ORDINANCE NO. 89
Series of 2026



"AN ORDINANCE ADOPTING THE REVISED REVENUE CODE 2026 OF THE MUNICIPALITY OF CARMEN, PROVINCE OF SURIGAO DEL SUR"

(TOOLKIT 1)

MUNICIPALITY OF CARMEN
SURIGAO DEL SUR

STEP 1: MAP YOUR PROCESS FLOW

Note:
- A flowchart is a picture of the separate steps involved in a given process, presented in sequential order.
- Particularly helpful in analyzing and identifying areas for improvement by showing inefficiencies in the system.
- Also, it is useful in costing analysis.
- For this template, it is not necessary to use the various diagrams and boxes normally used in process flowcharts.

Instructions in Filling the Form

1 Discuss and decide on the boundaries of your process.
  * Where or when does the process start? Where or when does it end?
2 Arrange and document the activities in proper sequence.

Table 1:

	LIST OF ACTIVITIES
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for [illegible], and verify the completeness of the requirements.
2	Encode the application in the system and check the correctness of the entries.
3	Prepare and print the Tax Order of Payment.
4	Receive payment and issue Official Receipt.
5	Sign and approve the application by the Municipal Treasurer and BPLO.
6	Prepare and approve Mayor's Permit.
7	Record and release the Mayor's Permit to the applicant.
8	Conduct actual inspection of the business establishment.

STEP 2: IDENTIFY THE RESOURCES FOR EACH ACTIVITY

Instructions in Filling the Form

1 Identify the offices and all key people involved with each activity. Identify official position.

  * This includes those who do the work in the process: suppliers, customers and supervisors.
2 List down the materials and resources utilized in each stage.

Table 2:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for [illegible], and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jhelan Richelle Lipao/Admin Aide I	Linen Paper A4
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form

STEP 3: CLASSIFY ACTIVITIES INTO "ROUTINE" AND "SPECIAL"

Instructions in Filling the Form

1 Classify the activities into whether they are:

It is highly suggested to identify one (1) special step.
- **However, it can be two (2) or more. In that case, it will have an impact on the weight of the Special Variable Component.**
- **It may also yield that there is no special step in the whole process. In that case, the normal costing procedure is applicable and the computation will not involve a Special Variable Component.**

Table 3:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL	TYPE OF ACTIVITY
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for [illegible], and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen	Routine
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-	Routine
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink	Routine
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt	Routine
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-	Routine
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jhelan Richelle Lipao/Admin Aide I	Linen Paper A4	Routine
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook	Routine
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form	Special

STEP 4. QUANTIFY THE VARIABLE COST FOR ROUTINE ACTIVITIES

STEP 4.A PERSONNEL COSTS

Instructions in Filling Up the Form

Column 1- Base it on the staff identified as directly involved in the Routine Activities of the subject service. The actual number may be obtained from the Citizen's Charter or authorized office process flow, including the list of contractual positions for the particular service/s being rendered.

Column 2 - Match the salary grade for each staff. The salary grade data will be available at the Citizen's Charter, HR, Accounting, or Budget Office of the City.

Column 3 - Fill out the salary rate per month for each staff. The salary rates per month may be obtained from HR, Accounting, or Budget offices of the LGU.

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months

Column 5. Identify al other remunerations regularly received by the staff. Data will be available at the City Budget or Accounting Department. In case data will not be readily available, other benefits can be represented by computing 20% of the annual salary.

Column 6. Sum up columns 4 and 5, and multiply it by 80%. The 20% covers lag time usually allotted to attendance in seminars/trainings, leaves, and other admin activities not related to the service. LGUs may also devise other method to determine the annual % of time assigned in the delivery of subject service, exclusive of lag time.

Column 7. Approximate the annual percentage of time each staff performs the task directly related to the activity. Data shall be provided by the head of units performing the service, e.g., if exclusively doing such task, then put 100%.

Column 8. Get the total personnel cost attributable to Routine Activities by adding the cost for each staff involved in delivering the service.

Table 4: Personnel Cost

Name and Position	Compensation					% Time assigned in the delivery of	Annual Cost of the Service
	SG-Step	Monthly Salary	Annual Salary	Other Benefits	Annual Compensation		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Carmelita M. Palma - Acting MT	**SG14/S1**	**27,768**	**333,216**	**253,536**	**469,401.60**	**0.12%**	**563.28**
Aileen Rose A. Tantoy - LRCO I/BPLO	**SG11/S1**	**22,731**	**272,772**	**93,462**	**292,987.20**	**0.20%**	**585.97**
Luzviminda A. Datoy - RCC III	**SG9/S1**	**17,420**	**209,040**	**82,840**	**233,504.00**	**0.18%**	**420.31**
Nora D. Ogdoc - Admin Aide	**SG1/S1**	**10,623**	**127,476**	**69,246**	**157,377.60**	**0.10%**	**157.38**
Nestor S. Valeroso - Mayor	**SG27/S3**	**106,997**	**1,283,964**	**441,994**	**1,380,766.40**	**0.08%**	**1,104.61**
Jheian Richelle Lipao - Admin Aide	**SG1/S1**	**10,546**	**126,552**	**69,092**	**156,515.20**	**0.10%**	**156.52**
							-
							-
							-
							-
							-
			-		-		-
			-		-		-
			-		-		-
						TOTAL	TOTAL

STEP 4.B COST OF TRANSPORTATION

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection.
Column 3. Verify unit cost of vehicle
Column 4. Determine the total cost by multiplying columns 2 and 3
Column 5. Apply the depreciation rate (Note: Economic life of a vehicle is 10 years)
Column 6. Compute for the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Verify from the City Accounting Office the actual amount spent for maintenance of the vehicle used for inspection. In the absence of actual data, the amount can be computed by multiplying column 5 by 20%.

Column 8. Determine the frequency of use of the vehicle. In the specific case sample, half day use from February to November is 44/52 weeks x .5 days. Note that the LGUs may devise other method to determine the actual frequency of use of vehicle.
Column 9. Compute the cost of vehicle for inspection by adding columns 6 and 7 then multiply the frequency of use in column 8.

Table 5:

Variable Cost - Vehicle

List of Vehicle/s	Number of Vehicles	Unit Cost	Total Cost	Depreciation Rate/Year	Annual Depreciation Cost	Maintenance cost	Percentage of use for inspection per week	Annual cost of vehicle for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)
					-			-
							TOTAL	

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection
Column 3. Verify the average cost of fuel per liter
Column 4. Check the average weekly consumption in liters
Column 5. There are 52 weeks in one year. Identify the number of weeks the vehicle(s) has been used in a year.
Column 6. Compute for annual cost of fuel for 1 year by multiplying columns 2, 3, 4 and 5
Column 7. Determine the percentage for the frequency of use of the vehicle for inspection. In the specific case sample, half day use from February to November is 44/52 weeks X .5 days. Note that the LGUs may devise other method to determine the actual percentage for the frequency of use of the vehicle.
Column 8. Compute the cost of fuel for inspection activities by multiplying columns 6 and 7.

Table 6:

Variable Cost - Fuel

List of vehicle/s	Number of Vehicles	Average Cost per liter	Ave. weekly consumption in liters	Number of weeks in one year	Annual Cost of fuel for the vehicle	Percentage of use for inspection per week	Annual cost for Fuel for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
					-		-
						TOTAL	

If the LGU does not provide vehicles for inspection, but only allows the reimbursement of actual transportation expenses, the annual cost should be computed by determining the monthly reimbursements multiplied by 12

Table 7:

Variable Cost - Allowance/Reimbursement for Fuel

Name and Position	Transportation Cost based on Allowance/Reimbursements		% Time assigned in the delivery of the " "	Annual Cost of the Service
	Average Monthly	Annual Allowance	(col 4)	(col 5)
(col 1)	(col 2)	(col 3)		
Aileen Rose A. Tantoy - LRCO I/BPLO	300	1,200	6%	72.00
Maximo D. Guarte- Sanitary Inspector	300	1,200	6%	72.00
Joegie E. Cabatuan-Admin. Aide VI	300	1,200	5%	60.00
Kathleen Jay U. Orozco-Admin Aide IV	300	1,200	5%	60.00
Anthony Rengel-Agri'l Technologist	300	1,200	5%	60.00
Rachel Ontolan-Envi.Mgt. Specialist	300	1,200	5%	60.00
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
			TOTAL	

STEP 4.C OTHER VARIABLE COSTS

Instructions in Filling the Form

Column 1. List down the supplies, materials and other resources which are issued to each applicant or varies directly with the number of applicants.

Column 2. Count all filled application forms, schedule slips, results forms, etc., and those issued with official receipts. Consider if applicants were successfully processed a approved, and provided with new business plate, stickers and/or certificates.

Column 3. Secure the unit cost for each and every item identified as other variable cost from the City Accounting Office.

Column 4. Compute for the annual other variable cost by multiplying column 2 and column 3

Table 8:

Variable Cost - Other variable cost

Particulars	Annual Number of Applications	Cost/Measuring unit (Php)	Annual cost (Php)
(col 1)	(col 2)	(col 3)	(col 4)
	26		
Bond paper	78	0.50	39.00
Official Receipts	52	3.40	176.80
Linen Paper A4	26	2.00	52.00
			-
			-
			-
			-
		TOTAL	[illegible]

Instructions for Filling Up the Form

Column 1 - List all identified variable costs.

Column 2 - Fill up the variable costs for the "Subject Service" and reflect the sum of all entries of each cell to total

Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Variable Cost Per Application.

Table 9:

Summary Table- Variable Costs

	Total	Estimated Routine Variable Cost Per Application
Annual Number of Applications	**26**	
Variable Costs		
Routine Personnel	**2,988.07**	**114.93**
Travel Reimbursement	**384.00**	**14.77**
Other Supplies/Forms/Materials	**267.80**	**10.30**
TOTAL	3,639.87	139.99

STEP 5. ALLOCATE THE VARIABLE COST FOR SPECIAL ACTIVITIES

Name and position	SG/Step	Monthly Salary	Annual Salary	Other compensation	Total Annual Compensation	% time allocated for the service	Annual cost allocable for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Aileen Rose A. Tanlay - BPLO Designate	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.20	0.8%	2,343.90
Maximo D. Guarte - Sanitary Inspector	SG6/S8	19,963.00	239,556.00	87,926.00	261,585.60	0.7%	1,833.90
Joegie E. Cabatuan - Admin A de IV	SG8/S3	14,537.00	174,444.00	77,074.00	201,214.40	0.5%	1,006.07
Kathleen Joy U. Ororco - Admin Aide IV	SG4/S2	12,719.00	152,628.00	73,438.00	180,852.80	0.5%	904.26
Anthony Rengel - Agric'l Technologist	SG10/S1	19,190.00	230,280.00	86,880.00	253,328.00	0.5%	1,266.64
Rachel Ontolan - Envi Mgt. Specialist	SG15/S1	30,453.60	365,436.00	102,906.00	379,473.60	0.5%	1,897.37
			-		-		-

Instructions in Filling the Form

Column 1- List the staff assigned to the "Special Activity/ies"
Column 2 Matc the salary grade for each staff
Column 3 - Fi cal the salary ate/month for each staff
Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months
Column 5. Identify all other remuneration regularly received by the staff. Other benefits include PAGA, PERA, year end bonus and other remunerations
Column 6 Sum up column 4 and 5
Column 7.Estimate the annual % of time each staff performs directly to the conduct of the subject service. The rate should be provided by the immediate
Column 8 Get the total cost for the Special Activity by adding the cost for each staff involved in delivering the service

Basis (2) Simple and Complex

CATEGORIES	No. of Personnel	Weight	Allocation
Simple		#DIV/0!	#DIV/0!
Complex		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!

Basis (1) Per Business Classification

CLASSIFICATION	Weight	Allocation
Manufacturer		#DIV/0!
Wholesalers		#DIV/0!
Exporters		#DIV/0!
Retailers		#DIV/0!
Contractors		#DIV/0!
Banks and other institutions		#DIV/0!
Peddlers		#DIV/0!
Others		#DIV/0!
	0	#DIV/0!

Weight Allocation According to Complexity and Business Classification

BUSINESS CLASSIFICATION			Simple Weight	Complex Weight	Total	Simple	Complex
With Complex	Manufacturer	#DIV/0!				#DIV/0!	#DIV/0!
	Wholesalers	#DIV/0!				#DIV/0!	
	Exporters	#DIV/0!				#DIV/0!	
	Retailers	#DIV/0!				#DIV/0!	
With Complex	Contractors	#DIV/0!				#DIV/0!	#DIV/0!
	Banks and other institutions	#DIV/0!				#DIV/0!	
	Peddlers	#DIV/0!				#DIV/0!	
	Others	#DIV/0!				#DIV/0!	
						#DIV/0!	#DIV/0!

Note: Other basis may be used (e. g. the DTI classification as to Cottage, Small, etc)

STEP 6. ESTIMATE AND DISTRIBUTE THE FIXED COSTS

STEP 6.A COST OF OFFICE SPACE

Instruction in Filling Up the Form

Column 1 - Describes the cost formula for determining share of office cost for delivering "Subject Service". Determine the cost of construction per square meter (approximately P20,000/sq.m.) and the floor area of the entire City Hall. The building construction cost is the product of the two values. Knowing the floor area occupied by the different offices delivering the "Subject Service", its proportionate share in the total floor area of the city hall multiplied by cost of constructing the building will be the cost of office space occupied. The annual depreciation rate is 4% since the normal economic life of reinforced concrete structures is 25 years. We can compute for the annual depreciation expense by multiplying the cost of office space occupied by depreciation rate and approximately the annual maintenance cost by apportioning 20% of the annual depreciation expenses. The 20% is used whenever actual data from the Accounting Office is unavailable. The share of cost for delivering "Subject Service" can be computed by adding annual depreciation expense and annual maintenance cost multiplied by the percent of work by the Office utilized for delivering the "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 10:

Fixed Cost - Office Space (Owned by the LGU)

Particulars (col 1)	Offices Involved in the delivery of "[illegible] " Fee (col 2)
Construction Cost (per sq m)	14,751.85
Floor area of City Hall (sq m)	1,080.00
Building Construction Cost (Php)	15,913,000.00
Office Area Occupied (sq. m)	72.00
Cost of Office Area Occupied (Php)	1,060,866.67
Depreciation Rate (%)	3%
Annual Depreciation Expense (Php)	503,911.66
Annual Maintenance Cost (Php)	100,782.33
Percent of Work for "[illegible] " (%)	0.78%
Share of Cost attributable to delivering the service (Php)	[illegible]

Instructions for Filling Up the Form

Column 1 - Determine the monthly rental rate and multiply by the number of months the office space was rented to know the annual cost for rental. Add actual cost for maintaining the Office space. If the actual data is not available add 20% of the annual cost of rental to determine the annual cost for rented office space. The annual fixed cost for rented office space attributable to rendering the service is the annual cost of rented office space multiplied by the proportion of time used for "Subject Service" services in relation to the total responsibility of the Office delivering the service

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 11:

Fixed Cost - Office Space (Rented by the LGU)

Particulars (col 1)	Offices Involved in the delivery of "Subject Service" Fee (col 2)
Rental rate per month	
Number of months use	
Annual cost of rental	-
Maintenance Cost	-
Annual cost of rented office space	-
Percentage of time used for the delivery of the service in relation to the responsibility of the Office	
Annual fixed cost (rented office space) attributable to delivering the service	

STEP 6.C COST OF EQUIPMENT AND FURNITURE

Instructions in Filling the Form

Column 1. Identify all the equipment, and other facilities used for the delivery of the subject service.
Column 2. Count the number of each type of equipment or facility.
Column 3. Verify acquisition cost from the Accounting Unit.
Column 4. Compute for the total cost of acquisition by multiplying columns 2 and 3.
Column 5. Compute for the annual depreciation rate by dividing 100% with the estimated economic life in years.
Column 6. Compute the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Secure from the City Accounting Office the actual amount spent for maintenance of equipment/furniture used delivery of the subject service. In the absence of actual data, the amount can be computed by multiplying column 6 by 20%.
Column 8. Add Columns 6 and 7 to determine the annual cost of equipment/facility.
Column 9. Determine the % of time used for delivering the specific service in relation to responsibilities of the office involved in delivering the subject service.
Column 10. Compute for the annual cost share for equipment and furniture by multiplying columns 8 & 9.

Table 15:

Fixed Cost - Equipment and Furniture

Particulars	Number of Units	Acquisition Cost	Total Cost	Depreciation Rate	Annual Depreciation Cost	Maintenance Cost	Total Annual Cost	% Used for delivering the Service	Annual Cost Share for Equipment and Furniture
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)	(col 10)
A. Equipment									
Air Condition	3	35,000	105,000.00	20%	21,000	4,200	25,200	0.20%	50.40
Computers	3	50,000	150,000.00	20%	30,000	6,000	36,000	0.20%	72.00
Photocopier			-		-	-	-		-
								Sub-Total	122.40
B. Furniture									
Filing Cabinets	2	5,000	10,000.00	10%	1,000	200	1,200	0.20%	2.40
Tables and Chairs	4	2,000	8,000.00	10%	800	160	960	0.20%	1.92
								Sub-Total	4.32
									126.72

STEP 6.B UTILITIES

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of electricity cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the cost of electricity rate per kilowatt hour and the kilowatt consumption/hour of the Office delivering the service. The regular operations of a City Office is 7:30am-5:30pm or 10 hrs and there are approximately 260 days per year. The annual cost of electricity for the ofices delivering the service is the product of the electricity rate per kwh, the kilowatt consumption per hour of the office, the number of operating hours per days, and the number of operating days per year. The percent of work to be considered is an approximation by the head of unit delivering the service in relation to its total responsibilities. When known, the net cost of electricity attributed to delivery of service shall be the annual cost of electricity for the office multiplied by the percent of work devoted by the office for "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 12

Cost of Electricity	
Particulars	**Offices involved in the delivery of " " Fee**
(col 1)	(col 2)
Electricity rate per kilowatt hour (Php)	**17.07**
Kilowatt consumption/hour for the unit delivering the service	**5.63**
Number of operating hours per day	**8.00**
Number of days per year	**264.00**
Electricity cost per year	**202,971.86**
Percent of work for the service rendered	**0.78%**
Net electricity cost attributed to "Subject Service" service	

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of water cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the number of people directly related to the processing and issuance of "Subject Service". The estimated water bill per person per month is P100. The net cost of water attributed to the delivery of "Subject Service" can be computed by the estimated water bill of the office per year multiplied by the percent of "Subject Service" work performed by the office in relation to the total responsibilities assigned to the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 13

Cost of Water	
Particulars	**Offices involved in the delivery of " " Fee**
(col 1)	(col 2)
Number of People	**10**
Water bill per person per month	**77.5000**
Estimated water bill of the office per year	**9,300.00**
Percent of work for the service rendered	**0.78%**
Net cost of water attributed to delivery of "Subject Service".	

Instructions for Filling Up the Form

Column 1. The cost of telephone can be computed by knowing the number of telephone lines available in the Office and the monthly subscription rate per month. The annual cost of telephone services is the number of telephone lines multiplied by the monthly subscription rate over a period of twelve months. The net cost of telephone services attributed to processing and issuance of mayors permit is the annual cost of telephone services multiplied by the percent of work performed by the Office in processing and issuance of "Subject Servire" in as a percentage of the total responsibilities of the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service"

Table 14

Cost for Communication	
Particulars	**Offices involved in the delivery of " " Fee**
(col 1)	(col 2)
Number of telephone/cellphone lines in the Office nelivering the	
Rate of subscription per month	
Annual cost of telephone/mobile services	
Percent of work for the service rendered	
Net cost of telephone/mobile services attributed to processing and issuance of " Subject Service"	

STEP 6.D OTHER FIXED COST

Instructions in Filling the Form

Column 1. Identify Offices delivering the "Subject Service" fee and the type of other fixed costs significant for their operation. In the particular example, these are cost for internet subscription and regular office supplies for the offices involved in delivering the "Subject Service".

Column 2. Verify actual office expenses from the LGU Accounting Office. If data are hard to get, reflect the budget allocation of each office (c/o LGU Budget Office).

Column 3. Determine the percentage of time used by the Office in delivering the specific service in relation to its total responsibilities.

Column 4. Compute for the other variable cost by multiplying column 2 and column 3.

NOTE: Note: The LGU may have other major fixed costs not mentioned in this illustration. When costs are significant, those fixed cost must be identified and added in the template. Conversely, costs that are negligible may be dropped from the calculations.

Table 16:

Other Fixed Cost

Particulars	Annual Rate	Percent of Use for "Mayor's Permit: Manufacturer - Micro" Fees	Annual Cost
(col 1)	(col 2)	(col 3)	(col 4)
Internet Services	**18,000.00**	**1%**	**180.00**
Regular Office Supplies			-
Information Tech Team			-
Security Team			
Janitorial Team			
Reception Services			
		Total	180.00

STEP 7. COMPARE FEE WITH COST OF DELIVERING SERVICES

Name of Fee/Charge:

Fee Rate Estimation Using Costs of Issuing Permits Plus Cost of Surveillance		Comparison with Current Fee Rates		Difference	% Variance (-/+)	Remaks:Reasonable/Not Reasonable
Total Cost		Total Collection on Fees and/or Charges		(19,571.06)	(1.00)	Reasonable
Number of Applications Processed		Number of Applications Processed				
Average Fee Rate		Average Fee Rates		(752.73)	(1.00)	

Instructions for Filling

(1) For every fee or charge, compare Total Revenue with Total Cost of delivering the subject service based on the results of the foregoing procedures.
(2) Compute the difference and determine the corresponding variance. If it yields a variance (-/+) of more than 10%, the LGU is either subsidizing (-) or generating revenues (+) in relation to the subject Service.

(3) Input the results in a summary form using Table 23 for ease in reference and appreciation during the review and deliberation of the results of the Toolset.
(4) If so, then the LGU must submit, along with the report of the results, a proposed Rationalization of Fees and Charges using the options.

Compare Fee with Cost of Delivering Services				
Fee Rate Estimation using Costs of Issuing permits plus cost of surveillance		Comparison with Current Fee Rates		
Total Cost		Total Revenue		(19,571.06)
Total Number of Applicants		Number of Applications Processed		
Average Fee Rate		Average Fee Rates		(752.73)

Scenario 1	% of Applicants	Number of Applicants	Cost (with weight)	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application			
Simple	#DIV/0!		#DIV/0!	#DIV/0!	139.99	256.89	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Complex	#DIV/0!		#DIV/0!	#DIV/0!	139.99	256.89	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!		#DIV/0!				#DIV/0!			#DIV/0!

Classification	Allocation	% of Applicants	Number	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application			
Manufacturer	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Wholesalers	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Exporters	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Retailers	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Contractors	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Banks and other institutions	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Peddlers	#DIV/0!									
Others	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!			#DIV/0!				#DIV/0!		#DIV/0!
	Total	0%								

#REF!

