

APPROVED

MAR 27 2019

OCS, Inc.
Board of Directors

4015 - Accounting Policy Memorandum

Overhead Expense Allocation

Purpose: Proper Accounting recognition for Overhead Expense Allocation

School/Program(s): Odyssey Charter School – Wyoming Campus, Odyssey Charter School – Eldron Campus, Healthy Café, and Montessori Village Green

Effective date: 08/01/2018 – 06/30/2019 with annual Board review and automatic renewal

Odyssey Charter School -Wyoming Campus (“OCSW”) 1350 Wyoming Drive SE Palm Bay, FL 32909, and Odyssey Charter School – Eldron Campus (“OCSE”) 1755 Eldron Blvd. SE Palm Bay, FL 32909 are sharing school facilities with OCS Healthy Café (“HC Shared Facility”) and Montessori Village Green (“MVG Shared Facility”). This Accounting Policy Memorandum sets out the manner in which overhead expenses shall be apportioned, paid and accounted for by OCSW and OCSE. Such overhead expenses include any indirect expenses associated with the Shared Facility that are not attributed individually to either OCSW and OCSE or HC and MVG. Such expenses include, but are not limited to the following:

Management Fee	Trash Removal
Water	Building Insurance
Bookkeeping	Space Usage
Custodial	Security
Pest Control	Telephone/Internet
Electric	

OCSW and OCSE will pay for such overhead expenses, and HC and MVG shall reimburse OCSW and OCSE based on the Overhead Allocation Worksheet (Exhibit A). As such, the following journal entries illustrate the proper recognition (policy) of these overhead expenses:

BOOKS OF OCSW and OCSE

HC and MVG shall recognize overhead expense based on the overhead allocation worksheet as set forth in Exhibit A. Such amounts are due and payable to OCSW and OCSE. The following entry shows the recognition for OCSW and OCSE when such charge is posted on books of HC and MVG:

1XXX Due from HC	X	
1XXX Due from MVG	X	
3XXX Other – Local Revenues HC		X
3XXX Other – Local Revenues MVG		
<i>To record the receipt of Local fees to be collected for overhead expenses (with HC and MVG)</i>		

BOOKS OF HC and MVG

HC and MVG shall recognize an expense for overhead expenses based on overhead worksheet of OCSW and OCSE (to be provided). Such amounts are due and payable to OCSW and OCSE. The following entry shows the recognition of such expenses:

7600-XXX Overhead expenses	X	
5500-XXX Overhead expense	X	
9100-XXX Overhead expense	X	
2XXX Due to Odyssey Charter School Wyoming		X
2XXX Due to Odyssey Charter School Eldron		X
<i>To record the receipt of overhead expenses</i>		

The forgoing Accounting Policy Memorandum pertaining to Overhead Expenses was approved by a majority of a quorum of the Governing Board of Odyssey Charter School, Inc., at a meeting held this 27th day of February 2019.


_____, Board Member

Cafe - Eldron
 Monthly Expense Allocation

Description	Account Number	Expense	Allocation Base	Total Sqr Ft	Café Sqr Ft	Allocation Calculation	Allocation Amount
Management Fee	7600-312		Fixed	2.50%		1.25%	0.00
Building Insurance	7600-320		Square Footage	56,365	5,376	10%	0.00
Space Usage	7600-360	32,703.48	Square Footage	56,365	5,376	5%	1,635.17
Security	7600-361		Square Footage	56,365	5,376	10%	0.00
Telephone/Internet	7600-370		Square Footage	56,365	5,376	10%	0.00
Trash Removal	7600-380		Fixed	40%		40%	0.00
Water	7600-380		Square Footage	56,365	5,376	10%	0.00
Bookkeeping Svc	7600-390		Fixed	6%		6%	0.00
Custodial Staff	7600-390		Fixed	63%		30%	0.00
Electric	7600-430		Square Footage	56,365	5,376	10%	0.00
Van Fuel	7600-460					100%	0.00
							1,635.17

NOTE:

FIXED Fee was calculated based on hours worked for this program vs. total hours worked

Cafe - Wyoming Campus
 Monthly Expense Allocation

Description	Account Number	Expense	Allocation Base	Total Sqr Ft	Café Sqr Ft	Allocation Calculation	Allocation Amount
Management Fee	7600-312		Fixed	2.50%		1.25%	0.00
Building Insurance	7600-320		Square Footage	74,492	6,805	9%	0.00
Space Usage	7600-360	38,369.80	Square Footage	74,492	6,805	5%	1,918.49
Security	7600-361		Square Footage	74,492	6,805	9%	0.00
Telephone/Internet	7600-370		Square Footage	74,492	6,805	9%	0.00
Trash Removal	7600-380		Fixed	40%		40%	0.00
Water	7600-380		Square Footage	74,492	6,805	9%	0.00
Bookkeeping Svc	7600-390		Fixed	5%		5%	0.00
Custodial Staff	7600-390		Fixed	63%		30%	0.00
Pest Control	7600-390		Square Footage	74,492	6,805	9%	0.00
Electric	7600-430		Square Footage	74,492	6,805	9%	0.00
Van Fuel	7600-460					100%	0.00
							1,918.49

NOTE:

FIXED Fee calculated based on hours worked for this program vs. total hours worked

