LABOR CHARGING TO PROJECTS	**POLICY**	
	Document Number:	FR-CRA-PL-0001
	Version Number:	01

1.0 Purpose:

This Policy establishes the requirement and criteria for charging VTA labor to operating and capital projects.

2.0 Scope:

This applies to all VTA employees.

3.0 Responsibilities:

PROJECT MANAGER

a. Authorize charging labor to projects.

b. Ensure that projects have the budget to facilitate the charging of VTA labor.

c. Ensure that employees working on projects are authorized to do so, and their labor is appropriately charged.

EMPLOYEES

a. Charge time to projects through timecard entries, as appropriate.

   Refer to the attached schedule identifying the cost centers whose employees charge to Projects through Work Breakdown Structure (WBS), and Contracted Services through Statistical Internal Order Number (SION). Employees belonging to cost centers that are identified to be Operations and/or General and Administrative (G&A) will be considered Operations and G&A, respectively, unless an approval is obtained from the CFO in advance to charge their time directly to projects.

b. Identify and track time that is charged to projects.

4.0 Policy:

It is VTA's policy to charge labor to projects in a manner that provides for accurate and timely cost control accounting. This policy shall be supported with the following practices:

a. Labor charged directly to projects must be supported by timecard entries.

b. Appropriate project budget must be requested by the respective project manager.

c. Project reimbursements must be actively monitored by the cost center manager.

    d. Exceptions to this policy must be authorized in advance by the Chief Financial Officer.

5.0   Definitions:

<u>Projects</u> refer to both operating and capital projects.

<u>Capital projects</u> refer to activities that would generate an asset or group of assets that have initial useful lives extending beyond a single reporting period. Policy No. 50 provides that fixed assets with a value equal to or greater than $5,000 shall be capitalized.

<u>Cost centers</u> refer to departments/sections that are identified in SAP by a 5-digit number.

<u>Direct costs</u> refer to costs that can be identified with a particular activity such as projects or contracted services.

<u>Operating projects</u> refer to those activities that would end up being expensed as there are no assets generated having useful lives extending beyond a single reporting period; e.g. painting, repairs and maintenance costs that will not extend the life of the asset.

<u>Statistical Internal Order Number (SION)</u> is a means of capturing costs or level of activity in SAP.
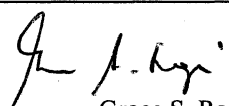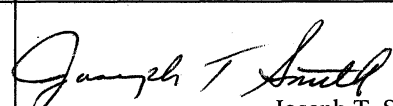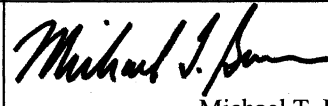
<u>Work Breakdown Structure (WBS)</u> refers to the project activity level in SAP.

<u>Internal labor</u> refers to VTA employee labor hours.

6.0   Summary of Changes:

Initial release of this policy.

7.0   Approval Information:

Prepared by	*Reviewed by*	*Approved by*
Grace S. Ragni Fiscal Resources Manager	Joseph T. Smith Chief Financial Officer	Michael T. Burns General Manager