Summary of Rationalized Local Fees and Charges

Local Fee/Charge	Current Rate	Rationalized Rate	% Variance	Remarks/Recommended Rate
Mayors Permit: Manufacturer - Wines	-	752.73	-1	Propose: 750.00

STEP 1: MAP YOUR PROCESS FLOW

Note:
- A flowchart is a picture of the separate steps involved in a given process, presented in sequential order.
- Particularly helpful in analyzing and identifying areas for improvement by showing inefficiencies in the system.
- Also, it is useful in costing analysis.
- For this template, it is not necessary to use the various diagrams and boxes normally used in process flowcharts.
- Suggested Source: Citizen's Charter or the duly authorized process flow of the concerned office (for standard procedure)

Instructions in Filling the Form

1 Discuss and decide on the boundaries of your process.
   * Where or when does the process start? Where or when does it end?
2 Arrange and document the activities in proper sequence.

Table 1:

	LIST OF ACTIVITIES
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Manufacturer- Small, and verify the completeness of the requirements.
2	Encode the application in the system and check the correctness of the entries.
3	Prepare and print the Tax Order of Payment.
4	Receive payment and issue Official Receipt.
5	Sign and approve the application by the Municipal Treasurer and BPLO.
6	Prepare and approve Mayor's Permit.
7	Record and release the Mayor's Permit to the applicant.
8	Conduct actual inspection of the business establishment.

STEP 2: IDENTIFY THE RESOURCES FOR EACH ACTIVITY

Instructions in Filling the Form

1 Identify the offices and all key people involved with each activity. Identify official position.
   * For standardization, base the information on the Citizen's Charter or the duly authorized process flow for standard procedure.
   * This includes those who do the work in the process: suppliers, customers and supervisors.
2 List down the materials and resources utilized in each stage.

Table 2:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Manufacturer- Small, and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jheian Richelle Lipao/Admin Aide I	Linen Paper A4
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form

STEP 3: CLASSIFY ACTIVITIES INTO "ROUTINE" AND "SPECIAL"

Instructions in Filling the Form

1 Classify the activities into whether they are:
   * Routine(same procedure and effort for each applicant)
   * Special (usually the vital part of the process and varies according to the type and/or complexity of the business of the applicant)

Note: **It is highly suggested to identify one (1) special step.**
- **However, it can be two (2) or more. In that case, it will have an impact on the weight of the Special Variable Component.**
- **It may also yield that there is no special step in the whole process. In that case, the normal costing procedure is applicable and the computation will not involve a Special Variable Component.**

Table 3:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL	TYPE OF ACTIVITY
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Manufacturer- Small, and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen	Routine
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-	Routine
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink	Routine
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt	Routine
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-	Routine
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jheian Richelle Lipao/Admin Aide I	Linen Paper A4	Routine
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook	Routine
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form	Special

STEP 4. QUANTIFY THE VARIABLE COST FOR ROUTINE ACTIVITIES

STEP 4.A PERSONNEL COSTS

Instructions in Filling Up the Form

Column 1- Base it on the staff identified as directly involved in the Routine Activities of the subject service. The actual number may be obtained from the Citizen's Charter or authorized office process flow, including the list of contractual positions for the particular service/s being rendered.

Column 2 - Match the salary grade for each staff. The salary grade data will be available at the Citizen's Charter, HR, Accounting, or Budget Office of the City.

Column 3 - Fill out the salary rate per month for each staff. The salary rates per month may be obtained from HR, Accounting, or Budget offices of the LGU.

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months

Column 5. Identify all other remunerations regularly received by the staff. Data will be available at the City Budget or Accounting Department. In case data will not be readily available, other benefits can be represented by computing 20% of the annual salary.

Column 6. Sum up columns 4 and 5, and multiply it by 80%. The 20% covers lag time usually allotted to attendance in seminars/trainings, leaves, and other admin activities not related to the service. LGUs may also devise other method to determine the annual % of time assigned in the delivery of subject service, exclusive of lag time.

Column 7. Approximate the annual percentage of time each staff performs the task directly related to the activity. Data shall be provided by the head of units performing the service, e.g., if exclusively doing such task, then put 100%.

Column 8. Get the total personnel cost attributable to Routine Activities by adding the cost for each staff involved in delivering the service.

Table 4: Personnel Cost

Name and Position	Compensation					% Time assigned in the delivery of Mayor's Permit:Manufacturer-Small	Annual Cost of the Service
	SG-Step	Monthly Salary	Annual Salary	Other Benefits	Annual Compensation		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Carmelita M. Palma - Acting MT	SG14/S1	27,768.00	333,216	253,536	469,401.60	0.04%	187.76
Aileen Rose A. Tantoy - LRCO I/BPLO	SG11/S1	22,731.00	272,772	93,462	292,987.20	0.07%	205.09
Luzviminda A. Datoy - RCC III	SG9/S1	17,420.00	209,040	82,840	233,504.00	0.06%	140.10
Nora D. Ogdoc - Admin Aide	SG1/S1	10,623.00	127,476	69,246	157,377.60	0.03%	47.21
Nestor S. Valeroso - Mayor	SG27/S3	106,997.00	1,283,964	441,994	1,380,766.40	0.01%	138.08
Jhelan Richelle Lipao - Admin Aide	SG1/S1	10,546.00	126,552	69,092	156,515.20	0.03%	46.95
							-
							-
							-
							-
							-
			-		-		-
			-		-		-
			-		-		-
						TOTAL	765.20

STEP 4.B COST OF TRANSPORTATION

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection.
Column 3. Verify unit cost of vehicle
Column 4. Determine the total cost by multiplying columns 2 and 3
Column 5. Apply the depreciation rate (Note: Economic life of a vehicle is 10 years)
Column 6. Compute for the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Verify from the City Accounting Office the actual amount spent for maintenance of the vehicle used for inspection. In the absence of actual data, the amount can be computed by multiplying column 5 by 20%.
Column 8. Determine the frequency of use of the vehicle. In the specific case sample, half day use from February to November is 44/52 weeks x .5 days. Note that the LGUs may devise other method to determine the actual frequency of use of vehicle.
Column 9. Compute the cost of vehicle for inspection by adding columns 6 and 7 thenmultiply the frequency of use in column 8.

Table 5:

Variable Cost - Vehicle

List of Vehicle/s	Number of Vehicles	Unit Cost	Total Cost	Depreciation Rate/Year	Annual Depreciation Cost	Maintenance cost	Percentage of use for inspection per week	Annual cost of vehicle for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)
					-			-
							TOTAL	-

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection
Column 3. Verify the average cost of fuel per liter
Column 4. Check the average weekly consumption in liters
Column 5. There are 52 weeks in one year. Identify the number of weeks the vehicles(s) has been used in a year.
Column 6. Compute for annual cost of fuel for 1 year by multiplying columns 2, 3, 4 and 5.
Column 7. Determine the percentage for the frequency of use of the vehicle for inspection. In the specific case sample, half day use from February to November is 44/52 weeks X .5 days. Note that the LGUs may devise other method to determine the actual percentage for the frequency of use of the vehicle.
Column 8. Compute the cost of fuel for inspection activities by multiplying columns 6 and 7.

Table 6:

Variable Cost - Fuel

List of vehicle/s	Number of Vehicles	Average Cost per liter	Ave. weekly consumption in liters	Number of weeks in one year	Annual Cost of fuel for the vehicle	Percentage of use for inspection per week	Annual cost for Fuel for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
					-		-
						TOTAL	-

If the LGU does not provide vehicles for inspection, but only allows the reimbursement of actual transportation expenses, the annual cost should be computed by determining the monthly reimbursements multiplied by 12

Table 7:

Variable Cost - Allowance/Reimbursement for Fuel

Name and Position	Transportation Cost based on Allowance/Reimbursements		% Time assigned in the delivery of the "Mayor's Permit: Manufacturer-Small"	Annual Cost of the Service
	Average Monthly	Annual Allowance	(col 4)	
(col 1)	(col 2)	(col 3)		(col 5)
Aileen Rose A. Tantoy - LRCO I/BPLO	300	1,200	5%	60.00
Maximo D. Guarte- Sanitary Inspector	300	1,200	5%	60.00
Joegie E. Cabatuan-Admin. Aide VI	300	1,200	5%	60.00
Kathleen Jay U. Orozco-Admin Aide IV	300	1,200	5%	60.00
Anthony Rengel-Agri'l Technologist	300	1,200	5%	60.00
Rachel Ontolan-Envi.Mgt. Specialist	300	1,200	5%	60.00
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
			TOTAL	360.00

TOTAL OF VEHICLE AND FUEL:	-

STEP 4.C OTHER VARIABLE COSTS

Instructions in Filling the Form

Column 1. List down the supplies, materials and other resources which are issued to each applicant or varies directly with the number of applicants.

Column 2. Count all filled application forms, schedule slips, results forms, etc., and those issued with official receipts. Consider if applicants were successfully processe approved, and provided with new business plate, stickers and/or certificates.

Column 3. Secure the unit cost for each and every item identified as other variable cost from the City Accounting Office.

Column 4. Compute for the annual other variable cost by multiplying column 2 and column 3

Table 8:

Variable Cost - Other variable cost

Particulars	Annual Number of Applications	Cost/Measuring unit (Php)	Annual cost (Php)
(col 1)	(col 2)	(col 3)	(col 4)
	7		
Bond paper	21	0.50	10.50
Official Receipts	14	3.40	47.60
Linen Paper A4	7	2.00	14.00
			-
			-
			-
			-
		TOTAL	72.10

Instructions for Filling Up the Form

Column 1 - List all identified variable costs.

Column 2 - Fill up the variable costs for the "Subject Service" and reflect the sum of all entries of each cell to total

Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Variable Cost Per Application.

Table 9:

Summary Table- Variable Costs

	Total	Estimated Routine Variable Cost Per Application
Annual Number of Applications	7	
Variable Costs		
Routine Personnel	765.20	109.31
Travel Reimbursement	360.00	51.43
Other Supplies/Forms/Materials	72.10	10.30
TOTAL	1,197.30	171.04

STEP 5. ALLOCATE THE VARIABLE COST FOR SPECIAL ACTIVITIES

Name and position	SG/Step	Monthly Salary	Annual Salary	Other compensation	Total Annual Compensation	% time allocated for the service	Annual cost of service for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Aileen Rose A. Tantoy	**SG11/S1**	**22,731.00**	**272,772.00**	**93,462.00**	**292,987.20**	**0.400%**	**1,171.95**
Maxime D. Guarte	**SG6/S8**	**19,963.00**	**239,556.00**	**87,926.00**	**261,985.60**	**0.30%**	**785.96**
Joegie E. Cabatuan	**SG6/S3**	**14,537.00**	**174,444.00**	**77,074.00**	**201,214.40**	**0.20%**	**402.43**
Kathleen Jay U. Orozco	**SG4/S2**	**12,719.00**	**152,628.00**	**73,438.00**	**180,852.80**	**0.20%**	**361.71**
Anthony Rengel	**SG10/S1**	**19,190.00**	**230,280.00**	**86,380.00**	**253,328.00**	**0.20%**	**506.66**
Rachel Ontalan	**SG15/S1**	**30,453.00**	**365,436.00**	**108,906.00**	**379,473.60**	**0.20%**	**758.95**
			-		-		-
						TOTAL	3,987.64

Instructions in Filling the Form

Column 1- List the staff assigned to the "Special" Activity/ies.
Column 2 - Match the salary grade for each staff
Column 3 - Fill out the salary rate/month for each staff.
Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months
Column 5, Identify all other remunerations regularly received by the staff. Other benefits include RATA, PERA, year end benefits and other
Column 6, Sum up columns 4 and 5
Column 7,Estimate the annual % of time each staff performs directly to the issuance of the subject service. The rate shall be provided by the concerned
Column 8,Get the total cost for the Special Activity by adding the cost for each staff involved in delivering the service
Proceed to the weight allocation. (The weight allocation may vary depending on the appropriate basis to the scenario within an LGU)

Basis (2) Simple and Complex

CATEGORIES	No. of Personnel	Weight	Allocation
Simple		#DIV/0!	#DIV/0!
Complex		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!

Here, they have to analyze the weight allocation based on the combination of the previous two options

** In here, Manufacturers and Contractor, were viewed to have both simple and complex business structures

*** Hence, the further classification as to simple and complex within the classification of Manufacturers and Contractors.

Basis (1) Per Business Classification

CLASSIFICATION	Weight	Allocation
Manufacturer		#DIV/0!
Wholesalers		#DIV/0!
Exporters		#DIV/0!
Retailers		#DIV/0!
Contractors		#DIV/0!
Banks and other institutions		#DIV/0!
Peddlers		#DIV/0!
Others		#DIV/0!
	0	#DIV/0!

Weight Allocation According to Complexity and Business Classification

BUSINESS CLASSIFICATION			Simple Weight	Complex Weight	Total	Simple	Complex
With Complex	Manufacturer	#DIV/0!				#DIV/0!	#DIV/0!
	Wholesalers	#DIV/0!				#DIV/0!	
	Exporters	#DIV/0!				#DIV/0!	
	Retailers	#DIV/0!				#DIV/0!	
With Complex	Contractors	#DIV/0!				#DIV/0!	#DIV/0!
	Banks and other Ins	#DIV/0!				#DIV/0!	
	Peddlers	#DIV/0!				#DIV/0!	
	Others	#DIV/0!				#DIV/0!	
						#DIV/0!	#DIV/0!

Note: Other basis may be used (e. g. the DTI classification as to Cottage, Small, etc)

STEP 6. ESTIMATE AND DISTRIBUTE THE FIXED COSTS

STEP 6.A COST OF OFFICE SPACE

Instruction in Filling Up the Form

Column 1 - Describes the cost formula for determining share of office cost for delivering "Subject Service". Determine the cost of construction per square meter (approximately P20,000/sq.m.) and the floor area of the entire City Hall. The building construction cost is the product of the two values. Knowing the floor area occupied by the different offices delivering the "Subject Service", its proportionate share in the total floor area of the city hall multiplied by cost of constructing the building will be the cost of office space occupied. The annual depreciation rate is 4% since the normal economic life of reinforced concrete structures is 25 years. We can compute for the annual depreciation expense by multiplying the cost of office space occupied by depreciation rate and approximately the annual maintenance cost by apportioning 20% of the annual depreciation expenses. The 20% is used whenever actual data from the Accounting Office is unavailable. The share of cost for delivering "Subject Service" can be computed by adding annual depreciation expense and annual maintenance cost multiplied by the percent of work by the Office utilized for delivering the "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 10:

Fixed Cost - Office Space (Owned by the LGU)

Particulars (col 1)	Offices Involved in the delivery of "Mayor's Permit: Manufacturer-Small" Fee (col 2)
Construction Cost (per sq m)	14,751.85
Floor area of City Hall (sq m)	1,080.00
Building Construction Cost (Php)	15,913,000.00
Office Area Occupied (sq. m)	72.00
Cost of Office Area Occupied (Php)	1,060,866.67
Depreciation Rate (%)	3%
Annual Depreciation Expense (Php)	503,911.66
Annual Maintenance Cost (Php)	100,782.33
Percent of Work for "Mayor's Permit: Manufacturer-Small" (%)	0.24%
Share of Cost attributable to delivering the service (Php)	1,451.27

Instructions for Filling Up the Form

Column 1 - Determine the monthly rental rate and multiply by the number of months the office space was rented to know the annual cost for rental. Add actual cost for maintaining the Office space. If the actual data is not available add 20% of the annual cost of rental to determine the annual cost for rented office space. The annual fixed cost for rented office space attributable to rendering the service is the annual cost of rented office space multiplied by the proportion of time used for "Subject Service" services in relation to the total responsibility of the Office delivering the service

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 11:

Fixed Cost - Office Space (Rented by the LGU)

Particulars (col 1)	Offices Involved in the delivery of "Subject Service" Fee (col 2)
Rental rate per month	
Number of months use	
Annual cost of rental	-
Maintenance Cost	-
Annual cost of rented office space	-
Percentage of time used for the delivery of the service in relation to the responsibility of the Office	
Annual fixed cost (rented office space) attributable to delivering the service	-

STEP 6.B UTILITIES

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of electricity cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the cost of electricity rate per kilowatt hour and the kilowatt consumption/hour of the Office delivering the service. The regular operations of a City Office is 7:30am-5:30pm or 10 hrs and there are approximately 260 days per year. The annual cost of electricity for the ofices delivering the service is the product of the electricity rate per kwh, the kilowatt consumption per hour of the office, the number of operating hours per days, and the number of operating days per year. The percent of work to be considered is an approximation by the head of unit delivering the service in relation to its total responsibilities. When known, the net cost of electricity attributed to delivery of service shall be the annual cost of electricity for the office multiplied by the percent of work devoted by the office for "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 12:

Cost of Electricity	
Particulars	**Offices involved in the delivery of "Mayor's Permit:Wholesaler-Small" Fee**
(col 1)	(col 2)
Electricity rate per kilowatt hour (Php)	**17.07**
Kilowatt consumption/hour for the unit delivering the service	**5.63**
Number of operating hours per day	**8.00**
Number of days per year	**264.00**
Electricity cost per year	**202,971.86**
Percent of work for the service rendered	**0.24%**
Net electricity cost attributed to "Subject Service" service	487.13

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of water cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the number of people directly related to the processing and issuance of "Subject Service". The estimated water bill per person per month is P100. The net cost of water attributed to the delivery of "Subject Service" can be computed by the estimated water bill of the office per year multiplied by the percent of "Subject Service" work performed by the office in relation to the total responsibilities assigned to the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 13:

Cost of Water	
Particulars	**Offices involved in the delivery of "Mayor's Permit:Wholesaler-Small" Fee**
(col 1)	(col 2)
Number of People	**10**
Water bill per person per month	**77.50**
Estimated water bill of the office per year	**9,300.00**
Percent of work for the service rendered	**0.24%**
Net cost of water attributed to delivery of "Subject Service".	22.32

Instructions for Filling Up the Form

Column 1. The cost of telephone can be computed by knowing the number of telephone lines available in the Office and the monthly subscription rate per month. The annual cost of telephone services is the number of telephone lines multiplied by the monthly subscription rate over a period of twelve months. The net cost of telephone services attributed to processing and issuance of mayors permit is the annual cost of telephone services multiplied by the percent of work performed by the Office in processing and issuance of "Subject Service" in as a percentage of the total responsibilities of the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 14:

Cost for Communication	
Particulars	**Offices involved in the delivery of "Mayor's Permit:Wholesaler-Small" Fee**
(col 1)	(col 2)
Number of telephone/cellphone lines in the Office delivering the	
Rate of subscription per month	
Annual cost of telephone/mobile services	
Percent of work for the service rendered	
Net cost of telephone/mobile services attributed to processing and issuance of "Subject Service"	

STEP 6.D OTHER FIXED COST

Instructions in Filling the Form

Column 1. Identify Offices delivering the "Subject Service" fee and the type of other fixed costs significant for their operation. In the particular example, these are cost for internet subscription and regular office supplies for the offices involved in delivering the "Subject Service".

Column 2. Verify actual office expenses from the LGU Accounting Office. If data are hard to get, reflect the budget allocation of each office (c/o LGU Budget Office).

Column 3. Determine the percentage of time used by the Office in delivering the specific service in relation to its total responsibilities.

Column 4. Compute for the other variable cost by multiplying column 2 and column 3.

NOTE: Note: The LGU may have other major fixed costs not mentioned in this illustration. When costs are significant, those fixed cost must be identified and added in the template. Conversely, costs that are negligible may be dropped from the calculations.

Table 16:

Other Fixed Cost

Particulars	Annual Rate	Percent of Use for "Subject Service" Fees	Annual Cost
(col 1)	(col 2)	(col 3)	(col 4)
Internet Services	**18000**	**1%**	**180.00**
Regular Office Supplies			-
Information Tech Team			-
Security Team			
Janitorial Team			
Reception Services			
		Total	**180.00**

Instructions for Filling Up the Form

Column 1 - List all identified fixed costs.
Column 2 - Fill up the fixed costs for the "Subject Service" and reflect the sum of all entries of each cell under "Total".
Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Fixed Cost Per Application.

Table 17:

Summary Table - Fixed Costs

Fixed Cost	Total	Estimated Routine Fixed Cost Per Application
(col 1)	(col 2)	(col 3)
Annual Number of Applications	7	
Office Space	1,451.27	207.32
Utilities	509.45	72.78
Electricity	487.13	69.59
Water	22.32	3.19
Communication	-	-
Equipment and Furniture	126.72	18.10
Other Fixed Cost	180.00	25.71
TOTAL	2,267.44	323.92

STEP 7. COMPARE FEE WITH COST OF DELIVERING SERVICES

Name of Fee/Charge: Mayor's Permit: Manufacturer - Small

Fee Rate Estimation Using Costs of Issuing Permits Plus Cost of Surveillance		Comparison with Current Fee Rates		Difference	% Variance (-/+)	Remaks:Reasonable/Not Reasonable
Total Cost	7,452.38	Total Collection on Fees and/or Charges	3,500.00	(3,952.38)	(0.53)	Reasonable
Number of Applications Processed	7	Number of Applications Processed	7			
Average Fee Rate	1,064.63	Average Fee Rates	500.00	(564.63)	(0.53)	

Instructions for Filling

(1) For every fee or charge, compare Total Revenue with Total Cost of delivering the subject service based on the results of the foregoing procedures.
(2) Compute the difference and determine the corresponding variance. If it yields a variance (-/+) of more than 10%, the LGU is either subsidizing (-) or generating revenues (+) in relation to the subject Service. 8

(3) Input the results in a summary form using Table 23 for ease in reference and appreciation during the review and deliberation of the results of the Toolkit.
(4) If so, then the LGU must submit, along with the report of the results, a proposed Rationalization of Fees and Charges using the options.

EXAMPLE:

Compare Fee with Cost of Delivering Services					
Fee Rate Estimation using Costs of Issuing permits plus cost of surveillance		Comparison with Current Fee Rates			
Total Cost	7,452.38	Total Revenue	3,500.00	(3,952.38)	-53%
Total Number of Applicants	26	Number of Applications Processed	26		
Average Fee Rate	286.63	Average Fee Rates	500.00	213.37	74%

10,594.00 Total

Scenario 1	% of Applicants	Number of Applicants	Cost (with weight)	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application			
Simple	#DIV/0!		#DIV/0!	#DIV/0!	171.04	323.92	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Complex	#DIV/0!		#DIV/0!	#DIV/0!	171.04	323.92	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!	-	#DIV/0!					#DIV/0!		#DIV/0!

Classification	Allocation	% of Applicants	Number	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application			
Manufacturer	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Wholesalers	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Exporters	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Retailers	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Contractors	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Banks and other institutions	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Peddlers	#DIV/0!									
Others	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!			#DIV/0!				#DIV/0!		#DIV/0!
	Total	0%								
		100%								

Ok ok

235801.42	-	-	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
235801.42	-	-	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
#REF!		-								
			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
										#DIV/0!