Description	Account Number	Expense	Allocation Base		Enrich Sqr Ft	Allocation Calculation	Allocation Amount
Building Insurance	9100-320		Square Footage	56,365	1,400	2%	0.00
Space Useage	9100-360		Square Footage	56,365	1,400	2%	0.00
Security	9100-361		Square Footage	56,365	1,400	2%	0.00
Telephone/Internet	9100-370		Square Footage	56,365	1,400	2%	0.00
Trash Removal	9100-380		Fixed	1%		1%	0.00
Water	9100-380		Square Footage	56,365	1,400	2%	0.00
Bookkeeping Svc	9100-390		Fixed	4%		4%	0.00
Custodial Svc	9100-390		Square Footage	56,365	1,400	2%	0.00
Pest Control	9100-390		Square Footage	56,365	1,400	2%	0.00
Electric	9100-430		Square Footage	56,365	1,400	2%	0.00

NOTE:

FIXED Fee was calculated based on hours worked for this program vs. total hours worked

Description	Account Number	Expense	Allocation Base		Pre School Sqr Ft	Allocation Calculation	Allocation Amount
Building Insurance	5500-320	35000	Square Footage	22,098	1,288	6%	2,040.00
Student Accident Insur	5500-320	1739	Student	408	15	4%	63.93
Space Usage	5500-360	194,220.00	Square Footage	22,098	1,288	6%	11,320.27
Security	5500-361	4675	Square Footage	22,098	1,288	6%	272.49
Telephone/Internet	5500-370	6000	Square Footage	22,098	1,288	6%	349.71
Trash Removal	5500-380	6000	Fixed	1%		1%	60.00
Water	5500-380	6000	Square Footage	22,098	1,288	6%	349.71
Bookkeeping Svc	5500-390	16666	Fixed	4%		4%	666.64
Custodial Svc	5500-390	45000	Square Footage	22,098	1,288	6%	2,622.86
Pest Control	5500-390	1000	Square Footage	22,098	1,288	6%	58.29
Electric	5500-430	50000	Square Footage	22,098	1,288	6%	2,914.29

NOTE:

FIXED Fee was calculated based on hours worked for this program vs. total hours worked

Description	Account Number	Expense	Allocation Base		Enrich Sqr Ft	Allocation Calculation	Allocation Amount
Building Insurance	9100-320		Square Footage	22,098	703	3%	0.00
Space Usage	9100-360		Square Footage	22,098	703	3%	0.00
Security	9100-361		Square Footage	22,098	703	3%	0.00
Telephone/Internet	9100-370		Square Footage	22,098	703	3%	0.00
Trash Removal	9100-380		Fixed	1%		1%	0.00
Water	9100-380		Square Footage	22,098	703	3%	0.00
Bookkeeping Svc	9100-390		Fixed	4%		4%	0.00
Custodial Svc	9100-390		Square Footage	22,098	703	3%	0.00
Pest Control	9100-390		Square Footage	22,098	703	3%	0.00
Electric	9100-430		Square Footage	22,098	703	3%	0.00

NOTE:

FIXED Fee was calculated based on hours worked for this program vs. total hours worked

Summer Camp
 Monthly Expense Allocation

EXHIBIT A

Description	Account Number	Expense	Allocation Base		SC Sqr Ft	Allocation Calculation	Allocation Amount
Building Insurance	9100-320		Square Footage	56,365	3,608	6%	0.00
Space Usage	9100-360		Square Footage	56,365	3,608	6%	0.00
Security	9100-361		Square Footage	56,365	3,608	6%	0.00
Telephone/Internet	9100-370		Square Footage	56,365	3,608	6%	0.00
Trash Removal	9100-380		Fixed	1%		1%	0.00
Water	9100-380		Square Footage	56,365	3,608	6%	0.00
Bookkeeping Svc	9100-390		Fixed	4%		4%	0.00
Custodial Svc	9100-390		Square Footage	56,365	3,608	6%	0.00
Pest Control	9100-390		Square Footage	56,365	3,608	6%	0.00
Electric	9100-430		Square Footage	56,365	3,608	6%	0.00

NOTE:

FIXED Fee was calculated based on hours worked for this program vs. total hours worked

Description	Account Number	Expense	Allocation Base		Pre School Sqr Ft	Allocation Calculation	Allocation Amount
Building Insurance	5500-320		Square Footage	56,365	1,872	3%	0.00
Student Accident Ins	5500-320		Students	1,414	50	4%	0.00
Space Useage	5500-360		Square Footage	56,365	1,872	3%	0.00
Security	5500-361		Square Footage	56,365	1,872	3%	0.00
Telephone/Internet	5500-370		Square Footage	56,365	1,872	3%	0.00
Trash Removal	5500-380		Fixed	1%		1%	0.00
Water	5500-380		Square Footage	56,365	1,872	3%	0.00
Bookkeeping Svc	5500-390		Fixed	4%		4%	0.00
Custodial Svc	5500-390		Square Footage	56,365	1,872	3%	0.00
Pest Control	5500-390		Square Footage	56,365	1,872	3%	0.00
Electric	5500-430		Square Footage	56,365	1,872	3%	0.00

NOTE:

FIXED Fee was calculated based on hours worked for this program vs. total hours worked