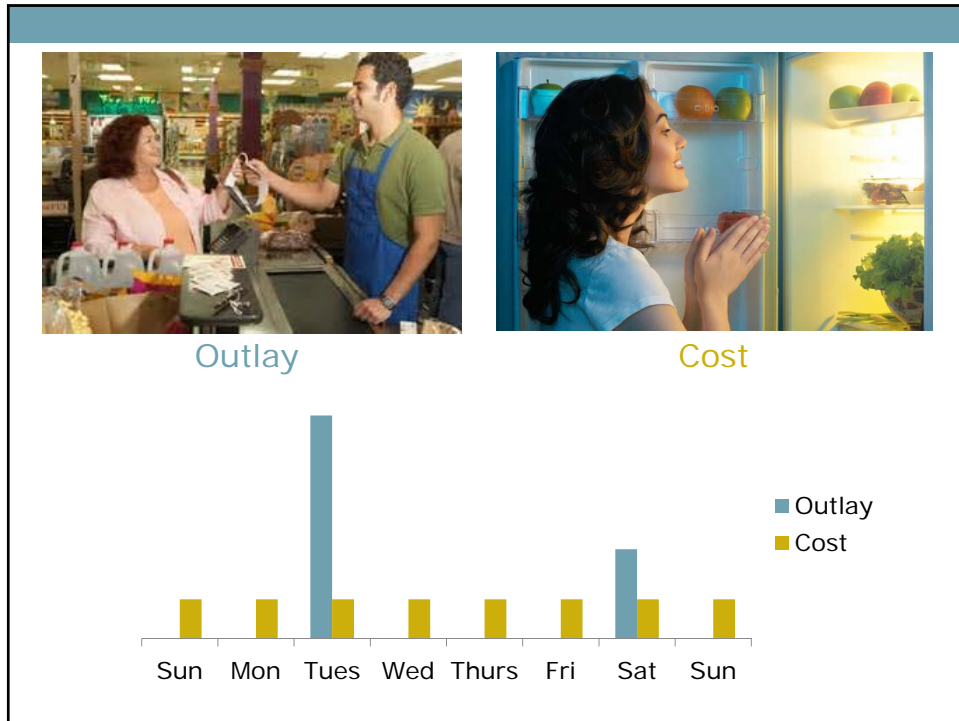
How do you do full cost accounting?

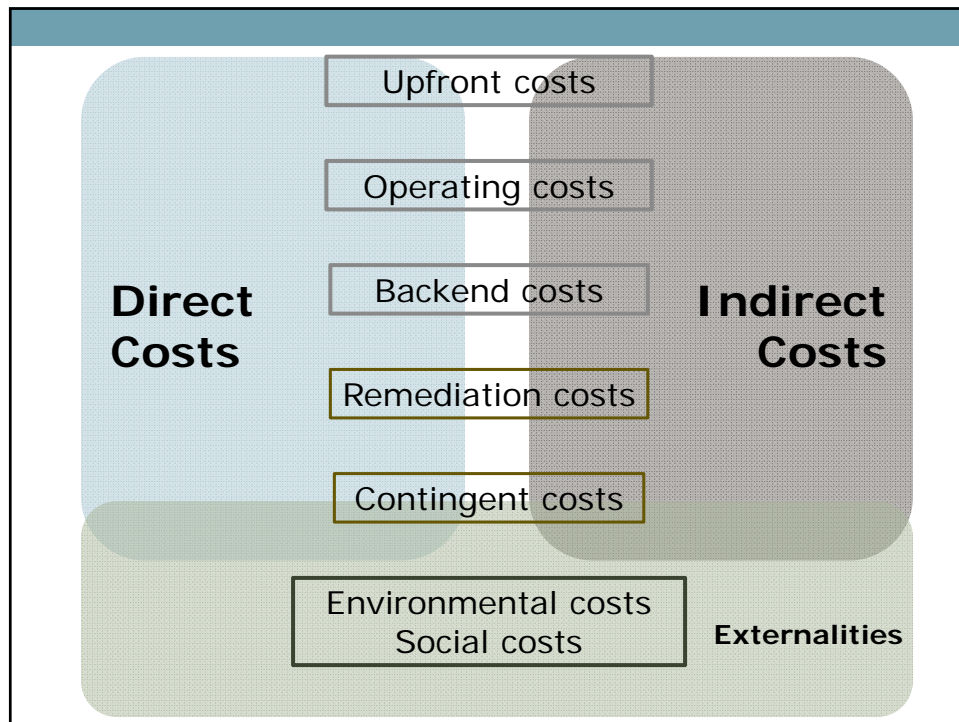




Outlay vs. Cost

- Full cost accounting accrues (recognizes) costs **as resources are used or committed**, regardless of when money is spent





What are indirect costs?