Summary of Rationalized Local Fees and Charges

Local Fee/Charge	Current Rate	Rationalized Rate	% Variance	Remarks/Recommended Rate
Mayor's Permit: Manufacturer- Small	750.00	1,064.63	-0.53	Propose: 1,000.00

STEP 1: MAP YOUR PROCESS FLOW

Note:
- A flowchart is a picture of the separate steps involved in a given process, presented in sequential order.
- Particularly helpful in analyzing and identifying areas for improvement by showing inefficiencies in the system.
- Also, it is useful in costing analysis.
- For this template, it is not necessary to use the various diagrams and boxes normally used in process flowcharts.
- Suggested Source: Citizen's Charter or the duly authorized process flow of the concerned office (for standard procedure)

Instructions in Filling the Form

1 Discuss and decide on the boundaries of your process.
   * Where or when does the process start? Where or when does it end?
2 Arrange and document the activities in proper sequence.

Table 1:

	LIST OF ACTIVITIES
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Manufacturer- Medium, and verify the completeness of the requirements.
2	Encode the application in the system and check the correctness of the entries.
3	Prepare and print the Tax Order of Payment.
4	Receive payment and issue Official Receipt.
5	Sign and approve the application by the Municipal Treasurer and BPLO.
6	Prepare and approve Mayor's Permit.
7	Record and release the Mayor's Permit to the applicant.
8	Conduct actual inspection of the business establishment.

STEP 2: IDENTIFY THE RESOURCES FOR EACH ACTIVITY

Instructions in Filling the Form

1 Identify the offices and all key people involved with each activity. Identify official position.
   * For standardization, base the information on the Citizen's Charter or the duly authorized process flow for standard procedure.
   * This includes those who do the work in the process: suppliers, customers and supervisors.
2 List down the materials and resources utilized in each stage.

Table 2:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Manufacturer- Medium, and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jhelan Richelle Lipao/Admin Aide I	Linen Paper A4
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form

STEP 3: CLASSIFY ACTIVITIES INTO "ROUTINE" AND "SPECIAL"

Instructions in Filling the Form

1 Classify the activities into whether they are:
   * Routine(same procedure and effort for each applicant)
   * Special (usually the vital part of the process and varies according to the type and/or complexity of the business of the applicant)

Note: **It is highly suggested to identify one (1) special step.**
- **However, it can be two (2) or more. In that case, it will have an impact on the weight of the Special Variable Component.**
- **It may also yield that there is no special step in the whole process. In that case, the normal costing procedure is applicable and the computation will not involve a Special Variable Component.**

Table 3:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL	TYPE OF ACTIVITY
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Manufacturer- Medium, and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen	Routine
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-	Routine
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink	Routine
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt	Routine
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-	Routine
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jhelan Richelle Lipao/Admin Aide I	Linen Paper A4	Routine
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook	Routine
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form	Special

STEP 4. QUANTIFY THE VARIABLE COST FOR ROUTINE ACTIVITIES

STEP 4.A PERSONNEL COSTS

Instructions in Filling Up the Form

Column 1- Base it on the staff identified as directly involved in the Routine Activities of the subject service. The actual number may be obtained from the Citizen's Charter or authorized office process flow, including the list of contractual positions for the particular service/s being rendered.

Column 2 - Match the salary grade for each staff. The salary grade data will be available at the Citizen's Charter, HR, Accounting, or Budget Office of the City.

Column 3 - Fill out the salary rate per month for each staff. The salary rates per month may be obtained from HR, Accounting, or Budget offices of the LGU.

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months

Column 5. Identify all other remunerations regularly received by the staff. Data will be available at the City Budget or Accounting Department. In case data will not be readily available, other benefits can be represented by computing 20% of the annual salary.

Column 6. Sum up columns 4 and 5, and multiply it by 80%. The 20% covers lag time usually allotted to attendance in seminars/trainings, leaves, and other admin activities not related to the service. LGUs may also devise other method to determine the annual % of time assigned in the delivery of subject service, exclusive of lag time.

Column 7. Approximate the annual percentage of time each staff performs the task directly related to the activity. Data shall be provided by the head of units performing the service, e.g., if exclusively doing such task, then put 100%.

Column 8. Get the total personnel cost attributable to Routine Activities by adding the cost for each staff involved in delivering the service.

Table 4: Personnel Cost

Name and Position	Compensation					% Time assigned in the delivery of Mayor's Permit:Manufacturer-Medium	Annual Cost of the Service
	SG-Step	Monthly Salary	Annual Salary	Other Benefits	Annual Compensation		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Carmelita M. Palma - Acting MT	SG14/S1	27,768.00	333,216	253,536.00	469,401.60	0.04%	187.76
Aileen Rose A. Tantoy - LRCO I/BPLO	SG11/S1	22,731.00	272,772	93,462.00	292,987.20	0.08%	234.39
Luzviminda A. Datoy - RCC III	SG9/S1	17,420.00	209,040	82,840.00	233,504.00	0.06%	140.10
Nora D. Ogdoc - Admin Aide	SG1/S1	10,623.00	127,476	69,246.00	157,377.60	0.03%	47.21
Nestor S. Valeroso - Mayor	SG27/S3	106,997.00	1,283,964	441,994.00	1,380,766.40	0.01%	138.08
Jhelan Richelle Lipao - Admin Aide	SG1/S1	10,546.00	126,552	69,092.00	156,515.20	0.03%	46.95
							-
							-
							-
							-
							-
			-		-		-
			-		-		-
			-		-		-
						TOTAL	794.50

STEP 4.B COST OF TRANSPORTATION

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection

Column 2. Identify the number of vehicles used for inspection.

Column 3. Verify unit cost of vehicle

Column 4. Determine the total cost by multiplying columns 2 and 3

Column 5. Apply the depreciation rate (Note: Economic life of a vehicle is 10 years)

Column 6. Compute for the annual depreciation cost by multiplying columns 4 and 5.

Column 7. Verify from the City Accounting Office the actual amount spent for maintenance of the vehicle used for inspection. In the absence of actual data, the amount can be computed by multiplying column 5 by 20%.

Column 8. Determine the frequency of use of the vehicle. In the specific case sample, half day use from February to November is 44/52 weeks x .5 days. Note that the LGUs may devise other method to determine the actual frequency of use of vehicle.

Column 9. Compute the cost of vehicle for inspection by adding columns 6 and 7 thenmultiply the frequency of use in column 8.

Table 5:

Variable Cost - Vehicle

List of Vehicle/s	Number of Vehicles	Unit Cost	Total Cost	Depreciation Rate/Year	Annual Depreciation Cost	Maintenance cost	Percentage of use for inspection per week	Annual cost of vehicle for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)
					-			-
							TOTAL	-

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection

Column 2. Identify the number of vehicles used for inspection

Column 3. Verify the average cost of fuel per liter

Column 4. Check the average weekly consumption in liters

Column 5. There are 52 weeks in one year. Identify the number of weeks the vehicles(s) has been used in a year.

Column 6. Compute for annual cost of fuel for 1 year by multiplying columns 2, 3, 4 and 5.

Column 7. Determine the percentage for the frequency of use of the vehicle for inspection. In the specific case sample, half day use from February to November is 44/52 weeks X .5 days. Note that the LGUs may devise other method to determine the actual percentage for the frequency of use of the vehicle.

Column 8. Compute the cost of fuel for inspection activities by multiplying columns 6 and 7.

Table 6:

Variable Cost - Fuel

List of vehicle/s	Number of Vehicles	Average Cost per liter	Ave. weekly consumption in liters	Number of weeks in one year	Annual Cost of fuel for the vehicle	Percentage of use for inspection per week	Annual cost for Fuel for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
					-		-
						TOTAL	-

If the LGU does not provide vehicles for inspection, but only allows the reimbursement of actual transportation expenses, the annual cost should be computed by determining the monthly reimbursements multiplied by 12

Table 7:

Variable Cost - Allowance/Reimbursement for Fuel

Name and Position	Transportation Cost based on Allowance/Reimbursements		% Time assigned in the delivery of the "Mayor's Permit:Manufacturer-Medium"	Annual Cost of the Service
	Average Monthly	Annual Allowance	(col 4)	
(col 1)	(col 2)	(col 3)		(col 5)
Aileen Rose A. Tantoy - LRCO I/BPLO	300	1,200	5%	60.00
Maximo D. Guarte- Sanitary Inspector	300	1,200	5%	60.00
Joegie E. Cabatuan-Admin. Aide VI	300	1,200	5%	60.00
Kathleen Jay U. Orozco-Admin Aide IV	300	1,200	5%	60.00
Anthony Rengel-Agri'l Technologist	300	1,200	5%	60.00
Rachel Ontolan-Envi.Mgt. Specialist	300	1,200	5%	60.00
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
			TOTAL	360.00

TOTAL OF VEHICLE AND FUEL:	-

STEP 4.C OTHER VARIABLE COSTS

Instructions in Filling the Form

Column 1. List down the supplies, materials and other resources which are issued to each applicant or varies directly with the number of applicants.

Column 2. Count all filled application forms, schedule slips, results forms, etc., and those issued with official receipts. Consider if applicants were successfully processed and approved, and provided with new business plate, stickers and/or certificates.

Column 3. Secure the unit cost for each and every item identified as other variable cost from the City Accounting Office.

Column 4. Compute for the annual other variable cost by multiplying column 2 and column 3

Table 8:

Variable Cost - Other variable cost

Particulars	Annual Number of Applications	Cost/Measuring unit (Php)	Annual cost (Php)
(col 1)	(col 2)	(col 3)	(col 4)
	5		
Bond paper	15	0.50	7.50
Official Receipts	10	3.40	34.00
Linen Paper A4	5	2.00	10.00
			-
			-
			-
			-
		TOTAL	51.50

Instructions for Filling Up the Form

Column 1 - List all identified variable costs.

Column 2 - Fill up the variable costs for the "Subject Service" and reflect the sum of all entries of each cell to total

Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Variable Cost Per Application.

Table 9:

Summary Table- Variable Costs

	Total	Estimated Routine Variable Cost Per Application
Annual Number of Applications	5	
Variable Costs		
Routine Personnel	794.50	158.90
Travel Reimbursement	360.00	72.00
Other Supplies/Forms/Materials	51.50	10.30
TOTAL	1,206.00	241.20

STEP 5. ALLOCATE THE VARIABLE COST FOR SPECIAL ACTIVITIES

Name and position	SG/Step	Monthly Salary	Annual Salary	Other compensation	Total Annual Compensation	% time allocated for the service	Annual cost of service for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Aileen Rose A. Tantoy	SG11/S1	22,731.00	272,772.00	98,462.00	287,987.20	0.4%	1,171.95
Maximo D. Guarte	SG6/S8	19,963.00	239,556.00	87,926.60	261,985.60	0.35%	916.95
Jougne E. Cabahuan	SG6/S2	14,887.00	174,444.00	77,974.00	281,214.40	0.30%	602.64
Kathleen Joy U. Orozco	SG4/S2	12,719.00	152,628.00	78,438.00	180,852.80	0.30%	542.56
Anthony Rangel	SG10/S1	19,190.00	230,280.00	86,280.00	253,328.00	0.30%	759.98
Rachel Ontolan	SG15/S1	30,458.00	365,496.00	108,906.00	379,473.60	0.30%	1,138.42
			-		-		-
						TOTAL	5,133.50

Instructions in Filling the Form

Column 1 - List the staff assigned to the "Special" Activity/ies.
Column 2 - Match the salary grade for each staff
Column 3 - Fill out the salary rate/month for each staff.
Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months
Column 5 - Identify all other remunerations regularly received by the staff. Other benefits include RATA, PERA, year end benefits and other remunerations
Column 6 - Sum up columns 4 and 5
Column 7 - Estimate the annual % of time each staff performs directly to the issuance of the subject service. The rate shall be provided by the concerned unit head.
Column 8 - Get the total cost for the Special Activity by adding the cost for each staff involved in delivering the service.
Proceed to the weight allocation. (The weight allocation may vary depending on the appropriate basis to the scenario within an LGU)

Basis (2) Simple and Complex

CATEGORIES	No. of Personnel	Weight	Allocation
Simple		#DIV/0!	#DIV/0!
Complex		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!

*Note: This option is used if the allocation is based on the combination of the previous two options

**Refer to Manual of Operations for the detailed discussion of the Simple and Complex Business Activities

***Provide the formula for allocation and clearly state the basis within the parenthesis (e.g. Allocation based on Gross Sales)

Basis (1) Per Business Classification

CLASSIFICATION	Weight	Allocation
Manufacturer		#DIV/0!
Wholesalers		#DIV/0!
Exporters		#DIV/0!
Retailers		#DIV/0!
Contractors		#DIV/0!
Banks and other institutions		#DIV/0!
Peddlers		#DIV/0!
Others		#DIV/0!
	0	#DIV/0!

Weight Allocation According to Complexity and Business Classification

BUSINESS CLASSIFICATION			Simple Weight	Complex Weight	Total	Simple	Complex
With Complex	Manufacturer	#DIV/0!				#DIV/0!	#DIV/0!
	Wholesalers	#DIV/0!				#DIV/0!	
	Exporters	#DIV/0!				#DIV/0!	
	Retailers	#DIV/0!				#DIV/0!	
With Complex	Contractors	#DIV/0!				#DIV/0!	#DIV/0!
	Banks and other Inst	#DIV/0!				#DIV/0!	
	Peddlers	#DIV/0!				#DIV/0!	
	Others	#DIV/0!				#DIV/0!	
						#DIV/0!	#DIV/0!

Note: Other basis may be used (e. g. the DTI classification as to Cottage, Small, etc)

STEP 6. ESTIMATE AND DISTRIBUTE THE FIXED COSTS

STEP 6.A COST OF OFFICE SPACE

Instruction in Filling Up the Form

Column 1 - Describes the cost formula for determining share of office cost for delivering "Subject Service". Determine the cost of construction per square meter (approximately P20,000/sq.m.) and the floor area of the entire City Hall. The building construction cost is the product of the two values. Knowing the floor area occupied by the different offices delivering the "Subject Service", its proportionate share in the total floor area of the city hall multiplied by cost of constructing the building will be the cost of office space occupied. The annual depreciation rate is 4% since the normal economic life of reinforced concrete structures is 25 years. We can compute for the annual depreciation expense by multiplying the cost of office space occupied by depreciation rate and approximately the annual maintenance cost by apportioning 20% of the annual depreciation expenses. The 20% is used whenever actual data from the Accounting Office is unavailable. The share of cost for delivering "Subject Service" can be computed by adding annual depreciation expense and annual maintenance cost multiplied by the percent of work by the Office utilized for delivering the "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 10:

Fixed Cost - Office Space (Owned by the LGU)

Particulars (col 1)	Offices Involved in the delivery of "Mayor's Permit: Manufacturer-Medium" Fee (col 2)
Construction Cost (per sq m)	14,751.85
Floor area of City Hall (sq m)	1,080.00
Building Construction Cost (Php)	15,913,000.00
Office Area Occupied (sq. m)	72.00
Cost of Office Area Occupied (Php)	1,060,866.67
Depreciation Rate (%)	3%
Annual Depreciation Expense (Php)	503,911.66
Annual Maintenance Cost (Php)	100,782.33
Percent of Work for "Mayor's Permit: Manufacturer-Medium" (%)	0.25%
Share of Cost attributable to delivering the service (Php)	1,511.73

Instructions for Filling Up the Form

Column 1 - Determine the monthly rental rate and multiply by the number of months the office space was rented to know the annual cost for rental. Add actual cost for maintaining the Office space. If the actual data is not available add 20% of the annual cost of rental to determine the annual cost for rented office space. The annual fixed cost for rented office space attributable to rendering the service is the annual cost of rented office space multiplied by the proportion of time used for "Subject Service" services in relation to the total responsibility of the Office delivering the service

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 11:

Fixed Cost - Office Space (Rented by the LGU)

Particulars (col 1)	Offices Involved in the delivery of "Subject Service" Fee (col 2)
Rental rate per month	
Number of months use	
Annual cost of rental	-
Maintenance Cost	-
Annual cost of rented office space	-
Percentage of time used for the delivery of the service in relation to the responsibility of the Office	
Annual fixed cost (rented office space) attributable to delivering the service	-

STEP 6.C COST OF EQUIPMENT AND FURNITURE

Instructions in Filling the Form

Column 1. Identify all the equipment, and other facilities used for the delivery of the subject service.
Column 2. Count the number of each type of equipment or facility.
Column 3. Verify acquisition cost from the Accounting Unit.
Column 4. Compute for the total cost of acquisition by multiplying columns 2 and 3.
Column 5. Compute for the annual depreciation rate by dividing 100% with the estimated economic life in years.
Column 6. Compute the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Secure from the City Accounting Office the actual amount spent for maintenance of equipment/furniture used delivery of the subject service. In the absence of actual data, the amount can be computed by multiplying column 6 by 20%.
Column 8. Add Columns 6 and 7 to determine the annual cost of equipment/facility.
Column 9. Determine the % of time used for delivering the specific service in relation to responsibilities of the office involved in delivering the subject service.
Column 10. Compute for the annual cost share for equipment and funiture by multiplying columns 8 & 9.

Table 15:

Fixed Cost - Equipment and Furniture

Particulars	Number of Units	Acquisition Cost	Total Cost	Depreciation Rate	Annual Depreciation Cost	Maintenance Cost	Total Annual Cost	% Used for delivering the Service	Annual Cost Share for Equipment and Furniture
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)	(col 10)
A. Equipment									
Air Condition	3	35,000	105,000.00	20%	21,000	4,200	25,200	0.30%	75.60
Computers	3	50,000	150,000.00	20%	30,000	6,000	36,000	0.30%	108.00
Photocopier			-		-	-	-		-
								Sub-Total	183.60
B. Furniture									
Filing Cabinets	2	5,000	10,000.00	10%	1,000	200	1,200	0.30%	3.60
Tables and Chairs	4	2,000	8,000.00	10%	800	160	960	0.30%	2.88
								Sub-Total	6.48
								TOTAL	190.08

STEP 6.B UTILITIES

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of electricity cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the cost of electricity rate per kilowatt hour and the kilowatt consumption/hour of the Office delivering the service. The regular operations of a City Office is 7:30am-5:30pm or 10 hrs and there are approximately 260 days per year. The annual cost of electricity for the ofices delivering the service is the product of the electricity rate per kwh, the kilowatt consumption per hour of the office, the number of operating hours per days, and the number of operating days per year. The percent of work to be considered is an approximation by the head of unit delivering the service in relation to its total responsibilities. When known, the net cost of electricity attributed to delivery of service shall be the annual cost of electricity for the office multiplied by the percent of work devoted by the office for "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 12:

Cost of Electricity	
Particulars	**Offices involved in the delivery of** "Mayor's Permit: Manufacturer-Medium" **Fee**
(col 1)	**(col 2)**
Electricity rate per kilowatt hour (Php)	**17.07**
Kilowatt consumption/hour for the unit delivering the service	**5.63**
Number of operating hours per day	**8.00**
Number of days per year	**264.00**
Electricity cost per year	**202,971.86**
Percent of work for the service rendered	**0.25%**
Net electricity cost attributed to "Subject Service" service	507.43

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of water cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the number of people directly related to the processing and issuance of "Subject Service". The estimated water bill per person per month is P100. The net cost of water attributed to the delivery of "Subject Service" can be computed by the estimated water bill of the office per year multiplied by the percent of "Subject Service" work performed by the office in relation to the total responsibilities assigned to the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 13:

Cost of Water	
Particulars	**Offices involved in the delivery of** "Mayor's Permit: Manufacturer-Medium" **Fee**
(col 1)	**(col 2)**
Number of People	**10**
Water bill per person per month	**77.50**
Estimated water bill of the office per year	**9,300.00**
Percent of work for the service rendered	**0.25%**
Net cost of water attributed to delivery of "Subject Service".	23.25

Instructions for Filling Up the Form

Column 1. The cost of telephone can be computed by knowing the number of telephone lines available in the Office and the monthly subscription rate per month. The annual cost of telephone services is the number of telephone lines multiplied by the monthly subscription rate over a period of twelve months. The net cost of telephone services attributed to processing and issuance of mayors permit is the annual cost of telephone services multiplied by the percent of work performed by the Office in processing and issuance of "Subject Service" in as a percentage of the total responsibilities of the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 14:

Cost for Communication	
Particulars	**Offices involved in the delivery of** "Mayor's Permit: Manufacturer-Medium" **Fee**
(col 1)	**(col 2)**
Number of telephone/cellphone lines in the Office delivering the	
Rate of subscription per month	
Annual cost of telephone/mobile services	
Percent of work for the service rendered	
Net cost of telephone/mobile services attributed to processing and issuance of "Subject Service"	

STEP 6.D OTHER FIXED COST

Instructions in Filling the Form

Column 1. Identify Offices delivering the "Subject Service" fee and the type of other fixed costs significant for their operation. In the particular example, these are cost for internet subscription and regular office supplies for the offices involved in delivering the "Subject Service".

Column 2. Verify actual office expenses from the LGU Accounting Office. If data are hard to get, reflect the budget allocation of each office (c/o LGU Budget Office).

Column 3. Determine the percentage of time used by the Office in delivering the specific service in relation to its total responsibilities.

Column 4. Compute for the other variable cost by multiplying column 2 and column 3.

NOTE: Note: The LGU may have other major fixed costs not mentioned in this illustration. When costs are significant, those fixed cost must be identified and added in the template. Conversely, costs that are negligible may be dropped from the calculations.

Table 16:

Other Fixed Cost

Particulars	Annual Rate	Percent of Use for "Mayor's Permit: Manufacturer-Medium"	Annual Cost
(col 1)	(col 2)	(col 3)	(col 4)
Internet Services	**18000**	**1.00%**	**180.00**
Regular Office Supplies			-
Information Tech Team			-
Security Team			
Janitorial Team			
Reception Services			
		Total	**180.00**

Instructions for Filling Up the Form

Column 1 - List all identified fixed costs.
Column 2 - Fill up the fixed costs for the "Subject Service" and reflect the sum of all entries of each cell under "Total".
Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Fixed Cost Per Application.

