

CITY OF CHARLOTTE  
**COUNCIL POLICY**

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<b>COST REIMBURSEMENT</b>	<b>2011-03</b>	<b>07/25/11</b>	<b>1 of 2</b>

**1. PURPOSE**

The purpose of this policy is to identify those costs incurred by City departments in providing services associated with events sponsored by other organizations for which reimbursement will be required.

**2. AUTHORITY**

This policy is adopted pursuant to section 2-163 of the Code of Ordinances.

**3. EXAMPLES OF EVENTS FOR WHICH COSTS WILL BE REIMBURSED**

**3.1** The following are examples of types of events for which reimbursement for City-incurred costs will be required: festivals, parades, rallies, protests, demonstrations, foot races, and car shows.

**3.2** The list contained in paragraph 3.1 is intended to be illustrative, not exhaustive. Other events of a similar character to those listed will be subject to the provisions of this policy.

**4. COSTS FOR WHICH REIMBURSEMENT WILL BE REQUIRED**

When the City incurs costs associated with events described in paragraph 3, reimbursement will be sought from the sponsoring organization for the following costs:

**4.1 Labor.** The average hourly rate associated with work performed by City employees in each department, as calculated by the City's Finance Director, will be billed to the sponsoring organization for each hour or fraction thereof that City labor is required for the event. If labor requirements necessitate overtime expenditures by the City, the sponsoring organization will be billed at the applicable overtime rate.

**4.2 Fringe Benefits.** For each hour or fraction thereof of labor cost incurred, the sponsoring organization shall be charged for those fringe benefit costs typically associated with labor hours such as FICA, Medicare, workers' compensation, and the like. The fringe benefit cost shall be calculated as a percentage of the labor cost for each department. This calculation shall be performed from time to time by the City Finance Director.

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**4.3 Equipment Utilization.** For each hour or fraction thereof that City equipment is used in the event, the sponsoring organization shall be charged the hourly rate associated with such equipment. The Finance Director, in consultation with the applicable department head, shall determine the hourly rate for those pieces of equipment for which no standard hourly rate has previously been calculated. "Equipment" shall mean to include vehicles and other mobile equipment, tools, barricades, signs and the like.

**4.4 Administration.** A fee of \$100 shall be charged for each event to cover costs associated with administrative expenses typically associated with such event.

**5. COSTS FOR WHICH REIMBURSEMENT WILL NOT BE REQUIRED**

**5.1** Sponsoring organizations will not be required to reimburse the City when costs are incurred through City employees' participation in the event. Examples of such participation include the use of Police Department vehicles to lead parades or the use of Fire Department vehicles as units within a parade.

**5.2** Sponsoring organizations will not be required to reimburse the City for costs waived by the City Council prior to the event being conducted.

**6. BILLING AND PAYMENT**

An invoice for costs for which reimbursement is required shall be prepared by the Finance Director based on estimates of labor hours and equipment usage submitted by the department heads. The invoice shall be due and payable upon receipt by the sponsoring organization. Payment must be received by the City Treasurer not less than five business days before the event or services will not be provided by the City.

**7. EFFECTIVE DATE**

This policy shall be effective upon its approval by the City Council.