- Overhead, non-direct, or shared costs
 - Support services
 - Billing
 - Clerical
 - Human resources
 - Legal
 - Maintenance
 - Payroll
 - Purchasing
 - Training
 - Oversight
 - Manager salaries and benefits
 - Advisory committees
- Hidden costs
 - Costs of activities or resources that appear to be free

Upfront costs



Indirect Costs

Operating Costs




Diversion also has avoided costs

- Disposal / tip fees
- Landfill replacement costs

Then what?

- Publicize the actual cost to manage solid waste and recycling
- Set rates and fees based on actual costs
- Plan for upcoming expenses
- Decide on changes to programs
- Compare costs for solid waste vs. diversion
- Feel confident that you will have a sustainable program!

Resources




United States
Environmental Protection
Agency

Solid Waste
and Emergency Response
5305W

EPA 530-R-95-041
September 1997
<http://www.epa.gov>

Full Cost Accounting for Municipal Solid Waste Management: A Handbook



Amortization
Cost
Depreciation
Overhead

www.epa.gov/nscep
530R95041

<http://www.dep.state.fl.us/waste/categories/fca/>

state.fl.us/waste/categories/fca/

Tested Sites Getting Started Web Slice Gallery

Florida Department of Environmental Protection DEP Home

Solid Waste Full Cost Accounting Main Page

The Full Cost Accounting Rule, 62-708, F.A.C. requires local governments to annually calculate the full cost of their solid waste management services. The calculations are to be available to the public upon request. **As a result of the rule revision on February 16, 2012, local governments are no longer required to submit to the state their full cost accounting calculations and documentation of public disclosure.**

Solid Waste Full Cost Accounting Rule
[Chapter 62-708, F.A.C.](#) - Full Cost Accounting for Solid Waste Management (Revised 02/16/12)

General Information
[Full Cost Accounting Workshops](#) -
 Please be patient while this document loads.

The U.S. Environmental Protection Agency and DEP teamed up to offer training on Full Cost Accounting to local government training sessions were held in order to provide an opportunity for local governments to develop an in-depth understanding. Although we are not currently planning on holding any additional workshops, we have provided a copy of the overheads for workshops, in order to assist you in implementing FCA.

Related Documents
 • [Full Cost Accounting Infobook](#)
 • [Full Cost Accounting Workbook](#)
 • This FCA software may only work with Windows XP. [Download FCA Software](#)

If you have questions, please contact a local government for assistance. DEP staff do not have further information about Full Cost Accounting.

<http://p2pays.org/localgov/FullCostAccounting.asp>

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Tested Sites Getting Started Web Slice Gallery

DPPEA North Carolina Department of Environment and Natural Resources

Division of Pollution Prevention and Environmental Assistance

LOCAL GOVERNMENT

Full Cost Accounting

N.C. Division of Pollution Prevention and Environmental Assistance Documents

- DPPEA Full-Cost Accounting Worksheet - This worksheet can be utilized to aid local governments in conducting a full-cost analysis/accounting of their expenditures associated with solid waste collection, disposal and recycling.
- Analysis of the Full Costs of Solid Waste Management for North Carolina Local Governments - A study conducted by DPPEA to gather benchmark data on the cost of solid waste collection, disposal and recycling services for North Carolina's local governments.
- White Goods Accounting Worksheet - This worksheet was designed to help North Carolina counties accurately determine the annual reportable costs for managing white goods.

EPE Information

- EPA Full-Cost Accounting Resource Guide - This guide contains listings of federal, state and local government documents, as well as materials produced by trade and professional groups. Most documents deal specifically with full-cost accounting, though some cover related topics, such as enterprise funds and activity-based costing. The guide also provides names of individuals in communities that are in various stages of implementing full-cost accounting.
- EPA's Full-Cost Accounting for Municipal Solid Waste Management - A handbook intended to help communities implement full-cost accounting in their municipal solid waste programs.
- Making Solid (Waste) Decisions With Full-Cost Accounting - Overview of FCA highlighting implementation, benefits, barriers and relationship with enterprise funds and Pay-As-You-Throw.
- Questions and Answers About Full-Cost Accounting
- EPA's Full-Costs Accounting Web site

Other Information

- Full-Cost Accounting Info Book and Full-Cost Accounting Workbook - Developed by the Florida Department of Environmental Protection to attempt to explain FCA to solid waste managers (may be targeted mainly to local Florida government).
- Article: Understanding Your Full System Costs - Resource Recycling December 1996 - An attempt by companies representing the paper, aluminum and glass industries, as well as a consumer product company, to point out the importance of evaluating full system costs and to identify the program components needed to evaluate and understand recycling program costs.

Questions?

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