Table 17:

Summary Table - Fixed Costs		
Fixed Cost	Total	Estimated Routine Fixed Cost Per Application
(col 1)	(col 2)	(col 3)
Annual Number of Applications	5	
Office Space	1,511.73	302.35
Utilities	530.68	106.14
Electricity	507.43	101.49
Water	23.25	4.65
Communication	-	-
Equipment and Furniture	190.08	38.02
Other Fixed Cost	180.00	36.00
TOTAL	2,412.49	482.50

STEP 7. COMPARE FEE WITH COST OF DELIVERING SERVICES

Name of Fee/Charge: Mayor's Permit: Manufacturer - Medium

Fee Rate Estimation Using Costs of Issuing Permits Plus Cost of Surveillance		Comparison with Current Fee Rates		Difference	% Variance (-/+)	Remaks:Reasonable/Not Reasonable
Total Cost	8,752.00	Total Collection on Fees and/or Charges	7,500.00	(1,252.00)	(0.14)	Reasonable
Number of Applications Processed	5	Number of Applications Processed	5			
Average Fee Rate	1,750.40	Average Fee Rates	1,500.00	(250.40)	(0.14)	

Instructions for Filling

(1) For every fee or charge, compare Total Revenue with Total Cost of delivering the subject service based on the results of the foregoing procedures.
(2) Compute the difference and determine the corresponding variance. If it yields a variance (-/+) of more than 10%, the LGU is either subsidizing (-) or generating revenues (+) in relation to the subject Service.

(3) Input the results in a summary form using Table 23 for ease in reference and appreciation during the review and deliberation of the results of the Toolkit.
(4) If so, then the LGU must submit, along with the report of the results, a proposed Rationalization of Fees and Charges using the options.

EXAMPLE:

Compare Fee with Cost of Delivering Services					
Fee Rate Estimation using Costs of Issuing permits plus cost of surveillance		Comparison with Current Fee Rates			
Total Cost	8,752.00	Total Revenue	7,500.00	(1,252.00)	[illegible]
Total Number of Applicants	5	Number of Applications Processed	5		
Average Fee Rate	1,750.40	Average Fee Rates	1,500.00	(250.40)	[illegible]

10,594.00 Total

Scenario 1	% of Applicants	Number of Applicants	Cost (with weight)	[illegible]	STD-VAR	STD-FXD	[illegible]			
Simple	#DIV/0!		#DIV/0!	[illegible]	241.20	482.50	[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Complex	#DIV/0!		#DIV/0!	[illegible]	241.20	482.50	[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!	-	#DIV/0!					#DIV/0!		#DIV/0!

[illegible]				[illegible]	STD-VAR	STD-FXD				
Classification	Allocation	% of Applicants	Number				[illegible]			
Manufacturer	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Wholesalers	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Exporters	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Retailers	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Contractors	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Banks and other institutions	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Peddlers	#DIV/0!									
Others	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!		-	#DIV/0!				#DIV/0!		#DIV/0!
Total	0%									
	100%									

Ok ok

235801.42	-	-	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
235801.42	-	-	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
#REF!		-							
			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
									#DIV/0!

Summary of Rationalized Local Fees and Charges

Local Fee/Charge	Current Rate	Rationalized Rate	% Variance	Remarks/Recommended Rate
Mayor's Permit Manufacturer-Medium	1,500.00	1,750.40	-0.14	Propose: 1,750.00

STEP 1: MAP YOUR PROCESS FLOW

Note:
- A flowchart is a picture of the separate steps involved in a given process, presented in sequential order.
- Particularly helpful in analyzing and identifying areas for improvement by showing inefficiencies in the system.
- Also, it is useful in costing analysis.
- For this template, it is not necessary to use the various diagrams and boxes normally used in process flowcharts.

Instructions in Filling the Form

1 Discuss and decide on the boundaries of your process.
  * Where or when does the process start? Where or when does it end?
2 Arrange and document the activities in proper sequence.

Table 1:

	LIST OF ACTIVITIES
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for [illegible], and verify the completeness of the requirements.
2	Encode the application in the system and check the correctness of the entries.
3	Prepare and print the Tax Order of Payment.
4	Receive payment and issue Official Receipt.
5	Sign and approve the application by the Municipal Treasurer and BPLO.
6	Prepare and approve Mayor's Permit.
7	Record and release the Mayor's Permit to the applicant.
8	Conduct actual inspection of the business establishment.

STEP 2: IDENTIFY THE RESOURCES FOR EACH ACTIVITY

Instructions in Filling the Form

1 Identify the offices and all key people involved with each activity. Identify official position.

  * This includes those who do the work in the process: suppliers, customers and supervisors.
2 List down the materials and resources utilized in each stage.

Table 2:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for [illegible], and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jhelan Richelle Lipao/Admin Aide I	Linen Paper A4
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form

STEP 3: CLASSIFY ACTIVITIES INTO "ROUTINE" AND "SPECIAL"

Instructions in Filling the Form

1 Classify the activities into whether they are:

It is highly suggested to identify one (1) special step.
- However, it can be two (2) or more. In that case, it will have an impact on the weight of the Special Variable Component.
- It may also yield that there is no special step in the whole process. In that case, the normal costing procedure is applicable and the computation will not involve a Special Variable Component.

Table 3:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL	TYPE OF ACTIVITY
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for [illegible], and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen	Routine
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO		Routine
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink	Routine
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt	Routine
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT		Routine
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jhelan Richelle Lipao/Admin Aide I	Linen Paper A4	Routine
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker,	Routine
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form	Special

STEP 4. QUANTIFY THE VARIABLE COST FOR ROUTINE ACTIVITIES

STEP 4.A PERSONNEL COSTS

Instructions in Filling Up the Form

Column 1 - Base it on the staff identified as directly involved in the Routine Activities of the subject service. The actual number may be obtained from the Citizen's Charter or authorized office process flow, including the list of contractual positions for the particular service/s being rendered.

Column 2 - Match the salary grade for each staff. The salary grade data will be available at the Citizen's Charter, HR, Accounting, or Budget Office of the City.

Column 3 - Fill out the salary rate per month for each staff. The salary rates per month may be obtained from HR, Accounting, or Budget offices of the LGU.

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months

Column 5. Identify all other remunerations regularly received by the staff. Data will be available at the City Budget or Accounting Department. In case data will not be readily available, other benefits can be represented by computing 20% of the annual salary.

Column 6. Sum up columns 4 and 5, and multiply it by 80%. The 20% covers lag time usually allotted to attendance in seminars/trainings, leaves, and other admin activities not related to the service. LGUs may also devise other method to determine the annual % of time assigned in the delivery of subject service, exclusive of lag time.

Column 7. Approximate the annual percentage of time each staff performs the task directly related to the activity. Data shall be provided by the head of units performing the service, e g., if exclusively doing such task, then put 100%.

Column 8. Get the total personnel cost attributable to Routine Activities by adding the cost for each staff involved in delivering the service.

Table 4: Personnel Cost

Name and Position	Compensation					% Time assigned in the delivery of	Annual Cost of the Service
	SG-Step	Monthly Salary	Annual Salary	Other Benefits	Annual Compensation		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Carmelita M. Palma - Acting MT	**SG14/S1**	**27,768.00**	**333,216**	**253,536**	**469,401.60**	**0.03%**	**140.82**
Aileen Rose A. Tantoy - LRCO I/BPLO	**SG11/S1**	**22,731.00**	**272,772**	**93,462**	**292,987.20**	**0.05%**	**146.49**
Luzviminda A. Datoy - RCC III	**SG9/S1**	**17,420.00**	**209,040**	**82,840**	**233,504.00**	**0.04%**	**93.40**
Nora D. Ogdoc - Admin Aide	**SG1/S1**	**10,623.00**	**127,476**	**69,246**	**157,377.60**	**0.02%**	**31.48**
Nestor S. Valeroso - Mayor	**SG27/S3**	**106,997.00**	**1,283,964**	**441,994**	**1,380,766.40**	**0.01%**	**138.08**
Jhelan Richelle Lipao - Admin Aide	**SG1/S1**	**10,546.00**	**126,552**	**69,092**	**156,515.20**	**0.02%**	**31.30**
							-
							-
							-
							-
							-
			-		-		-
			-		-		-
			-		-		-
						TOTAL	582.57

STEP 4.B COST OF TRANSPORTATION

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection

Column 2. Identify the number of vehicles used for inspection.

Column 3. Verify unit cost of vehicle

Column 4. Determine the total cost by multiplying columns 2 and 3

Column 5. Apply the depreciation rate (Note: Economic life of a vehicle is 10 years)

Column 6. Compute for the annual depreciation cost by multiplying columns 4 and 5.

Column 7. Verify from the City Accounting Office the actual amount spent for maintenance of the vehicle used for inspection. In the absence of actual data, the amount can be computed by multiplying column 5 by 20%.

Column 8. Determine the frequency of use of the vehicle. In the specific case sample, half day use from February to November is 44/52 weeks x .5 days. Note that the LGUs may devise other method to determine the actual frequency of use of vehicle.

Column 9. Compute the cost of vehicle for inspection by adding columns 6 and 7 thenmultiply the frequency of use in column 8.

Table 5:

Variable Cost - Vehicle

List of Vehicle/s	Number of Vehicles	Unit Cost	Total Cost	Depreciation Rate/Year	Annual Depreciation Cost	Maintenance cost	Percentage of use for inspection per week	Annual cost of vehicle for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)
					-			-
							TOTAL	

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection

Column 2. Identify the number of vehicles used for inspection

Column 3. Verify the average cost of fuel per liter

Column 4. Check the average weekly consumption in liters

Column 5. There are 52 weeks in one year. Identify the number of weeks the vehicles(s) has been used in a year.

Column 6. Compute for annual cost of fuel for 1 year by multiplying columns 2, 3, 4 and 5.

Column 7. Determine the percentage for the frequency of use of the vehicle for inspection. In the specific case sample, half day use from February to November is 44/52 weeks X .5 days. Note that the LGUs may devise other method to determine the actual percentage for the frequency of use of the vehicle.

Column 8. Compute the cost of fuel for inspection activities by multiplying columns 6 and 7.

Table 6:

Variable Cost - Fuel

List of vehicle/s	Number of Vehicles	Average Cost per liter	Ave. weekly consumption in liters	Number of weeks in one year	Annual Cost of fuel for the vehicle	Percentage of use for inspection per week	Annual cost for Fuel for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
					-		-
						TOTAL	

If the LGU does not provide vehicles for inspection, but only allows the reimbursement of actual transportation expenses, the annual cost should be computed by determining the monthly reimbursements multiplied by 12

Table 7:

Variable Cost - Allowance/Reimbursement for Fuel

Name and Position	Transportation Cost based on Allowance/Reimbursements		% Time assigned in the delivery of the " "	Annual Cost of the Service
	Average Monthly	Annual Allowance	(col 4)	
(col 1)	(col 2)	(col 3)		(col 5)
Mary Jane C. Cantutay-Asst. Mun. Treas./BPLO Designate	1200	4,800	5%	240.00
Mary Michelle R. Paganpan-Municipal Health Officer	1200	4,800	5%	240.00
Jhonamie S. Manawatao-Municipal Engineer	1200	4,800	5%	240.00
Arniel P. Orozco-Municipal Planning and Development Officer	1200	4,800	5%	240.00
Laury P. Lauron-Municipal Agriculture Officer	1200	4,800	5%	240.00
Alain P. Cabanilla-Municipal Environment and Natural Resources Officer	1200	4,800	5%	240.00
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
			TOTAL	1,440.00

STEP 4.C OTHER VARIABLE COSTS

Instructions in Filling the Form

Column 1. List down the supplies, materials and other resources which are issued to each applicant or varies directly with the number of applicants.

Column 2. Count all filled application forms, schedule slips, results forms, etc., and those issued with official receipts. Consider if applicants were successfully processed and approved, and provided with new business plate, stickers and/or certificates.

Column 3. Secure the unit cost for each and every item identified as other variable cost from the City Accounting Office.

Column 4. Compute for the annual other variable cost by multiplying column 2 and column 3

Table 8:

Variable Cost - Other variable cost

Particulars	Annual Number of Applications	Cost/Measuring unit (Php)	Annual cost (Php)
(col 1)	(col 2)	(col 3)	(col 4)
	3		
Bond paper	78	0.50	39.00
Official Receipts	52	3.40	176.80
Linen Paper A4	26	2.00	52.00
			-
			-
			-
			-
		TOTAL	267.80

Instructions for Filling Up the Form

Column 1 - List all identified variable costs.

Column 2 - Fill up the variable costs for the "Subject Service" and reflect the sum of all entries of each cell to total

Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Variable Cost Per Application.

Table 9:

Summary Table- Variable Costs

	Total	Estimated Routine Variable Cost Per Application
Annual Number of Applications	3	
Variable Costs		
Routine Personnel	581.57	193.86
Travel Reimbursement	1,440.00	480.00
Other Supplies/Forms/Materials	267.80	89.27
TOTAL	2,289.37	763.12

STEP 5. ALLOCATE THE VARIABLE COST FOR SPECIAL ACTIVITIES

Name and position	SG/Step	Monthly Salary	Annual Salary	Other compensation	Total Annual Compensation	[illegible]	[illegible]
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Aileen Rose A. Tantoy	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.20	0.40%	1,171.95
Maximo O. Guarte	SG8/S8	19,963.00	239,556.00	87,926.00	261,985.60	0.35%	916.95
Joggie E. Cabatuan	SG8/S3	14,537.00	174,444.00	77,074.00	261,214.40	0.30%	605.64
Kathleen Joy U. Orozco	SG4/S2	12,719.80	152,628.00	73,438.00	180,852.80	0.30%	542.56
Anthony Rangel	SG10/S1	19,190.00	230,280.00	86,380.00	253,328.00	0.30%	759.98
Rachel Ostolan	SG13/S1	30,453.00	365,436.00	108,906.00	379,473.60	0.30%	1,138.42
						[illegible]	[illegible]

Instructions in Filling the Form

Column 1 - List the staff assigned to the "Special" Activity/ies.
Column 2 - Match the salary grade for each staff
Column 3 - Fill out the salary rate/month for each staff
Column 4 - Compute for the annual salary of the staff by multiplying col 3 by 12 months
Column 5 - Identify all other remunerations regularly received by the staff. Other remunerations include SSS, PEPA, year-end bonus and other
Column 6 - Sum up col 4 and 5
Column 7 - List here the [illegible] of time each staff devotes directly to the support of the support service. The [illegible] is to be [illegible] by the concerned
Column 8 - Get the total cost for the Special Activity by adding the cost for each staff who will render work to the service

Basis (2) Simple and Complex

CATEGORIES	No. of Personnel	Weight	Allocation
Simple		#DIV/0!	#DIV/0!
Complex		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!

Basis (1) Per Business Classification

CLASSIFICATION	Weight	Allocation
Manufacturer		#DIV/0!
Wholesalers		#DIV/0!
Exporters		#DIV/0!
Retailers		#DIV/0!
Contractors		#DIV/0!
Banks and other institutions		#DIV/0!
Peddlers		#DIV/0!
Others		#DIV/0!
	0	#DIV/0!

Weight Allocation According to Complexity and Business Classification

BUSINESS CLASSIFICATION			Simple Weight	Complex Weight	Total	Simple	Complex
With Complex	Manufacturer	#DIV/0!				#DIV/0!	#DIV/0!
	Wholesalers	#DIV/0!				#DIV/0!	
	Exporters	#DIV/0!				#DIV/0!	
	Retailers	#DIV/0!				#DIV/0!	
With Complex	Contractors	#DIV/0!				#DIV/0!	#DIV/0!
	Banks and other ins	#DIV/0!				#DIV/0!	
	Peddlers	#DIV/0!				#DIV/0!	
	Others	#DIV/0!				#DIV/0!	
						#DIV/0!	#DIV/0!

Note: Other basis may be used (e. g. the DTI classification as to Cottage, Small, etc)

STEP 6. ESTIMATE AND DISTRIBUTE THE FIXED COSTS

STEP 6.A COST OF OFFICE SPACE

Instruction in Filling Up the Form

Column 1 - Describes the cost formula for determining share of office cost for delivering "Subject Service". Determine the cost of construction per square meter (approximately P20,000/sq.m.) and the floor area of the entire City Hall. The building construction cost is the product of the two values. Knowing the floor area occupied by the different offices delivering the "Subject Service", its proportionate share in the total floor area of the city hall multiplied by cost of constructing the building will be the cost of office space occupied. The annual depreciation rate is 4% since the normal economic life of reinforced concrete structures is 25 years. We can compute for the annual depreciation expense by multiplying the cost of office space occupied by depreciation rate and approximately the annual maintenance cost by apportioning 20% of the annual depreciation expenses. The 20% is used whenever actual data from the Accounting Office is unavailable. The share of cost for delivering "Subject Service" can be computed by adding annual depreciation expense and annual maintenance cost multiplied by the percent of work by the Office utilized for delivering the "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 10:

Fixed Cost - Office Space (Owned by the LGU)	
Particulars	Offices Involved in the delivery of "[illegible] " Fee
(col 1)	(col 2)
Construction Cost (per sq m)	14,751.85
Floor area of City Hall (sq m)	1,080.00
Building Construction Cost (Php)	15,913,000.00
Office Area Occupied (sq. m)	72.00
Cost of Office Area Occupied (Php)	1,060,866.67
Depreciation Rate (%)	3%
Annual Depreciation Expense (Php)	503,911.66
Annual Maintenance Cost (Php)	100,782.33
Percent of Work for "[illegible] " (%)	0.17%
Share of Cost attributable to delivering the service (Php)	[illegible]

Instructions for Filling Up the Form

Column 1 - Determine the monthly rental rate and multiply by the number of months the office space was rented to know the annual cost for rental. Add actual cost for maintaining the Office space. If the actual data is not available add 20% of the annual cost of rental to determine the annual cost for rented office space. The annual fixed cost for rented office space attributable to rendering the service is the annual cost of rented office space multiplied by the proportion of time used for "Subject Service" services in relation to the total responsibility of the Office delivering the service

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 11:

Fixed Cost - Office Space (Rented by the LGU)	
Particulars	Offices Involved in the delivery of "Subject Service" Fee
(col 1)	(col 2)
Rental rate per month	
Number of months use	
Annual cost of rental	-
Maintenance Cost	-
Annual cost of rented office space	-
Percentage of time used for the delivery of the service in relation to the responsibility of the Office	
Annual fixed cost (rented office space) attributable to delivering the service	

STEP 6.C COST OF EQUIPMENT AND FURNITURE

Instructions in Filling the Form

Column 1. Identify all the equipment, and other facilities used for the delivery of the subject service.
Column 2. Count the number of each type of equipment or facility.
Column 3. Verify acquisition cost from the Accounting Unit.
Column 4. Compute for the total cost of acquisition by multiplying columns 2 and 3.
Column 5. Compute for the annual depreciation rate by dividing 100% with the estimated economic life in years.
Column 6. Compute the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Secure from the City Accounting Office the actual amount spent for maintenance of equipment/furniture used delivery of the subject service. In the absence of actual data, the amount can be computed by multiplying column 6 by 20%.
Column 8. Add Columns 6 and 7 to determine the annual cost of equipment/facility.
Column 9. Determine the % of time used for delivering the specific service in relation to responsibilities of the office involved in delivering the subject service.
Column 10. Compute for the annual cost share for equipment and funiture by multiplying columns 8 & 9.

Table 15:

Fixed Cost - Equipment and Furniture

Particulars	Number of Units	Acquisition Cost	Total Cost	Depreciation Rate	Annual Depreciation Cost	Maintenance Cost	Total Annual Cost	% Used for delivering the Service	Annual Cost Share for Equipment and Furniture
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)	(col 10)
A. Equipment									
Air Condition	3	35,000	105,000.00	20%	21,000	4,200	25,200	1.30%	328
Computers	3	50,000	150,000.00	20%	30,000	6,000	36,000	1.30%	468
Photocopier			-		-	-	-		-
								Sub-Total	796
B. Furniture									
Filing Cabinets	2	5,000	10,000.00	10%	1,000	200	1,200	1.0%	12
Tables and Chairs	4	2,000	8,000.00	10%	800	160	960	1.0%	10
								Sub-Total	22
									817.20

STEP 6.B UTILITIES

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of electricity cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the cost of electricity rate per kilowatt hour and the kilowatt consumption/hour of the Office delivering the service. The regular operations of a City Office is 7:30am-5:30pm or 10 hrs and there are approximately 260 days per year. The annual cost of electricity for the ofices delivering the service is the product of the electricity rate per kwh, the kilowatt consumption per hour of the office, the number of operating hours per days, and the number of operating days per year. The percent of work to be considered is an approximation by the head of unit delivering the service in relation to its total responsibilities. When known, the net cost of electricity attributed to delivery of service shall be the annual cost of electricity for the office multiplied by the percent of work devoted by the office for "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 12

Cost of Electricity	
Particulars	Offices involved in the delivery of " " Fee
(col 1)	(col 2)
Electricity rate per kilowatt hour (Php)	17.07
Kilowatt consumption/hour for the unit delivering the service	5.63
Number of operating hours per day	8.00
Number of days per year	264.00
Electricity cost per year	202,971.86
Percent of work for the service rendered	0.17%
Net electricity cost attributed to "Subject Service" service	

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of water cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the number of people directly related to the processing and issuance of "Subject Service". The estimated water bill per person per month is P100. The net cost of water attributed to the delivery of "Subject Service" can be computed by the estimated water bill of the office per year multiplied by the percent of "Subject Service" work performed by the office in relation to the total responsibilities assigned to the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 13

Cost of Water	
Particulars	Offices involved in the delivery of " " Fee
(col 1)	(col 2)
Number of People	10
Water bill per person per month	77.50
Estimated water bill of the office per year	9,300.00
Percent of work for the service rendered	0.17%
Net cost of water attributed to delivery of "Subject Service".	

Instructions for Filling Up the Form

Column 1. The cost of telephone can be computed by knowing the number of telephone lines available in the Office and the monthly subscription rate per month. The annual cost of telephone services is the number of telephone lines multiplied by the monthly subscription rate over a period of twelve months. The net cost of telephone services attributed to processing and issuance of mayors permit is the annual cost of telephone services multiplied by the percent of work performed by the Office in processing and issuance of "Subject Service" in as a percentage of the total responsibilities of the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 14

Cost for Communication	
Particulars	Offices involved in the delivery of " " Fee
(col 1)	(col 2)
Number of telephone/cellphone lines in the Office delivering the	
Rate of subscription per month	
Annual cost of telephone/mobile services	
Percent of work for the service rendered	
Net cost of telephone/mobile services attributed to processing and issuance of "Subject Service"	

STEP 6.D OTHER FIXED COST

Instructions in Filling the Form

Column 1. Identify Offices delivering the "Subject Service" fee and the type of other fixed costs significant for their operation. In the particular example, these are cost for internet subscription and regular office supplies for the offices involved in delivering the "Subject Service".

Column 2. Verify actual office expenses from the LGU Accounting Office. If data are hard to get, reflect the budget allocation of each office (c/o LGU Budget Office).

Column 3. Determine the percentage of time used by the Office in delivering the specific service in relation to its total responsibilities.

Column 4. Compute for the other variable cost by multiplying column 2 and column 3.

NOTE: Note: The LGU may have other major fixed costs not mentioned in this illustration. When costs are significant, those fixed cost must be identified and added in the template. Conversely, costs that are negligible may be dropped from the calculations.

Table 16:

Other Fixed Cost

Particulars	Annual Rate	Percent of Use for "[illegible]" Fees	Annual Cost
(col 1)	(col 2)	(col 3)	(col 4)
Internet Services	**18,000.00**	**1%**	**180.00**
Regular Office Supplies			-
Information Tech Team			-
Security Team			
Janitorial Team			
Reception Services			
		Total	180.00

Instructions for Filling Up the Form

Column 1 - List all identified fixed costs.
Column 2 - Fill up the fixed costs for the "Subject Service" and reflect the sum of all entries of each cell under "Total".
Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Fixed Cost Per Application.

Table 17:

Summary Table - Fixed Costs		
Fixed Cost	Total	Estimated Routine Fixed Cost Per Application
(col 1)	(col 2)	(col 3)
Annual Number of Applications	3	
Office Space	1,027.98	342.66
Utilities	360.86	120.29
Electricity	345.05	115.02
Water	15.81	5.27
Communication	-	-
Equipment and Furniture	817.20	272.40
Other Fixed Cost	180.00	60.00
TOTAL	2,386.04	795.35

STEP 7. COMPARE FEE WITH COST OF DELIVERING SERVICES

Name of Fee/Charge:

Fee Rate Estimation Using Costs of Issuing Permits Plus Cost of Surveillance		Comparison with Current Fee Rates		Difference	% Variance (-/+)	Remaks:Reasonable/Not Reasonable
Total Cost		Total Collection on Fees and/or Charges		(808.92)	(0.08)	Reasonable
Number of Applications Processed		Number of Applications Processed				
Average Fee Rate		Average Fee Rates		(269.64)	(0.08)	

Instructions for Filling

(1) For every fee or charge, compare Total Revenue with Total Cost of delivering the subject service based on the results of the foregoing procedures.
(2) Compute the difference and determine the corresponding variance. If it yields a variance (-/+) of more than 10%, the LGU is either subsidizing (-) or generating revenues (+) in relation to the subject Service.

(3) Input the results in a summary form using Table 23 for ease in reference and appreciation during the review and deliberation of the results of the Toolkit.
(4) If so, then the LGU must submit, along with the report of the results, a proposed Rationalization of Fees and Charges using the options

Compare Fee with Cost of Delivering Services			
Fee Rate Estimation using Costs of Issuing permits plus cost of surveillance		Comparison with Current Fee Rates	
Total Cost		Total Revenue	(808.92)
Total Number of Applicants		Number of Applications Processed	
Average Fee Rate		Average Fee Rates	(269.64)

Scenario 1	% of Applicants	Number of Applicants	Cost (with weight)	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application
Simple	#DIV/0!		#DIV/0!	#DIV/0!	763.12	795.35	#DIV/0!
Complex	#DIV/0!		#DIV/0!	#DIV/0!	763.12	795.35	#DIV/0!
	#DIV/0!		#DIV/0!				

Classification	Allocation	% of Applicants	Number	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application
Manufacturing	#DIV/0!			#DIV/0!			#DIV/0!
Wholesale	#DIV/0!			#DIV/0!			#DIV/0!
Exporters	#DIV/0!			#DIV/0!			#DIV/0!
Retailers	#DIV/0!			#DIV/0!			#DIV/0!
Contractors	#DIV/0!			#DIV/0!			#DIV/0!
Entertainment/Amusement	#DIV/0!			#DIV/0!			#DIV/0!
Exhibits	#DIV/0!						
Others	#DIV/0!			#DIV/0!			#DIV/0!
	#DIV/0!			#DIV/0!			
Total		0%					

#DIV/0!
#DIV/0!
#DIV/0!
#DIV/0!

Summary of Rationalized Local Fees and Charges

Local Fee/Charge	Current Rate	Rationalized Rate	% Variance	Remarks/Recommended Rate
[illegible]	3,000.00	3,269.64	-0.08	Propose: 3,250.00

STEP 1: MAP YOUR PROCESS FLOW

Note:
- A flowchart is a picture of the separate steps involved in a given process, presented in sequential order.
- Particularly helpful in analyzing and identifying areas for improvement by showing inefficiencies in the system.
- Also, it is useful in costing analysis.
- For this template, it is not necessary to use the various diagrams and boxes normally used in process flowcharts.

Instructions in Filling the Form

1 Discuss and decide on the boundaries of your process.
  * Where or when does the process start? Where or when does it end?
2 Arrange and document the activities in proper sequence.

Table 1:

	LIST OF ACTIVITIES
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for , and verify the completeness of the requirements.
2	Encode the application in the system and check the correctness of the entries.
3	Prepare and print the Tax Order of Payment.
4	Receive payment and issue Official Receipt.
5	Sign and approve the application by the Municipal Treasurer and BPLO.
6	Prepare and approve Mayor's Permit.
7	Record and release the Mayor's Permit to the applicant.
8	Conduct actual inspection of the business establishment.

STEP 2: IDENTIFY THE RESOURCES FOR EACH ACTIVITY

Instructions in Filling the Form

1 Identify the offices and all key people involved with each activity. Identify official position.

  * This includes those who do the work in the process: suppliers, customers and supervisors.
2 List down the materials and resources utilized in each stage.

Table 2:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for , and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jheian Richelle Lipao/Admin Aide I	Linen Paper A4
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form

STEP 3: CLASSIFY ACTIVITIES INTO "ROUTINE" AND "SPECIAL"

Instructions in Filling the Form

1 Classify the activities into whether they are:

It is highly suggested to identify one (1) special step.
- **However, it can be two (2) or more. In that case, it will have an impact on the weight of the Special Variable Component.**
- **It may also yield that there is no special step in the whole process. In that case, the normal costing procedure is applicable and the computation will not involve a Special Variable Component.**

Table 3:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL	TYPE OF ACTIVITY
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for , and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen	Routine
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-	Routine
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink	Routine
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt	Routine
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-	Routine
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jheian Richelle Lipao/Admin Aide I	Linen Paper A4	Routine
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker,	Routine
8	Conduct actual inspection of the business establishment.	BPLO, MHO, M	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form	Special

STEP 4. QUANTIFY THE VARIABLE COST FOR ROUTINE ACTIVITIES

STEP 4.A PERSONNEL COSTS

Instructions in Filling Up the Form

Column 1 - Base it on the staff identified as directly involved in the Routine Activities of the subject service. The actual number may be obtained from the Citizen's Charter or authorized office process flow, including the list of contractual positions for the particular service/s being rendered.

Column 2 - Match the salary grade for each staff. The salary grade data will be available at the Citizen's Charter, HR, Accounting, or Budget Office of the City.

Column 3 - Fill out the salary rate per month for each staff. The salary rates per month may be obtained from HR, Accounting, or Budget offices of the LGU.

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months.

Column 5. Identify all other remunerations regularly received by the staff. Data will be available at the City Budget or Accounting Department. In case data will not be readily available, other benefits can be represented by computing 20% of the annual salary.

Column 6. Sum up columns 4 and 5, and multiply it by 80%. The 20% covers lag time usually allotted to attendance in seminars/trainings, leaves, and other admin activities not related to the service. LGUs may also devise other method to determine the annual % of time assigned in the delivery of subject service, exclusive of lag time.

Column 7. Approximate the annual percentage of time each staff performs the task directly related to the activity. Data shall be provided by the head of units performing the service, e.g., if exclusively doing such task, then put 100%.

Column 8. Get the total personnel cost attributable to Routine Activities by adding the cost for each staff involved in delivering the service.

Table 4: Personnel Cost

Name and Position	Compensation					% Time assigned in the delivery of	Annual Cost of the Service
	SG-Step	Monthly Salary	Annual Salary	Other Benefits	Annual Compensation		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Carmelita M. Palma - Acting MT	SG14/S1	27,768.00	333,216.00	253,536.00	469,401.60	0.03%	140.82
Aileen Rose A. Tantoy - LRCO I/BPLO	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.20	0.05%	146.49
Luzviminda A. Datoy - RCC III	SG9/S1	17,420.00	209,040.00	82,840.00	233,504.00	0.04%	93.40
Nora D. Ogdoc - Admin Aide	SG1/S1	10,623.00	127,476.00	69,246.00	157,377.60	0.01%	15.74
Nestor S. Valeroso - Mayor	SG27/S3	106,997.00	1,283,964.00	441,994.00	1,380,766.40	0.01%	138.08
Jhelan Richelle Lipao - Admin Aide	SG1/S1	10,546.00	126,552.00	69,092.00	156,515.20	0.01%	15.65
							-
							-
							-
							-
							-
			-		-		-
			-		-		-
			-				-

STEP 4.B COST OF TRANSPORTATION

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection.
Column 3. Verify unit cost of vehicle
Column 4. Determine the total cost by multiplying columns 2 and 3
Column 5. Apply the depreciation rate (Note: Economic life of a vehicle is 10 years)
Column 6. Compute for the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Verify from the City Accounting Office the actual amount spent for maintenance of the vehicle used for inspection. In the absence of actual data, the amount can be computed by multiplying column 5 by 20%.
Column 8. Determine the frequency of use of the vehicle. In the specific case sample, half day use from February to November is 44/52 weeks x .5 days. Note that the LGUs may devise other method to determine the actual frequency of use of vehicle.
Column 9. Compute the cost of vehicle for inspection by adding columns 6 and 7 thenmultiply the frequency of use in column 8.

Table 5:

Variable Cost - Vehicle

List of Vehicle/s	Number of Vehicles	Unit Cost	Total Cost	Depreciation Rate/Year	Annual Depreciation Cost	Maintenance cost	Percentage of use for inspection per week	Annual cost of vehicle for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)
					-			-

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection
Column 3. Verify the average cost of fuel per liter
Column 4. Check the average weekly consumption in liters
Column 5. There are 52 weeks in one year. Identify the number of weeks the vehicles(s) has been used in a year.
Column 6. Compute for annual cost of fuel for 1 year by multiplying columns 2, 3, 4 and 5.
Column 7. Determine the percentage for the frequency of use of the vehicle for inspection. In the specific case sample, half day use from February to November is 44/52 weeks X .5 days. Note that the LGUs may devise other method to determine the actual percentage for the frequency of use of the vehicle.
Column 8. Compute the cost of fuel for inspection activities by multiplying columns 6 and 7.

Table 6:

Variable Cost - Fuel

List of vehicle/s	Number of Vehicles	Average Cost per liter	Ave. weekly consumption in liters	Number of weeks in one year	Annual Cost of fuel for the vehicle	Percentage of use for inspection per week	Annual cost for Fuel for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
					-		-

If the LGU does not provide vehicles for inspection, but only allows the reimbursement of actual transportation expenses, the annual cost should be computed by determining the monthly reimbursements multiplied by 12

Table 7:

Variable Cost - Allowance/Reimbursement for Fuel

Name and Position	Transportation Cost based on Allowance/Reimbursements		% Time assigned in the delivery of the [illegible]	Annual Cost of the Service
	Average Monthly	Annual Allowance	(col 4)	
(col 1)	(col 2)	(col 3)		(col 5)
Mary Jane C. Cantutay-Asst. Mun. Treas./BPLO Designate	900	1,200	6%	72.00
Mary Michelle R. Fagarpan-Municipal Health Officer	900	1,200	6%	72.00
Jhonamie S. Manawatao-Municipal Engineer	900	1,200	5%	60.00
Amiel P. Orozco-Municipal Planning and Development Officer	900	1,200	5%	60.00
Laury P. Lauron-Municipal Agriculture Officer	900	1,200	5%	60.00
Alain P. Cabanilla-Municipal Environment and Natural Resources Officer	900	1,200	5%	60.00
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-

STEP 4.C OTHER VARIABLE COSTS

Instructions in Filling the Form

Column 1. List cown the supplies, materials and other resources which are issued to each applicant or varies directly with the number of applicants.

Column 2. Count all filled application forms, schedule slips, results forms, etc., and those issued with official receipts. Consider if applicants were successfully processed and approved, and provided with new business plate, stickers and/or certificates.

Column 3. Secure the unit cost for each and every item identified as other variable cost from the City Accounting Office.

Column 4. Compute for the annual other variable cost by multiplying column 2 and column 3

Table 8:

Variable Cost - Other variable cost

Particulars	Annual Number of Applications	Cost/Measuring unit (Php)	Annual cost (Php)
(col 1)	(col 2)	(col 3)	(col 4)
	2		
Bond paper	6	0.50	3.00
Official Receipts	4	3.40	13.60
Linen Paper A4	2	2.00	4.00
			-
			-
			-
			-

Instructions for Filling Up the Form

Column 1 - List all identified variable costs.

Column 2 - Fill up the variable costs for the "Subject Service" and reflect the sum of all entries of each cell to total

Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Variable Cost Per Application.

Table 9:

Summary Table- Variable Costs

	Total	Estimated Routine Variable Cost Per Application
Annual Number of Applications	2	
Variable Costs		
Routine Personnel	550.18	275.09
Travel Reimbursement	384.00	192.00
Other Supplies/Forms/Materials	20.60	10.30

STEP 5. ALLOCATE THE VARIABLE COST FOR SPECIAL ACTIVITIES

Name and position	SG/Step	Monthly Salary	Annual Salary	Other compensation	Total Annual Compensation	% time allocated for the service	Annual cost of service for the year
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Mary Jane C. Castaney-BPLO Designate	SG22/S1	49,974.00	587,688.00	221,948.00	647,788.80	0.05%	323.85
Mary Michelle B. Pagunpan-Municipal Health Officer	SG24/S2	89,853.00	1,078,236.00	148,830.00	981,652.80	0.03%	294.50
Rhonnelle S. Manawatao-Municipal Engineer	SG23/S3	69,314.00	831,768.00	61,992.00	716,608.00	0.03%	214.98
Arniel P. Orozco-Municipal Planning and Development Officer	SG24/S1	61,887.00	742,644.00	62,980.00	642,987.20	0.03%	192.87
Lourry P. Lauron-Municipal Agriculture Officer	SG24/S2	61,887.00	742,644.00	71,526.00	651,176.00	0.03%	195.35
Alvin P. Cabanilla-Municipal Environment and Natural Resources Officer	SG24/S3	63,924.00	767,088.00	89,136.00	684,979.20	0.03%	205.49

Instructions in Filling the Form

Column 1-List the staff assigned to the "Special" Activity/ies.

Column 2-Indicate the salary grade of each staff

Column 3-Indicate the monthly salary of each staff

Column 4-Compute for the annual salary of the staff by multiplying items Col 3 x 12 months

Column 5-Input the other compensation (eg. allowances and benefits) received by the staff. Other benefits are the PERA, PERA, year-end bonus and other benefits that staff receive

Column 6-Sum total of Col 4 and 5

Column 7-Indicate the annual % of the each staff services directly for the issuance of the subject service. The rate shall be determined by the concerned unit head

Column 8-Get the Total Cost for the Specific Activity by adding the cost for each staff involved in the service

Basis (2) Simple and Complex

CATEGORIES	No. of Personnel	Weight	Allocation
Simple		#DIV/0!	#DIV/0!
Complex		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!

Basis (1) Per Business Classification

CLASSIFICATION	Weight	Allocation
Manufacturer		#DIV/0!
Wholesalers		#DIV/0!
Exporters		#DIV/0!
Retailers		#DIV/0!
Contractors		#DIV/0!
Banks and other institutions		#DIV/0!
Peddlers		#DIV/0!
Others		#DIV/0!
	0	#DIV/0!

Weight Allocation According to Complexity and Business Classification

BUSINESS CLASSIFICATION			Simple Weight	Complex Weight	TOTA	Simple	Complex
With Complex	Manufacturer	#DIV/0!				#DIV/0!	#DIV/0!
	Wholesalers	#DIV/0!				#DIV/0!	
	Exporters	#DIV/0!				#DIV/0!	
	Retailers	#DIV/0!				#DIV/0!	
With Complex	Contractors	#DIV/0!				#DIV/0!	#DIV/0!
	Banks and other institutions	#DIV/0!				#DIV/0!	
	Peddlers	#DIV/0!				#DIV/0!	
	Others	#DIV/0!				#DIV/0!	
						#DIV/0!	#DIV/0!

Note: Other basis may be used (e. g. the DTI classification as to Cottage, Small, etc)

STEP 6. ESTIMATE AND DISTRIBUTE THE FIXED COSTS

STEP 6.A COST OF OFFICE SPACE

Instruction in Filling Up the Form

Column 1 - Describes the cost formula for determining share of office cost for delivering "Subject Service". Determine the cost of construction per square meter (approximately P20,000/sq.m.) and the floor area of the entire City Hall. The building construction cost is the product of the two values. Know ng the floor area occupied by the different offices delivering the "Subject Service", its proportionate share in the total floor area of the city hall multiplied by cost of constructing the building will be the cost of office space occupied. The annual depreciation rate is 4% since the normal economic life of reinforced concrete structures is 25 years. We can compute for the annual depreciation expense by multiplying the cost of office space occupied by depreciation rate and approximately the annual maintenance cost by apportioning 20% of the annual depreciation expenses. The 20% is used whenever actual data from the Accounting Office is unavailable. The share of cost for delivering "Subject Service" can be computed by adding annual depreciation expense and annual maintenance cost multiplied by the percent of work by the Office utilized for delivering the "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 10:

Fixed Cost - Office Space (Owned by the LGU)

Particulars	Offices involved in the delivery of " " Fee
(col 1)	(col 2)
Construction Cost (per sq m)	14,751.85
Floor area of City Hall (sq m)	1,080.00
Building Construction Cost (Php)	15,913,000.00
Office Area Occupied (sq. m)	72.00
Cost of Office Area Occupied (Php)	1,060,866.67
Depreciation Rate (%)	3%
Annual Depreciation Expense (Php)	503,911.66
Annual Maintenance Cost (Php)	100,782.33
Percent of Work for " " (%)	0.15%
Share of Cost attributable to delivering the service (Php)	907.04

Instructions for Filling Up the Form

Column 1 - Determine the monthly rental rate and multiply by the number of months the office space was rented to know the annual cost for rental. Add actual cost for maintaining the Office space. If the actual data is not available add 20% of the annual cost of rental to determine the annual cost for rented office space. The annual fixed cost for rented office space attributable to rendering the service is the annual cost of rented office space multiplied by the proportion of time used for "Subject Service" services in relation to the total responsibility of the Office delivering the service

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 11:

Fixed Cost - Office Space (Rented by the LGU)

Particulars	Offices involved in the delivery of "Subject Service" Fee
(col 1)	(col 2)
Rental rate per month	
Number of months use	
Annual cost of rental	-
Maintenance Cost	-
Annual cost of rented office space	-
Percentage of time used for the delivery of the service in relation to the responsibility of the Office	
Annual fixed cost (rented office space) attributable to delivering the service	

STEP 6.C COST OF EQUIPMENT AND FURNITURE

Instructions in Filling the Form

Column 1. Identify all the equipment, and other facilities used for the delivery of the subject service.
Column 2. Count the number of each type of equipment or facility.
Column 3. Verify acquisition cost from the Accounting Unit.
Column 4. Compute for the total cost of acquisition by multiplying columns 2 and 3.
Column 5. Compute for the annual depreciation rate by dividing 100% with the estimated economic life in years.
Column 6. Compute the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Secure from the City Accounting Office the actual amount spent for maintenance of equipment/furniture used delivery of the subject service. In the absence of actual data, the amount can be computed by multiplying column 6 by 20%.
Column 8. Add Columns 6 and 7 to determine the annual cost of equipment/facility.
Column 9. Determine the % of time used for delivering the specific service in relation to responsibilities of the office involved in delivering the subject service.
Column 10. Compute for the annual cost share for equipment and funiture by multiplying columns 8 & 9.

Table 15:

Fixed Cost - Equipment and Furniture

Particulars	Number of Units	Acquisition Cost	Total Cost	Depreciation Rate	Annual Depreciation Cost	Maintenance Cost	Total Annual Cost	% Used for delivering the Service	Annual Cost Share for Equipment and Furniture
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)	(col 10)
A. Equipment									
Air Condition	3	35,000	105,000.00	20%	21,000	4,200	25,200	0.5%	126.00
Computers	3	50,000	150,000.00	20%	30,000	6,000	36,000	0.5%	180.00
Photocopier			-		-	-	-		-
								Sub-Total	306.00
B. Furniture									
Filing Cabinets	2	5,000	10,000.00	10%	1,000	200	1,200	0.5%	6.00
Tables and Chairs	4	2,000	8,000.00	10%	800	160	960	0.5%	4.80
								Sub-Total	10.80
									316.80

STEP 6.B UTILITIES

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of electricity cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the cost of electricity rate per kilowatt hour and the kilowatt consumption/hour of the Office delivering the service. The regular operations of a City Office is 7:30am-5:30pm or 10 hrs and there are approximately 260 days per year. The annual cost of electricity for the ofices delivering the service is the product of the electricity rate per kwh, the kilowatt consumption per hour of the office, the number of operating hours per days, and the number of operating days per year. The percent of work to be considered is an approximation by the head of unit delivering the service in relation to its total responsibilities. When known, the net cost of electricity attributed to delivery of service shall be the annual cost of electricity for the office multiplied by the percent of work devoted by the office for "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 12.

Cost of Electricity	
Particulars	**Offices involved in the delivery of " " Fee**
(col 1)	(col 2)
Electricity rate per kilowatt hour (Php)	17.07
Kilowatt consumption/hour for the unit delivering the service	5.63
Number of operating hours per day	8.00
Number of days per year	264.00
Electricity cost per year	202,971.86
Percent of work for the service rendered	0.15%
Net electricity cost attributed to "Subject Service" service	

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of water cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the number of people directly related to the processing and issuance of "Subject Service". The estimated water bill per person per month is P100. The net cost of water attributed to the delivery of "Subject Service" can be computed by the estimated water bill of the office per year multiplied by the percent of "Subject Service" work performed by the office in relation to the total responsibilities assigned to the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 13

Cost of Water	
Particulars	**Offices involved in the delivery of " " Fee**
(col 1)	(col 2)
Number of People	10
Water bill per person per month	77.50
Estimated water bill of the office per year	9,300.00
Percent of work for the service rendered	0.15%
Net cost of water attributed to delivery of "Subject Service"	

Instructions for Filling Up the Form

Column 1. The cost of telephone can be computed by knowing the number of telephone lines available in the Office and the monthly subscription rate per month. The annual cost of telephone services is the number of telephone lines multiplied by the monthly subscription rate over a period of twelve months. The net cost of telephone services attributed to processing and issuance of mayors permit is the annual cost of telephone services multiplied by the percent of work performed by the Office in processing and issuance of "Subject Service" in as a percentage of the total responsibilities of the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 14.

Cost for Communication	
Particulars	**Offices involved in the delivery of " " Fee**
(col 1)	(col 2)
Number of telephone/cellphone lines in the Office delivering the	
Rate of subscription per month	
Annual cost of telephone/mobile services	
Percent of work for the service rendered	
Net cost of telephone/mobile services attributed to processing	

STEP 6.D OTHER FIXED COST

Instructions in Filling the Form

Column 1. Identify Offices delivering the "Subject Service" fee and the type of other fixed costs significant for their operation. In the particular example, these are cost for internet subscription and regular office supplies for the offices involved in delivering the "Subject Service".

Column 2. Verify actual office expenses from the LGU Accounting Office. If data are hard to get, reflect the budget allocation of each office (c/o LGU Budget Office).

Column 3. Determine the percentage of time used by the Office in delivering the specific service in relation to its total responsibilities.

Column 4. Compute for the other variable cost by multiplying column 2 and column 3.

NOTE: Note: The LGU may have other major fixed costs not mentioned in this illustration. When costs are significant, those fixed cost must be identified and added in the template. Conversely, costs that are negligible may be dropped from the calculations.

Table 16:

Other Fixed Cost

Particulars	Annual Rate	Percent of Use for "[illegible]" Fees	Annual Cost
(col 1)	(col 2)	(col 3)	(col 4)
Internet Services	**18,000.00**	**1%**	**180.00**
Regular Office Supplies			-
Information Tech Team			-
Security Team			
Janitorial Team			
Reception Services			
		[illegible]	[illegible]

Instructions for Filling Up the Form

Column 1 - List all identified fixed costs.
Column 2 - Fill up the fixed costs for the "Subject Service" and reflect the sum of all entries of each cell under "Total".
Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Fixed Cost Per Application.

Table 17:

Summary Table - Fixed Costs

Fixed Cost	Total	Estimated Routine Fixed Cost Per Application
(col 1)	(col 2)	(col 3)
Annual Number of Applications	2	
Office Space	907.04	453.52
Utilities	318.41	159.20
Electricity	304.46	152.23
Water	13.95	6.98
Communication	-	-
Equipment and Furniture	316.80	158.40
Other Fixed Cost	180.00	90.00
TOTAL	1,722.25	861.12

STEP 7. COMPARE FEE WITH COST OF DELIVERING SERVICES

Name of Fee/Charge:

Fee Rate Estimation Using Costs of Issuing Permits Plus Cost of Surveillance		Comparison with Current Fee Rates		Difference	% Variance (-/+)	Remaks:Reasonable/Not Reasonable
Total Cost	4,183.08	Total Collection on Fees and/or Charges	4,079.00	(104.08)	(0.03)	Reasonable
Number of Applications Processed	2	Number of Applications Processed	2			
Average Fee Rate	2,091.54	Average Fee Rates	2,039.50	(52.04)	(0.03)	

Instructions for Filling

(1) For every fee or charge, compare Total Revenue with Total Cost of delivering the subject service based on the results of the foregoing procedures.
(2) Compute the difference and determine the corresponding variance. If it yields a variance (-/+) of more than 10%, the LGU is either subsidizing (-) or generating revenues (+) in relation to the subject service.

(3) Input the results in a summary form using Table 23 for ease in reference and appreciation during the review and deliberation of the results of the Toolkit.
(4) If so, then the LGU must submit, along with the report of the results, a proposed Rationalization of Fees and Charges using the options.

Compare Fee with Cost of Delivering Services

Fee Rate Estimation using Costs of Issuing permits plus cost of surveillance		Comparison with Current Fee Rates		
Total Cost	4,183.08	Total Revenue	4,079.00	(104.08)
Total Number of Applicants	2	Number of Applications Processed	2	
Average Fee Rate	2,091.54	Average Fee Rates	2,039.50	(52.04)

Scenario 1	% of Applicants	Number of Applicants	Cost (with weight)	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application			
Simple	#DIV/0!		#DIV/0!	#DIV/0!	477.39	861.12	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Complex	#DIV/0!		#DIV/0!	#DIV/0!	477.39	861.12	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!		#DIV/0!					#DIV/0!		#DIV/0!

Classification	Allocation	% of Applicants	Number	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application			
Manufacturers	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Wholesalers	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Exporters	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Retailers	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Contractors	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Banks and other institutions	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Providers	#DIV/0!									
Others	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!			#DIV/0!				#DIV/0!		#DIV/0!
Total	0%									

215591.42	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
215601.42	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
#REF!									
	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
									#DIV/0!

Summary of Rationalized Local Fees and Charges

Local Fee/Charge	Current Rate	Rationalized Rate	% Variance	Remarks/Recommended Rate
[illegible]	2,000.00	2,052.04	-0.03	Maintain at 2,000.00

STEP 1: MAP YOUR PROCESS FLOW

Note:
- A flowchart is a picture of the separate steps involved in a given process, presented in sequential order.
- Particularly helpful in analyzing and identifying areas for improvement by showing inefficiencies in the system.
- Also, it is useful in costing analysis.
- For this template, it is not necessary to use the various diagrams and boxes normally used in process flowcharts.
- Suggested Source: Citizen's Charter or the duly authorized process flow of the concerned office (for standard procedure)

Instructions in Filling the Form

1 Discuss and decide on the boundaries of your process.
* Where or when does the process start? Where or when does it end?

2 Arrange and document the activities in proper sequence.

Table 1:

	LIST OF ACTIVITIES
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Banks-Commercial, Industrial and Development, and verify the completeness of the requirements.
2	Encode the application in the system and check the correctness of the entries.
3	Prepare and print the Tax Order of Payment.
4	Receive payment and issue Official Receipt.
5	Sign and approve the application by the Municipal Treasurer and BPLO.
6	Prepare and approve Mayor's Permit.
7	Record and release the Mayor's Permit to the applicant.
8	Conduct actual inspection of the business establishment.

STEP 2: IDENTIFY THE RESOURCES FOR EACH ACTIVITY

Instructions in Filling the Form

1 Identify the offices and all key people involved with each activity. Identify official position.
* For standardization, base the information on the Citizen's Charter or the duly authorized process flow for standard procedure.
* This includes those who do the work in the process: suppliers, customers and supervisors.

2 List down the materials and resources utilized in each stage.

Table 2:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Banks-Commercial, Industrial and Development, and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jheian Richelle Lipao/Admin Aide I	Linen Paper A4
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Memt. Specialist**)	Inspection Checklist/Form

STEP 3: CLASSIFY ACTIVITIES INTO "ROUTINE" AND "SPECIAL"

Instructions in Filling the Form

1 Classify the activities into whether they are:
* Routine(same procedure and effort for each applicant)
* Special (usually the vital part of the process and varies according to the type and/or complexity of the business of the applicant)

Note: **It is highly suggested to identify one (1) special step.**
- **However, it can be two (2) or more. In that case, it will have an impact on the weight of the Special Variable Component.**
- **It may also yield that there is no special step in the whole process. In that case, the normal costing procedure is applicable and the computation will not involve a Special Variable Component.**

Table 3:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL	TYPE OF ACTIVITY
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Banks-Commercial, Industrial and Development, and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen	Routine
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-	Routine
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink	Routine
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt	Routine
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-	Routine
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jheian Richelle Lipao/Admin Aide I	Linen Paper A4	Routine
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook	Routine
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Memt. Specialist**)	Inspection Checklist/Form	Special

STEP 4. QUANTIFY THE VARIABLE COST FOR ROUTINE ACTIVITIES

STEP 4.A PERSONNEL COSTS

Instructions in Filling Up the Form

Column 1- Base it on the staff identified as directly involved in the Routine Activities of the subject service. The actual number may be obtained from the Citizen's Charter or authorized office process flow, including the list of contractual positions for the particular service/s being rendered.

Column 2 - Match the salary grade for each staff. The salary grade data will be available at the Citizen's Charter, HR, Accounting, or Budget Office of the City.

Column 3 - Fill out the salary rate per month for each staff. The salary rates per month may be obtained from HR, Accounting, or Budget offices of the LGU.

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months

Column 5. Identify all other remunerations regularly received by the staff. Data will be available at the City Budget or Accounting Department. In case data will not be readily available, other benefits can be represented by computing 20% of the annual salary.

Column 6. Sum up columns 4 and 5, and multiply it by 80%. The 20% covers lag time usually allotted to attendance in seminars/trainings, leaves, and other admin activities not related to the service. LGUs may also devise other method to determine the annual % of time assigned in the delivery of subject service, exclusive of lag time.

Column 7. Approximate the annual percentage of time each staff performs the task directly related to the activity. Data shall be provided by the head of units performing the service, e.g., if exclusively doing such task, then put 100%.

Column 8. Get the total personnel cost attributable to Routine Activities by adding the cost for each staff involved in delivering the service.

Table 4: Personnel Cost

Name and Position	Compensation					% Time assigned in the delivery of Mayor's Permit Banks-Commercial, Industrial and Development	Annual Cost of the Service
	SG-Step	Monthly Salary	Annual Salary	Other Benefits	Annual Compensation		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Carmelita M. Palma - Acting MT	SG14/S1	27,768.00	333,216.00	253,536.00	469,401.60	0.07%	328.58
Aileen Rose A. Tantoy - LRCO I/BPLO	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.20	0.09%	263.69
Luzviminda A. Datoy - RCC III	SG9/S1	17,420.00	209,040.00	82,840.00	233,504.00	0.08%	186.80
Nora D. Ogdoc - Admin Aide	SG1/S1	10,623.00	127,476.00	69,246.00	157,377.60	0.06%	94.43
Nestor S. Valeroso - Mayor	SG27/S3	106,997.00	1,283,964.00	441,994.00	1,380,766.40	0.05%	690.38
Jhelan Richelle Lipao - Admin Aide	SG1/S1	10,546.00	126,552.00	69,092.00	156,515.20	0.06%	93.91
							-
							-
							-
							-
							-
			-		-		-
			-		-		-
			-		-		-
						TOTAL	1,657.79

STEP 4.B COST OF TRANSPORTATION

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection

Column 2. Identify the number of vehicles used for inspection.

Column 3. Verify unit cost of vehicle

Column 4. Determine the total cost by multiplying columns 2 and 3

Column 5. Apply the depreciation rate (Note: Economic life of a vehicle is 10 years)

Column 6. Compute for the annual depreciation cost by multiplying columns 4 and 5.

Column 7. Verify from the City Accounting Office the actual amount spent for maintenance of the vehicle used for inspection. In the absence of actual data, the amount can be computed by multiplying column 5 by 20%.

Column 8. Determine the frequency of use of the vehicle. In the specific case sample, half day use from February to November is 44/52 weeks x .5 days. Note that the LGUs may devise other method to determine the actual frequency of use of vehicle.

Column 9. Compute the cost of vehicle for inspection by adding columns 6 and 7 thenmultiply the frequency of use in column 8.

Table 5:

Variable Cost - Vehicle

List of Vehicle/s	Number of Vehicles	Unit Cost	Total Cost	Depreciation Rate/Year	Annual Depreciation Cost	Maintenance cost	Percentage of use for inspection per week	Annual cost of vehicle for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)
					-			-
							TOTAL	-

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection

Column 2. Identify the number of vehicles used for inspection

Column 3. Verify the average cost of fuel per liter

Column 4. Check the average weekly consumption in liters

Column 5. There are 52 weeks in one year. Identify the number of weeks the vehicles(s) has been used in a year.

Column 6. Compute for annual cost of fuel for 1 year by multiplying columns 2, 3, 4 and 5.

Column 7. Determine the percentage for the frequency of use of the vehicle for inspection. In the specific case sample, half day use from February to November is 44/52 weeks X .5 days. Note that the LGUs may devise other method to determine the actual percentage for the frequency of use of the vehicle.

Column 8. Compute the cost of fuel for inspection activities by multiplying columns 6 and 7.

Table 6:

Variable Cost - Fuel

List of vehicle/s	Number of Vehicles	Average Cost per liter	Ave. weekly consumption in liters	Number of weeks in one year	Annual Cost of fuel for the vehicle	Percentage of use for inspection per week	Annual cost for Fuel for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
					-		-
						TOTAL	-

If the LGU does not provide vehicles for inspection, but only allows the reimbursement of actual transportation expenses, the annual cost should be computed by determining the monthly reimbursements multiplied by 12

Table 7:

Variable Cost - Allowance/Reimbursement for Fuel

Name and Position	Transportation Cost based on Allowance/Reimbursements		% Time assigned in the delivery of the "Mayor's Permit:Banks-Commercial,Industrial and Development"	Annual Cost of the Service
	Average Monthly	Annual Allowance	(col 4)	
(col 1)	(col 2)	(col 3)		(col 5)
Aileen Rose A. Tantoy - LRCO I/BPLO	300	1,200	6%	72.00
Maximo D. Guarte- Sanitary Inspector	300	1,200	6%	72.00
Joegie E. Cabatuan-Admin. Aide VI	300	1,200	5%	60.00
Kathleen Jay U. Orosco-Admin Aide IV	300	1,200	5%	60.00
Anthony Rengel-Agri'l Technologist	300	1,200	5%	60.00
Rachel Ontolan-Envi.Mgt. Specialist	300	1,200	5%	60.00
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
			TOTAL	384.00

TOTAL OF VEHICLE AND FUEL:	-

STEP 4.C OTHER VARIABLE COSTS

Instructions in Filling the Form

Column 1. List down the supplies, materials and other resources which are issued to each applicant or varies directly with the number of applicants.

Column 2. Count all filled application forms, schedule slips, results forms, etc., and those issued with official receipts. Consider if applicants were successfully processed and approved, and provided with new business plate, stickers and/or certificates.

Column 3. Secure the unit cost for each and every item identified as other variable cost from the City Accounting Office.

Column 4. Compute for the annual other variable cost by multiplying column 2 and column 3

Table 8:

Variable Cost - Other variable cost

Particulars	Annual Number of Applications	Cost/Measuring unit (Php)	Annual cost (Php)
(col 1)	(col 2)	(col 3)	(col 4)
	2		
Bond paper	6	0.50	3.00
Official Receipts	4	3.40	13.60
Linen Paper A4	2	2.00	4.00
			-
			-
			-
			-
		TOTAL	20.60

Instructions for Filling Up the Form

Column 1 - List all identified variable costs.

Column 2 - Fill up the variable costs for the "Subject Service" and reflect the sum of all entries of each cell to total

Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Variable Cost Per Application.

Table 9:

Summary Table- Variable Costs

	Total	Estimated Routine Variable Cost Per Application
Annual Number of Applications	2	
Variable Costs		
Routine Personnel	1,657.79	828.90
Travel Reimbursement	384.00	192.00
Other Supplies/Forms/Materials	20.60	10.30
TOTAL	2,062.39	1,031.20

STEP 5. ALLOCATE THE VARIABLE COST FOR SPECIAL ACTIVITIES

Name and position	SG/Step	Monthly Salary	Annual Salary	Other compensation	Total Annual Compensation	% time allocated for the service	Annual cost of service for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Aileen Rose A. Tantay	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.28	0.18%	527.38
Maximo D. Guarte	SG8/S8	19,963.00	239,556.00	87,926.00	261,985.60	0.17%	445.38
Joegie E. Cabotaje	SG8/S3	14,537.00	174,444.00	77,074.00	201,214.40	0.15%	301.82
Kathleen Joy U. Orozco	SG4/S2	12,719.00	152,628.00	73,438.00	180,852.80	0.15%	271.28
Anthony Rangel	SG10/S1	19,198.00	230,280.00	86,380.00	253,328.00	0.15%	379.99
Rachel Ostolan	SG15/S1	30,453.00	365,436.00	108,906.00	379,473.60	0.15%	569.21
			-		-		-
						TOTAL	2,495.06

Instructions in Filling the Form

Column 1 - List the staff assigned to the "Special" Activity/ies.
Column 2 - Match the salary grade for each staff
Column 3 - Fill out the salary rate/month for each staff.
Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months
Column 5. Identify all other remunerations regularly received by the staff. Other benefits include RATA, PERA, year end benefits and other remunerations received
Column 6. Sum up columns 4 and 5
Column 7. Estimate the annual % of time each staff performs directly to the issuance of the subject service. The rate shall be provided by the concerned unit head.
Column 8. Get the total cost for the Special Activity by adding the cost for each staff involved in delivering the service
Proceed to the weight allocation. (The weight allocation may vary depending on the appropriate basis to the scenario within an LGU)

Basis (2) Simple and Complex

CATEGORIES	No. of Personnel	Weight	Allocation
Simple		#DIV/0!	#DIV/0!
Complex		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!

*Here, they chose to apply or the weight allocation based on the combination of the previous two options

** In here, Manufacturers and Contractors were viewed to have both simple and complex business structures

*** Hence, the further breakdowns to simple and complex when the classifications of Manufacturers and Contractors

Basis (1) Per Business Classification

CLASSIFICATION	Weight	Allocation
Manufacturer		#DIV/0!
Wholesalers		#DIV/0!
Exporters		#DIV/0!
Retailers		#DIV/0!
Contractors		#DIV/0!
Banks and other institutions		#DIV/0!
Peddlers		#DIV/0!
Others		#DIV/0!
	0	#DIV/0!

Weight Allocation According to Complexity and Business Classification

	BUSINESS CLASSIFICATION		Simple Weight	Complex Weight	Total	Simple	Complex
With Complex	Manufacturer	#DIV/0!				#DIV/0!	#DIV/0!
	Wholesalers	#DIV/0!				#DIV/0!	
	Exporters	#DIV/0!				#DIV/0!	
	Retailers	#DIV/0!				#DIV/0!	
With Complex	Contractors	#DIV/0!				#DIV/0!	#DIV/0!
	Banks and other inst	#DIV/0!				#DIV/0!	
	Peddlers	#DIV/0!				#DIV/0!	
	Others	#DIV/0!				#DIV/0!	
						#DIV/0!	#DIV/0!

Note: Other basis may be used (e. g. the DTI classification as to Cottage, Small, etc)

STEP 6. ESTIMATE AND DISTRIBUTE THE FIXED COSTS

STEP 6.A COST OF OFFICE SPACE

Instruction in Filling Up the Form

Column 1 - Describes the cost formula for determining share of office cost for delivering "Subject Service". Determine the cost of construction per square meter (approximately P20,000/sq.m.) and the floor area of the entire City Hall. The building construction cost is the product of the two values. Knowing the floor area occupied by the different offices delivering the "Subject Service", its proportionate share in the total floor area of the city hall multiplied by cost of constructing the building will be the cost of office space occupied. The annual depreciation rate is 4% since the normal economic life of reinforced concrete structures is 25 years. We can compute for the annual depreciation expense by multiplying the cost of office space occupied by depreciation rate and approximately the annual maintenance cost by apportioning 20% of the annual depreciation expenses. The 20% is used whenever actual data from the Accounting Office is unavailable. The share of cost for delivering "Subject Service" can be computed by adding annual depreciation expense and annual maintenance cost multiplied by the percent of work by the Office utilized for delivering the "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 10:

Fixed Cost - Office Space (Owned by the LGU)

Particulars	Offices Involved in the delivery of "Mayor's Permit: Bank-Commercial, Industrial and Development" Fee
(col 1)	(col 2)
Construction Cost (per sq m)	14,751.85
Floor area of City Hall (sq m)	1,080.00
Building Construction Cost (Php)	15,913,000.00
Office Area Occupied (sq. m)	72.00
Cost of Office Area Occupied (Php)	1,060,866.67
Depreciation Rate (%)	3%
Annual Depreciation Expense (Php)	503,911.66
Annual Maintenance Cost (Php)	100,782.33
Percent of Work for "Mayor's Permit: Bank-Commercial,Industrial and Development" (%)	0.41%
Share of Cost attributable to delivering the service (Php)	2,479.25

Instructions for Filling Up the Form

Column 1 - Determine the monthly rental rate and multiply by the number of months the office space was rented to know the annual cost for rental. Add actual cost for maintaining the Office space. If the actual data is not available add 20% of the annual cost of rental to determine the annual cost for rented office space. The annual fixed cost for rented office space attributable to rendering the service is the annual cost of rented office space multiplied by the proportion of time used for "Subject Service" services in relation to the total responsibility of the Office delivering the service

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 11:

Fixed Cost - Office Space (Rented by the LGU)

Particulars	Offices Involved in the delivery of "Subject Service" Fee
(col 1)	(col 2)
Rental rate per month	
Number of months use	
Annual cost of rental	-
Maintenance Cost	-
Annual cost of rented office space	-
Percentage of time used for the delivery of the service in relation to the responsibility of the Office	
Annual fixed cost (rented office space) attributable to delivering the service	-

STEP 6.C COST OF EQUIPMENT AND FURNITURE

Instructions in Filling the Form

Column 1. Identify all the equipment, and other facilities used for the delivery of the subject service.
Column 2. Count the number of each type of equipment or facility.
Column 3. Verify acquisition cost from the Accounting Unit.
Column 4. Compute for the total cost of acquisition by multiplying columns 2 and 3.
Column 5. Compute for the annual depreciation rate by dividing 100% with the estimated economic life in years.
Column 6. Compute the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Secure from the City Accounting Office the actual amount spent for maintenance of equipment/furniture used delivery of the subject service. In the absence of actual data, the amount can be computed by multiplying column 6 by 20%.
Column 8. Add Columns 6 and 7 to determine the annual cost of equipment/facility.
Column 9. Determine the % of time used for delivering the specific service in relation to responsibilities of the office involved in delivering the subject service.
Column 10. Compute for the annual cost share for equipment and funiture by multiplying columns 8 & 9.

Table 15:

Fixed Cost - Equipment and Furniture

Particulars	Number of Units	Acquisition Cost	Total Cost	Depreciation Rate	Annual Depreciation Cost	Maintenance Cost	Total Annual Cost	% Used for delivering the Service	Annual Cost Share for Equipment and Furniture
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)	(col 10)
A. Equipment									
Air Condition	3	35,000	105,000.00	20%	21,000	4,200	25,200	3.00%	756.00
Computers	3	50,000	150,000.00	20%	30,000	6,000	36,000	3.00%	1,080.00
Photocopier			-		-	-	-		-
								Sub-Total	1,836.00
B. Furniture									
Filing Cabinets	2	5,000	10,000.00	10%	1,000	200	1,200	3.00%	36.00
Tables and Chairs	4	2,000	8,000.00	10%	800	160	960	3.00%	28.80
								Sub-Total	64.80
								TOTAL	1,900.80

STEP 6.B UTILITIES

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of electricity cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the cost of electricity rate per kilowatt hour and the kilowatt consumption/hour of the Office delivering the service. The regular operations of a City Office is 7:30am-5:30pm or 10 hrs and there are approximately 260 days per year. The annual cost of electricity for the ofices delivering the service is the product of the electricity rate per kwh, the kilowatt consumption per hour of the office, the number of operating hours per days, and the number of operating days per year. The percent of work to be considered is an approximation by the head of unit delivering the service in relation to its total responsibilities. When known, the net cost of electricity attributed to delivery of service shall be the annual cost of electricity for the office multiplied by the percent of work devoted by the office for "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 12:

Cost of Electricity

Particulars	Offices involved in the delivery of "Mayor's Permit:Bank-Commercial, Industrial and Development" Fee
(col 1)	(col 2)
Electricity rate per kilowatt hour (Php)	17.07
Kilowatt consumption/hour for the unit delivering the service	5.63
Number of operating hours per day	8.00
Number of days per year	264.00
Electricity cost per year	202,971.86
Percent of work for the service rendered	0.41%
Net electricity cost attributed to "Subject Service" service	832.18

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of water cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the number of people directly related to the processing and issuance of "Subject Service". The estimated water bill per person per month is P100. The net cost of water attributed to the delivery of "Subject Service" can be computed by the estimated water bill of the office per year multiplied by the percent of "Subject Service" work performed by the office in relation to the total responsibilities assigned to the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 13:

Cost of Water

Particulars	Offices involved in the delivery of "Mayor's Permit:Bank-Commercial, Industrial and Development" Fee
(col 1)	(col 2)
Number of People	10
Water bill per person per month	77.50
Estimated water bill of the office per year	9,300.00
Percent of work for the service rendered	0.41%
Net cost of water attributed to delivery of "Subject Service".	38.13

Instructions for Filling Up the Form

Column 1. The cost of telephone can be computed by knowing the number of telephone lines available in the Office and the monthly subscription rate per month. The annual cost of telephone services is the number of telephone lines multiplied by the monthly subscription rate over a period of twelve months. The net cost of telephone services attributed to processing and issuance of mayors permit is the annual cost of telephone services multiplied by the percent of work performed by the Office in processing and issuance of "Subject Service" in as a percentage of the total responsibilities of the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 14:

Cost for Communication

Particulars	Offices involved in the delivery of "Mayor's Permit:Bank-Commercial, Industrial and Development" Fee
(col 1)	(col 2)
Number of telephone/cellphone lines in the Office delivering the	
Rate of subscription per month	
Annual cost of telephone/mobile services	
Percent of work for the service rendered	
Net cost of telephone/mobile services attributed to processing	

STEP 6.D OTHER FIXED COST

Instructions in Filling the Form

Column 1. Identify Offices delivering the "Subject Service" fee and the type of other fixed costs significant for their operation. In the particular example, these are cost for internet subscription and regular office supplies for the offices involved in delivering the "Subject Service".

Column 2. Verify actual office expenses from the LGU Accounting Office. If data are hard to get, reflect the budget allocation of each office (c/o LGU Budget Office).

Column 3. Determine the percentage of time used by the Office in delivering the specific service in relation to its total responsibilities.

Column 4. Compute for the other variable cost by multiplying column 2 and column 3.

NOTE: Note: The LGU may have other major fixed costs not mentioned in this illustration. When costs are significant, those fixed cost must be identified and added in the template. Conversely, costs that are negligible may be dropped from the calculations.

Table 16:

Other Fixed Cost

Particulars	Annual Rate	Percent of Use for "Mayor's Permit: Bank-Commercial,Industrial and Development" Fees	Annual Cost
(col 1)	(col 2)	(col 3)	(col 4)
Internet Services	18000	1%	180.00
Regular Office Supplies			-
Information Tech Team			-
Security Team			
Janitorial Team			
Reception Services			
		Total	180.00

Instructions for Filling Up the Form

Column 1 - List all identified fixed costs.
Column 2 - Fill up the fixed costs for the "Subject Service" and reflect the sum of all entries of each cell under "Total".
Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Fixed Cost Per Application.

Table 17:

Summary Table - Fixed Costs

Fixed Cost	Total	Estimated Routine Fixed Cost Per Application
(col 1)	(col 2)	(col 3)
Annual Number of Applications	2	
Office Space	2,479.25	1,239.62
Utilities	870.31	435.16
Electricity	832.18	416.09
Water	38.13	19.07
Communication	-	-
Equipment and Furniture	1,900.80	950.40
Other Fixed Cost	180.00	90.00
TOTAL	5,430.36	2,715.18

STEP 7. COMPARE FEE WITH COST OF DELIVERING SERVICES

Name of Fee/Charge: Mayor's Permit: Commercial, Industrial and Development Banks

Fee Rate Estimation Using Costs of Issuing Permits Plus Cost of Surveillance		Comparison with Current Fee Rates		Difference	% Variance (-/+)	Remaks:Reasonable/Not Reasonable
Total Cost	*9,987.81*	**Total Collection on Fees and/or Charges**	*10,000.00*	12.19	0.00	Reasonable
Number of Applications Processed	*2*	**Number of Applications Processed**	*2*			
Average Fee Rate	*4,993.90*	**Average Fee Rates**	*5,000.00*	6.10	0.00	

Instructions for Filling

(1) For every fee or charge, compare Total Revenue with Total Cost of delivering the subject service based on the results of the foregoing procedures.
(2) Compute the difference and determine the corresponding variance. If it yields a variance (-/+) of more than 10%, the LGU is either subsidizing (-) or generating revenues (+) in relation to the subject Service. 8

(3) Input the results in a summary form using Table 23 for ease in reference and appreciation during the review and deliberation of the results of the Toolkit.
(4) If so, then the LGU must submit, along with the report of the results, a proposed Rationalization of Fees and Charges using the options.

EXAMPLE:

Compare Fee with Cost of Delivering Services					
Fee Rate Estimation using Costs of Issuing permits plus cost of surveillance		**Comparison with Current Fee Rates**			
Total Cost	*9,987.81*	**Total Revenue**	*10,000.00*	12.19	
Total Number of Applicants	*2*	**Number of Applications Processed**	*2*		
Average Fee Rate	*4,993.90*	**Average Fee Rates**	*5,000.00*	6.10	

10,594.00 Total

Scenario 1	% of Applicants	Number of Applicants	Cost (with weight)	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application			
Simple	#DIV/0!		#DIV/0!	#DIV/0!	1,031.20	2,715.18	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Complex	#DIV/0!		#DIV/0!	#DIV/0!	1,031.20	2,715.18	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!	-	#DIV/0!				#DIV/0!			#DIV/0!

Classification	Allocation	% of Applicants	Number	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application			
Manufacturer	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Wholesalers	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Exporters	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Retailers	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Contractors	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Banks and other institutions	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Peddlers	#DIV/0!									
Others	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!
	Total	0%								
		100%								

Ok ok

235801.42		#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
235801.42		#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
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		#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
								#DIV/0!

Summary of Rationalized Local Fees and Charges

Local Fee/Charge	Current Rate	Rationalized Rate	% Variance	Remarks/Recommended Rate
Mayor's Permit on Banks-Commercial, Industrial and Development	5,000.00	4,993.90	0.00	Maintain at 5,000.00

STEP 1: MAP YOUR PROCESS FLOW

Note:
- A flowchart is a picture of the separate steps involved in a given process, presented in sequential order.
- Particularly helpful in analyzing and identifying areas for improvement by showing inefficiencies in the system.
- Also, it is useful in costing analysis.
- For this template, it is not necessary to use the various diagrams and boxes normally used in process flowcharts.

Instructions in Filling the Form

1 Discuss and decide on the boundaries of your process.
  * Where or when does the process start? Where or when does it end?
2 Arrange and document the activities in proper sequence.

Table 1:

	LIST OF ACTIVITIES
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for , and verify the completeness of the requirements.
2	Encode the application in the system and check the correctness of the entries.
3	Prepare and print the Tax Order of Payment.
4	Receive payment and issue Official Receipt.
5	Sign and approve the application by the Municipal Treasurer and BPLO.
6	Prepare and approve Mayor's Permit.
7	Record and release the Mayor's Permit to the applicant.
8	Conduct actual inspection of the business establishment.

STEP 2: IDENTIFY THE RESOURCES FOR EACH ACTIVITY

Instructions in Filling the Form

1 Identify the offices and all key people involved with each activity. Identify official position.

  * This includes those who do the work in the process: suppliers, customers and supervisors.
2 List down the materials and resources utilized in each stage.

Table 2:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for , and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jheian Richelle Lipao/Admin Aide I	Linen Paper A4
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form

STEP 3: CLASSIFY ACTIVITIES INTO "ROUTINE" AND "SPECIAL"

Instructions in Filling the Form

1 Classify the activities into whether they are:

It is highly suggested to identify one (1) special step.
- However, it can be two (2) or more. In that case, it will have an impact on the weight of the Special Variable Component.
- It may also yield that there is no special step in the whole process. In that case, the normal costing procedure is applicable and the computation will not involve a Special Variable Component.

Table 3:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL	TYPE OF ACTIVITY
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for , and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen	Routine
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-	Routine
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink	Routine
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt	Routine
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-	Routine
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jheian Richelle Lipao/Admin Aide I	Linen Paper A4	Routine
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook	Routine
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form	Special

STEP 4. QUANTIFY THE VARIABLE COST FOR ROUTINE ACTIVITIES

STEP 4.A PERSONNEL COSTS

Instructions in Filling Up the Form

Column 1- Base it on the staff identified as directly involved in the Routine Activities of the subject service. The actual number may be obtained from the Citizen's Charter or authorized office process flow, including the list of contractual positions for the particular service/s being rendered.

Column 2 - Match the salary grade for each staff. The salary grade data will be available at the Citizen's Charter, HR, Accounting, or Budget Office of the City.

Column 3 - Fill out the salary rate per month for each staff. The salary rates per month may be obtained from HR, Accounting, or Budget offices of the LGU.

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months

Column 5. Identify all other remunerations regularly received by the staff. Data will be available at the City Budget or Accounting Department. In case data will not be readily available, other benefits can be represented by computing 20% of the annual salary.

Column 6. Sum up columns 4 and 5, and multiply it by 80%. The 20% covers lag time usually allotted to attendance in seminars/trainings, leaves, and other admin activities not related to the service. LGUs may also devise other method to determine the annual % of time assigned in the delivery of subject service, exclusive of lag time.

Column 7. Approximate the annual percentage of time each staff performs the task directly related to the activity. Data shall be provided by the head of units performing the service, e.g., if exclusively doing such task, then put 100%.

Column 8.Get the total personnel cost attributable to Routine Activities by adding the cost for each staff involved in delivering the service.

Table 4: Personnel Cost

Name and Position	Compensation					% Time assigned in the delivery of	Annual Cost of the Service
	SG-Step	Monthly Salary	Annual Salary	Other Benefits	Annual Compensation		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Carmelita M. Palma - Acting MT	**SG14/S1**	**27,768.00**	**333,216.00**	**253,536.00**	**469,401.60**	**0.15%**	**704.10**
Aileen Rose A. Tantoy - LRCO I/BPLO	**SG11/S1**	**22,731.00**	**272,772.00**	**93,462.00**	**292,987.20**	**0.18%**	**527.38**
Luzviminda A. Datoy - RCC III	**SG9/S1**	**17,420.00**	**209,040.00**	**82,840.00**	**233,504.00**	**0.16%**	**373.61**
Nora D. Ogdoc - Admin Aide	**SG1/S1**	**10,623.00**	**127,476.00**	**69,246.00**	**157,377.60**	**0.13%**	**204.59**
Nestor S. Valeroso - Mayor	**SG27/S3**	**106,997.00**	**1,283,964.00**	**441,994.00**	**1,380,766.40**	**0.10%**	**1,380.77**
Jhelan Richelle Lipao - Admin Aide	**SG1/S1**	**10,546.00**	**126,552.00**	**69,092.00**	**156,515.20**	**0.13%**	**203.47**
							-
							-
							-
							-
							-
			-		-		-
			-		-		-
			-		-		-

STEP 4.B COST OF TRANSPORTATION

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection.
Column 3. Verify unit cost of vehicle
Column 4. Determine the total cost by multiplying columns 2 and 3
Column 5. Apply the depreciation rate (Note: Economic life of a vehicle is 10 years)
Column 6. Compute for the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Verify from the City Accounting Office the actual amount spent for maintenance of the vehicle used for inspection. In the absence of actual data, the amount can be computed by multiplying column 5 by 20%.

Column 8. Determine the frequency of use of the vehicle. In the specific case sample, half day use from February to November is 44/52 weeks x .5 days. Note that the LGUs may devise other method to determine the actual frequency of use of vehicle.
Column 9. Compute the cost of vehicle for inspection by adding columns 6 and 7 then multiply the frequency of use in column 8.

Table 5:

Variable Cost - Vehicle

List of Vehicle/s	Number of Vehicles	Unit Cost	Total Cost	Depreciation Rate/Year	Annual Depreciation Cost	Maintenance cost	Percentage of use for inspection per week	Annual cost of vehicle for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)
					-			-

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection
Column 3. Verify the average cost of fuel per liter
Column 4. Check the average weekly consumption in liters
Column 5. There are 52 weeks in one year. Identify the number of weeks the vehicle(s) has been used in a year
Column 6. Compute for annual cost of fuel for 1 year by multiplying columns 2, 3, 4 and 5.
Column 7. Determine the percentage for the frequency of use of the vehicle for inspection. In the specific case sample, half day use from February to November is 44/52 weeks x .5 days. Note that the LGUs may devise other method to determine the actual percentage for the frequency of use of the vehicle.
Column 8. Compute the cost of fuel for inspection activities by multiplying columns 6 and 7.

Table 6:

Variable Cost - Fuel

List of vehicle/s	Number of Vehicles	Average Cost per liter	Ave. weekly consumption in liters	Number of weeks in one year	Annual Cost of fuel for the vehicle	Percentage of use for inspection per week	Annual cost for Fuel for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
					-		-

If the LGU does not provide vehicles for inspection, but only allows the reimbursement of actual transportation expenses, the annual cost should be computed by determining the monthly reimbursements multiplied by 12

Table 7:

Variable Cost - Allowance/Reimbursement for Fuel

Name and Position	Transportation Cost based on Allowance/Reimbursements		% Time assigned in the delivery of the " "	Annual Cost of the Service
	Average Monthly	Annual Allowance		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)
Aileen Rose A. Tantoy - LRCO I/BPLO	300	1,200	6%	72.00
Maximo D. Guarte- Sanitary Inspector	300	1,200	6%	72.00
Joegie E. Cabatuan-Admin. Aide VI	300	1,200	5%	60.00
Kathleen Jay U. Orozco-Admin Aide IV	300	1,200	5%	60.00
Anthony Rengel-Agri'l Technologist	300	1,200	5%	60.00
Rachel Ontolan-Envi.Mgt. Specialist	300	1,200	5%	60.00
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
				-
				-

STEP 4.C OTHER VARIABLE COSTS

Instructions in Filling the Form

Column 1. List down the supplies, materials and other resources which are issued to each applicant or varies directly with the number of applicants.

Column 2. Count all filled application forms, schedule slips, results forms, etc., and those issued with official receipts. Consider if applicants were successfully processed and approved, and provided with new business plate, stickers and/or certificates.

Column 3. Secure the unit cost for each and every item identified as other variable cost from the City Accounting Office.

Column 4. Compute for the annual other variable cost by multiplying column 2 and column 3

Table 8:

Variable Cost - Other variable cost

Particulars	Annual Number of Applications	Cost/Measuring unit (Php)	Annual cost (Php)
(col 1)	(col 2)	(col 3)	(col 4)
	2		
Bond paper	6	0.50	3.00
Official Receipts	4	3.40	13.60
Linen Paper A4	2	2.00	4.00
			-
			-
			-
			-
		TOTAL	[illegible]

Instructions for Filling Up the Form

Column 1 - List all identified variable costs.

Column 2 - Fill up the variable costs for the "Subject Service" and reflect the sum of all entries of each cell to total

Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Variable Cost Per Application.

Table 9:

Summary Table- Variable Costs

	Total	Estimated Routine Variable Cost Per Application
Annual Number of Applications	2	
Variable Costs		
Routine Personnel	3,393.91	1,696.96
Travel Reimbursement	384.00	192.00
Other Supplies/Forms/Materials	20.60	10.30
TOTAL	3,798.51	1,899.26

STEP 5. ALLOCATE THE VARIABLE COST FOR SPECIAL ACTIVITIES

Name and position	SG/Step	Monthly Salary	Annual Salary	Other compensation	Total Annual Compensation	[illegible]	[illegible]
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Aileen Rose A. Tantoy	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.20	0.25%	732.47
Rizalino O. Guarte	SG6/S8	19,963.00	239,556.00	87,926.00	261,985.60	0.25%	654.96
Joegie E. Cabatuan	SG6/S3	14,537.00	174,444.00	77,074.00	201,214.40	0.24%	482.91
Kathleen Jay U. Orozco	SG4/S2	12,719.00	152,628.00	73,438.00	180,852.80	0.24%	434.05
Anthony Reogel	SG10/S1	19,190.00	230,280.00	86,380.00	253,328.00	0.24%	607.99
Rachel Ontolan	SG15/S1	30,455.00	365,436.00	108,906.00	379,473.60	0.24%	910.74

Instructions in Filling the Form

Column 1 - List the staff assigned to the "Special" Activities

Column 2 - Match the salary grade for each staff

Column 3 - Enter the salary rate/monthly for each staff

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months

Column 5 - Identify all other compensations regularly received by the staff. Other benefits such as RATA, PERA, year end benefits and other remuneration not considered as basic salary

Column 6 - Sum up columns 4 and 5

Column 7 - Estimate the annual % of time each staff performs activity to the success of the support service. The estimate is provided by the concerned unit head

Column 8 - Get the total cost for the Special Activity by adding the cost for each staff computed under column 7

Basis (2) Simple and Complex

CATEGORIES	No. of Personnel	Weight	Allocation
Simple		#DIV/0!	#DIV/0!
Complex		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!

Basis (1) Per Business Classification

CLASSIFICATION	Weight	Allocation
Manufacturer		#DIV/0!
Wholesalers		#DIV/0!
Exporters		#DIV/0!
Retailers		#DIV/0!
Contractors		#DIV/0!
Banks and other institutions		#DIV/0!
Peddlers		#DIV/0!
Others		#DIV/0!
	0	#DIV/0!

Weight Allocation According to Complexity and Business Classification

BUSINESS CLASSIFICATION			Simple Category Weight	Complex Category Weight	Total	Simple	Complex
With Complex	Manufacturer	#DIV/0!				#DIV/0!	#DIV/0!
	Wholesalers	#DIV/0!				#DIV/0!	
	Exporters	#DIV/0!				#DIV/0!	
	Retailers	#DIV/0!				#DIV/0!	
With Complex	Contractors	#DIV/0!				#DIV/0!	#DIV/0!
	Banks and other institutions	#DIV/0!				#DIV/0!	
	Peddlers	#DIV/0!				#DIV/0!	
	Others	#DIV/0!				#DIV/0!	
						#DIV/0!	#DIV/0!

Note: Other basis may be used (e. g. the DTI classification as to Cottage, Small, etc)

STEP 6. ESTIMATE AND DISTRIBUTE THE FIXED COSTS

STEP 6.A COST OF OFFICE SPACE

Instruction in Filling Up the Form

Column 1 - Describes the cost formula for determining share of office cost for delivering "Subject Service". Determine the cost of construction per square meter (approximately P20,000/sq.m.) and the floor area of the entire City Hall. The building construction cost is the product of the two values. Knowing the floor area occupied by the different offices delivering the "Subject Service", its proportionate share in the total floor area of the city hall multiplied by cost of constructing the building will be the cost of office space occupied. The annual depreciation rate is 4% since the normal economic life of reinforced concrete structures is 25 years. We can compute for the annual depreciation expense by multiplying the cost of office space occupied by depreciation rate and approximately the annual maintenance cost by apportioning 20% of the annual depreciation expenses. The 20% is used whenever actual data from the Accounting Office is unavailable. The share of cost for delivering "Subject Service" can be computed by adding annual depreciation expense and annual maintenance cost multiplied by the percent of work by the Office utilized for delivering the "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 10:

Fixed Cost - Office Space (Owned by the LGU)

Particulars	Offices Involved in the delivery of " " Fee
(col 1)	(col 2)
Construction Cost (per sq m)	14,751.85
Floor area of City Hall (sq m)	1,080.00
Building Construction Cost (Php)	15,913,000.00
Office Area Occupied (sq. m)	72.00
Cost of Office Area Occupied (Php)	1,060,866.67
Depreciation Rate (%)	3%
Annual Depreciation Expense (Php)	503,911.66
Annual Maintenance Cost (Php)	100,782.33
Percent of Work for " " (%)	0.85%
Share of Cost attributable to delivering the service (Php)	

Instructions for Filling Up the Form

Column 1 - Determine the monthly rental rate and multiply by the number of months the office space was rented to know the annual cost for rental. Add actual cost for maintaining the Office space. If the actual data is not available add 20% of the annual cost of rental to determine the annual cost for rented office space. The annual fixed cost for rented office space attributable to rendering the service is the annual cost of rented office space multiplied by the proportion of time used for "Subject Service" services in relation to the total responsibility of the Office delivering the service

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 11:

Fixed Cost - Office Space (Rented by the LGU)

Particulars	Offices Involved in the delivery of "Subject Service" Fee
(col 1)	(col 2)
Rental rate per month	
Number of months use	
Annual cost of rental	-
Maintenance Cost	-
Annual cost of rented office space	-
Percentage of time used for the delivery of the service in relation to the responsibility of the Office	
Annual fixed cost (rented office space) attributable to delivering the service	

STEP 6.C COST OF EQUIPMENT AND FURNITURE

Instructions in Filling the Form

Column 1. Identify all the equipment, and other facilities used for the delivery of the subject service.
Column 2. Count the number of each type of equipment or facility.
Column 3. Verify acquisition cost from the Accounting Unit.
Column 4. Compute for the total cost of acquisition by multiplying columns 2 and 3.
Column 5. Compute for the annual depreciation rate by dividing 100% with the estimated economic life in years.
Column 6. Compute the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Secure from the City Accounting Office the actual amount spent for maintenance of equipment/furniture used delivery of the subject service. In the absence of actual data, the amount can be computed by multiplying column 6 by 20%.
Column 8. Add Columns 6 and 7 to determine the annual cost of equipment/facility.
Column 9. Determine the % of time used for delivering the specific service in relation to responsibilities of the office involved in delivering the subject service.
Column 10. Compute for the annual cost share for equipment and furniture by multiplying columns 8 & 9.

Table 15:

Fixed Cost - Equipment and Furniture

Particulars	Number of Units	Acquisition Cost	Total Cost	Depreciation Rate	Annual Depreciation Cost	Maintenance Cost	Total Annual Cost	% Used for delivering the Service	Annual Cost Share for Equipment and Furniture
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)	(col 10)
A. Equipment									
Air Condition	3	35,000	105,000.00	20%	21,000	4,200	25,200	2%	504
Computers	3	50,000	150,000.00	20%	30,000	6,000	36,000	2%	720
Photocopier			-		-	-	-		-
								Sub-Total	1,224
B. Furniture									
Filing Cabinets	2	5,000	10,000.00	10%	1,000	200	1,200	2%	24
Tables and Chairs	4	2,000	8,000.00	10%	800	160	960	2%	19
								Sub-Total	43

STEP 6.D OTHER FIXED COST

Instructions in Filling the Form

Column 1. Identify Offices delivering the "Subject Service" fee and the type of other fixed costs significant for their operation. In the particular example, these are cost for internet subscription and regular office supplies for the offices involved in delivering the "Subject Service".

Column 2. Verify actual office expenses from the LGU Accounting Office. If data are hard to get, reflect the budget allocation of each office (c/o LGU Budget Office).

Column 3. Determine the percentage of time used by the Office in delivering the specific service in relation to its total responsibilities.

Column 4. Compute for the other variable cost by multiplying column 2 and column 3.

NOTE: Note: The LGU may have other major fixed costs not mentioned in this illustration. When costs are significant, those fixed cost must be identified and added in the template. Conversely, costs that are negligible may be dropped from the calculations.

Table 16:

Other Fixed Cost

Particulars	Annual Rate	Percent of Use for " " Fees	Annual Cost
(col 1)	(col 2)	(col 3)	(col 4)
Internet Services	**18000**	**1%**	**180.00**
Regular Office Supplies			-
Information Tech Team			-
Security Team			
Janitorial Team			
Reception Services			
		Total	180.00

Instructions for Filling Up the Form

Column 1 - List all identified fixed costs.
Column 2 - Fill up the fixed costs for the "Subject Service" and reflect the sum of all entries of each cell under "Total".
Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Fixed Cost Per Application.

Table 17:

Summary Table - Fixed Costs

Fixed Cost	Total	Estimated Routine Fixed Cost Per Application
(col 1)	(col 2)	(col 3)
Annual Number of Applications	2	
Office Space	5,139.90	2,569.95
Utilities	1,804.31	902.16
Electricity	1,725.26	862.63
Water	79.05	39.53
Communication	-	-
Equipment and Furniture	1,267.20	633.60
Other Fixed Cost	180.00	90.00
[illegible]	[illegible]	[illegible]

STEP 7. COMPARE FEE WITH COST OF DELIVERING SERVICES

Name of Fee/Charge:

Fee Rate Estimation Using Costs of Issuing Permits Plus Cost of Surveillance		Comparison with Current Fee Rates		Difference	% Variance (-/+)	Remaks:Reasonable/Not Reasonable
Total Cost	26,213.04	Total Collection on Fees and/or Charges	12,000.00	(13.04)	(0.00)	Reasonable
Number of Applications Processed	2	Number of Applications Processed	2			
Average Fee Rate	13,106.52	Average Fee Rates	6,000.00	(6.52)	(0.00)	

Instructions for Filling

(1) For every fee or charge, compare Total Revenue with Total Cost of delivering the subject service based on the results of the foregoing procedures.
(2) Compute the difference and determine the corresponding variance. If it yields a variance (-/+) of more than 10%, the LGU is either subsidizing (-) or generating revenues (+) in relation to the subject Service. 8

(3) Input the results in a summary form using Table 23 for ease of reference and appreciation during the review and deliberation of the results of the Toolkit
(4) If so, then the LGU must submit, along with the report of the results, a proposed Rationalization of Fees and Charges using the options

Capture

Compare Fee with Cost of Delivering Services			
Fee Rate Estimation using Costs of Issuing permits plus cost of surveillance		Comparison with Current Fee Rates	
Total Cost	26,213.04	Total Revenue	12,000.00
Total Number of Applicants	2	Number of Applications Processed	2
Average Fee Rate	13,106.52	Average Fee Rates	6,000.00

(13.04)

(6.52)

16,104.00 Total

Scenario 1	% of Applicants	Number of Applicants	Cost (with weight)	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application			
Simple	#DIV/0!		#DIV/0!	#DIV/0!	1,899.26	4,196.79	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Complex	#DIV/0!		#DIV/0!	#DIV/0!	1,899.26	4,196.79	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!		#DIV/0!				#DIV/0!			#DIV/0!

Classification	Alteration	% of Applicants	Number	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application			
Manufacturer	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Wineseller's	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Exporters	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Retailers	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Contractors	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Banks and other institutions	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Peddlers	#DIV/0!									
Others	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!			#DIV/0!				#DIV/0!		#DIV/0!
	Total	0%								

OR OR

255x01.42	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
255x01.42	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
#REF!							
	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
							#DIV/0!

Summary of Rationalized Local Fees and Charges

Local Fee/Charge	Current Rate	Rationalized Rate	% Variance	Remarks/Recommended Rate
[illegible]	8,000.00	8,006.52	0.00	Maintain: 8,000.00

STEP 1: MAP YOUR PROCESS FLOW

Note:
- A flowchart is a picture of the separate steps involved in a given process, presented in sequential order.
- Particularly helpful in analyzing and identifying areas for improvement by showing inefficiencies in the system.
- Also, it is useful in costing analysis.
- For this template, it is not necessary to use the various diagrams and boxes normally used in process flowcharts.

Instructions in Filling the Form

1 Discuss and decide on the boundaries of your process.
* Where or when does the process start? Where or when does it end?
2 Arrange and document the activities in proper sequence.

Table 1:

	LIST OF ACTIVITIES
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for , and verify the completeness of the requirements.
2	Encode the application in the system and check the correctness of the entries.
3	Prepare and print the Tax Order of Payment.
4	Receive payment and issue Official Receipt.
5	Sign and approve the application by the Municipal Treasurer and BPLO.
6	Prepare and approve Mayor's Permit.
7	Record and release the Mayor's Permit to the applicant.
8	Conduct actual inspection of the business establishment.

STEP 2: IDENTIFY THE RESOURCES FOR EACH ACTIVITY

Instructions in Filling the Form

1 Identify the offices and all key people involved with each activity. Identify official position.

* This includes those who do the work in the process: suppliers, customers and supervisors.
2 List down the materials and resources utilized in each stage.

Table 2:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for , and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jhelan Richelle Lipao/Admin Aide I	Linen Paper A4
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form

STEP 3: CLASSIFY ACTIVITIES INTO "ROUTINE" AND "SPECIAL"

Instructions in Filling the Form

1 Classify the activities into whether they are:

It is highly suggested to identify one (1) special step.
- However, it can be two (2) or more. In that case, it will have an impact on the weight of the Special Variable Component.
- It may also yield that there is no special step in the whole process. In that case, the normal costing procedure is applicable and the computation will not involve a Special Variable Component.

Table 3:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL	TYPE OF ACTIVITY
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for , and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen	Routine
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO		Routine
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink	Routine
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt	Routine
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-	Routine
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jhelan Richelle Lipao/Admin Aide I	Linen Paper A4	Routine
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook	Routine
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form	Special

STEP 4. QUANTIFY THE VARIABLE COST FOR ROUTINE ACTIVITIES

STEP 4.A PERSONNEL COSTS

Instructions in Filling Up the Form

Column 1 Base it on the staff identified as directly involved in the Routine Activities of the subject service. The actual number may be obtained from the Citizen's Charter or authorized office process flow, including the list of contractual positions for the particular service/s being rendered.

Column 2 - Match the salary grade for each staff. The salary grade data will be available at the Citizen's Charter, HR, Accounting, or Budget Office of the City.

Column 3 - Fill out the salary rate per month for each staff. The salary rates per month may be obtained from HR, Accounting, or Budget offices of the LGU.

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months

Column 5. Identify all other remunerations regularly received by the staff. Data will be available at the City Budget or Accounting Department. In case data will not be readily available, other benefits can be represented by computing 20% of the annual salary.

Column 6. Sum up columns 4 and 5, and multiply it by 80%. The 20% covers lag time usually allotted to attendance in seminars/trainings, leaves, and other admin activities not related to the service. LGUs may also devise other method to determine the annual % of time assigned in the delivery of subject service, exclusive of lag time.

Column 7. Approximate the annual percentage of time each staff performs the task directly related to the activity. Data shall be provided by the head of units performing the service, e.g., if exclusively doing such task, then put 100%.

Column 8. Get the total personnel cost attributable to Routine Activities by adding the cost for each staff involved in delivering the service

Table 4: Personnel Cost

Name and Position	Compensation					% Time assigned in the delivery of	Annual Cost of the Service
	SG-Step	Monthly Salary	Annual Salary	Other Benefits	Annual Compensation		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Carmelita M. Palma - Acting MT	**SG14/S1**	**27,768.00**	**333,216.00**	**253,536.00**	**469,401.60**	**0.06%**	**281.64**
Aileen Rose A. Tantoy - LRCO I/BPLO	**SG11/S1**	**22,731.00**	**272,772.00**	**93,462.00**	**292,987.20**	**0.08%**	**234.39**
Luzviminda A. Datoy - RCC III	**SG9/S1**	**17,420.00**	**209,040.00**	**82,840.00**	**233,504.00**	**0.07%**	**163.45**
Nora D. Ogdoc - Admin Aide	**SG1/S1**	**10,623.00**	**127,476.00**	**69,246.00**	**157,377.60**	**0.05%**	**78.69**
Nestor S. Valeroso - Mayor	**SG27/S3**	**106,997.00**	**1,283,964.00**	**441,994.00**	**1,380,766.40**	**0.03%**	**414.23**
Jhelan Richelle Lipao - Admin Aide	**SG1/S1**	**10,546.00**	**126,552.00**	**69,092.00**	**156,515.20**	**0.05%**	**78.26**
							-
							-
							-
							-
							-
			-		-		-
			-		-		-
			-		-		-

STEP 4.B COST OF TRANSPORTATION

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection.
Column 3. Verify unit cost of vehicle
Column 4. Determine the total cost by multiplying columns 2 and 3
Column 5. Apply the depreciation rate (Note: Economic life of a vehicle is 10 years)
Column 6. Compute for the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Verify from the City Accounting Office the actual amount spent for maintenance of the vehicle used for inspection. In the absence of actual data, the amount can be computed by multiplying column 5 by 20%.

Column 8. Determine the frequency of use of the vehicle. In the specific case sample, half day use from February to November is 44/52 weeks x .5 days. Note that the LGUs may devise other method to determine the actual frequency of use of vehicle.
Column 9. Compute the cost of vehicle for inspection by adding columns 6 and 7 thenmultiply the frequency of use in column 8.

Table 5:

Variable Cost - Vehicle

List of Vehicle/s	Number of Vehicles	Unit Cost	Total Cost	Depreciation Rate/Year	Annual Depreciation Cost	Maintenance cost	Percentage of use for inspection per week	Annual cost of vehicle for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)
					-			-

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection
Column 3. Verify the average cost of fuel per liter
Column 4. Check the average weekly consumption in liters
Column 5. There are 52 weeks in one year. Identify the number of weeks the vehicle(s) has been used in a year.
Column 6. Compute for annual cost of fuel for 1 year by multiplying columns 2, 3, 4 and 5.
Column 7. Determine the percentage for the frequency of use of the vehicle for inspection. In the specific case sample, half day use from February to November is 44/52 weeks x .5 days. Note that the LGUs may devise other method to determine the actual percentage for the frequency of use of the vehicle.
Column 8. Compute the cost of fuel for inspection activities by multiplying columns 6 and 7.

Table 6:

Variable Cost - Fuel

List of vehicle/s	number of Vehicles	Average Cost per liter	Ave. weekly consumption in liters	Number of weeks in one year	Annual Cost of fuel for the vehicle	Percentage of use for inspection per week	Annual cost for Fuel for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
					-		-

If the LGU does not provide vehicles for inspection, but only allows the reimbursement of actual transportation expenses, the annual cost should be computed by determining the monthly reimbursements multiplied by 12

Table 7:

Variable Cost - Allowance/Reimbursement for Fuel

Name and Position	Transportation Cost based on Allowance/Reimbursements		% Time assigned in the delivery of the "	Annual Cost of the Service
	Average Monthly	Annual Allowance		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)
Aileen Rose A. Tantoy - LRCO I/BPLO	300	1,200	6%	72.00
Maaima D. Guarte- Sanitary Inspector	300	1,200	6%	72.00
Joegie E. Cabatuan-Admin. Aide VI	300	1,200	5%	60.00
Kathleen Jay U. Orozco-Admin Aide IV	300	1,200	5%	60.00
Anthony Rengel-Agri'l Technologist	300	1,200	5%	60.00
Rachel Ontolan-Envi.Mgt. Specialist	300	1,200	5%	60.00
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-

STEP 4.C OTHER VARIABLE COSTS

Instructions in Filling the Form

Column 1. List down the supplies, materials and other resources which are issued to each applicant or varies directly with the number of applicants.

Column 2. Count all filled application forms, schedule slips, results forms, etc., and those issued with official receipts. Consider if applicants were successfully processed and approved, and provided with new business plate, stickers and/or certificates.

Column 3. Secure the unit cost for each and every item identified as other variable cost from the City Accounting Office.

Column 4. Compute for the annual other variable cost by multiplying column 2 and column 3

Table 8:

Variable Cost - Other variable cost

Particulars	Annual Number of Applications	Cost/Measuring unit (Php)	Annual cost (Php)
(col 1)	(col 2)	(col 3)	(col 4)
	3		
Bond paper	9	0.50	4.50
Official Receipts	6	3.40	20.40
Linen Paper A4	3	2.00	6.00
			-
			-
			-
			-

Instructions for Filling Up the Form

Column 1 - List all identified variable costs.

Column 2 - Fill up the variable costs for the "Subject Service" and reflect the sum of all entries of each cell to total

Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Variable Cost Per Application.

Table 9:

Summary Table- Variable Costs

	Total	Estimated Routine Variable Cost Per Application
Annual Number of Applications	3	
Variable Costs		
Routine Personnel	1,250.66	416.89
Travel Reimbursement	384.00	128.00
Other Supplies/Forms/Materials	30.90	10.30

STEP 5. ALLOCATE THE VARIABLE COST FOR SPECIAL ACTIVITIES

Name and position	SG/Step	Monthly Salary	Annual Salary	Other compensation	Total Annual Compensation	% Time allocated to the service	Annual cost of service for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Aileen Rose A. Tantoy BPLO Designate	SG11/S1	22,731.00	272,772.00	221,948.90	595,776.05	0.06%	357.47
Maximo O. Duarte - Sanitary Inspector	SG6/S8	19,963.00	239,556.00	148,830.00	310,708.80	0.06%	186.43
Jongie E. Cabatuan - Admin Aide IV	SG8/S3	14,537.00	174,444.00	68,992.00	190,748.80	0.05%	95.37
Kathleen Joy U. Orcero - Admin Aide IV	SG4/S2	12,719.00	152,628.00	60,980.00	170,894.40	0.05%	85.45
Anthony Rongol - Agric'l Technologist	SG10/S1	19,190.00	230,280.00	71,326.00	241,284.80	0.06%	120.64
Rachel Ontolan - Envl.Mgt. Specialist	SG15/S1	30,453.00	365,436.00	89,196.00	363,857.60	0.05%	181.93

Instructions in Filling the Form

Column 1 - List the staff assigned to the Special Activity/ies

Column 2 - Indicate the salary grade for each staff

Column 3 - Indicate the salary rate per month for each staff

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months

Column 5 - Indicate the amount of other compensation (e.g. any honoraria for the staff, if applicable, PERA, RATA, PBB, and other benefits and other remuneration received)

Column 6 - Sum up column 4 and 5

Column 7 - Estimate the actual time that the each staff perform its duties for the said special activity (e.g. if the allocated time is 1 month divided by 12 months equals .08)

Column 8 - Get the total cost for the Special Activity by adding the cost for each staff involved in rendering the service

Basis (2) Simple and Complex

CATEGORIES	No. of Personnel	Weight	Allocation
Simple		#DIV/0!	#DIV/0!
Complex		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!

Basis (1) Per Business Classification

CLASSIFICATION	Weight	Allocation
Manufacturer		#DIV/0!
Wholesalers		#DIV/0!
Exporters		#DIV/0!
Retailers		#DIV/0!
Contractors		#DIV/0!
Banks and other institutions		#DIV/0!
Peddlers		#DIV/0!
Others		#DIV/0!
	0	#DIV/0!

Weight Allocation According to Complexity and Business Classification

BUSINESS CLASSIFICATION			Simple	Complex	Weight	Weight	Total	Simple	Complex
With Complex	Manufacturer	#DIV/0!						#DIV/0!	#DIV/0!
	Wholesalers	#DIV/0!						#DIV/0!	
	Importers	#DIV/0!						#DIV/0!	
	Exporters	#DIV/0!						#DIV/0!	
With Complex	Contractors	#DIV/0!						#DIV/0!	#DIV/0!
	Banks and other institutions	#DIV/0!						#DIV/0!	
	Peddlers	#DIV/0!						#DIV/0!	
	Others	#DIV/0!						#DIV/0!	
								#DIV/0!	#DIV/0!

Note: Other basis may be used (e. g. the DTI classification as to Cottage, Small, etc)

STEP 6. ESTIMATE AND DISTRIBUTE THE FIXED COSTS

STEP 6.A COST OF OFFICE SPACE

Instruction in Filling Up the Form

Column 1 - Describes the cost formula for determining share of office cost for delivering "Subject Service". Determine the cost of construction per square meter (approximately P20,000/sq.m.) and the floor area of the entire City Hall. The building construction cost is the product of the two values. Knowing the floor area occupied by the different offices delivering the "Subject Service", its proportionate share in the total floor area of the city hall multiplied by cost of constructing the building will be the cost of office space occupied. The annual depreciation rate is 4% since the normal economic life of reinforced concrete structures is 25 years. We can compute for the annual depreciation expense by multiplying the cost of office space occupied by depreciation rate and approximately the annual maintenance cost by apportioning 20% of the annual depreciation expenses. The 20% is used whenever actual data from the Accounting Office is unavailable. The share of cost for delivering "Subject Service" can be computed by adding annual depreciation expense and annual maintenance cost multiplied by the percent of work by the Office utilized for delivering the "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 10:

Fixed Cost - Office Space (Owned by the LGU)

Particulars (col 1)	Offices involved in the delivery of "[illegible]" Fee (col 2)
Construction Cost (per sq m)	14,751.85
Floor area of City Hall (sq m)	1,080.00
Building Construction Cost (Php)	15,913,000.00
Office Area Occupied (sq. m)	72.00
Cost of Office Area Occupied (Php)	1,060,866.67
Depreciation Rate (%)	3%
Annual Depreciation Expense (Php)	503,911.66
Annual Maintenance Cost (Php)	100,782.33
Percent of Work for "[illegible]" (%)	0.34%
Share of Cost attributable to delivering the service (Php)	[illegible]

Instructions for Filling Up the Form

Column 1 - Determine the monthly rental rate and multiply by the number of months the office space was rented to know the annual cost for rental. Add actual cost for maintaining the Office space. If the actual data is not available add 20% of the annual cost of rental to determine the annual cost for rented office space. The annual fixed cost for rented office space attributable to rendering the service is the annual cost of rented office space multiplied by the proportion of time used for "Subject Service" services in relation to the total responsibility of the Office delivering the service

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 11:

Fixed Cost - Office Space (Rented by the LGU)

Particulars (col 1)	Offices involved in the delivery of "Subject Service" Fee (col 2)
Rental rate per month	
Number of months use	
Annual cost of rental	-
Maintenance Cost	-
Annual cost of rented office space	-
Percentage of time used for the delivery of the service in relation to the responsibility of the Office	
Annual fixed cost (rented office space) attributable to delivering the service	

STEP 6.C COST OF EQUIPMENT AND FURNITURE

Instructions in Filling the Form

Column 1. Identify all the equipment, and other facilities used for the delivery of the subject service.
Column 2. Count the number of each type of equipment or facility.
Column 3. Verify acquisition cost from the Accounting Unit.
Column 4. Compute for the total cost of acquisition by multiplying columns 2 and 3.
Column 5. Compute for the annual depreciation rate by dividing 100% with the estimated economic life in years.
Column 6. Compute the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Secure from the City Accounting Office the actual amount spent for maintenance of equipment/furniture used delivery of the subject service. In the absence of actual data, the amount can be computed by multiplying column 6 by 20%.
Column 8. Add Columns 6 and 7 to determine the annual cost of equipment/facility.
Column 9. Determine the % of time used for delivering the specific service in relation to responsibilities of the office involved in delivering the subject service.
Column 10. Compute for the annual cost share for equipment and furniture by multiplying columns 8 & 9.

Table 15:

Fixed Cost - Equipment and Furniture

Particulars	Number of Units	Acquisition Cost	Total Cost	Depreciation Rate	Annual Depreciation Cost	Maintenance Cost	Total Annual Cost	% Used for delivering the Service	Annual Cost Share for Equipment and Furniture
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)	(col 10)
A. Equipment									
Air Condition	3	35,000	105,000.00	20%	21,000	4,200	25,200	1%	252.00
Computers	3	50,000	150,000.00	20%	30,000	6,000	36,000	1%	360.00
Photocopier			-		-	-	-		-
								Sub-Total	612.00
B. Furniture									
Filing Cabinets	2	5,000	10,000.00	10%	1,000	200	1,200	1%	12.00
Tables and Chairs	4	2,000	8,000.00	10%	800	160	960	1%	9.60
								Sub-Total	21.60
									633.60

STEP 6.B UTILITIES

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of electricity cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the cost of electricity rate per kilowatt hour and the kilowatt consumption/hour of the Office delivering the service. The regular operations of a City Office is 7:30am-5:30pm or 10 hrs and there are approximately 260 days per year. The annual cost of electricity for the ofices delivering the service is the product of the electricity rate per kwh, the kilowatt consumption per hour of the office, the number of operating hours per days, and the number of operating days per year. The percent of work to be considered is an approximation by the head of unit delivering the service in relation to its total responsibilities. When known, the net cost of electricity attributed to delivery of service shall be the annual cost of electricity for the office multiplied by the percent of work devoted by the office for "Subject Service"

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service"

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of water cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the number of people directly related to the processing and issuance of "Subject Service". The estimated water bill per person per month is P100. The net cost of water attributed to the delivery of "Subject Service" can be computed by the estimated water bill of the office per year multiplied by the percent of "Subject Service" work performed by the office in relation to the total responsibilities assigned to the Office

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Instructions for Filling Up the Form

Column 1. The cost of telephone can be computed by knowing the number of telephone lines available in the Office and the monthly subscription rate per month. The annual cost of telephone services is the number of telephone lines multiplied by the monthly subscription rate over a period of twelve months. The net cost of telephone services attributed to processing and issuance of mayors permit is the annual cost of telephone services multiplied by the percent of work performed by the Office in processing and issuance of "Subject Service" in as a percentage of the total responsibilities of the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 12

Cost of Electricity	
Particulars	**Offices involved in the delivery of "** **" Fee**
(col 1)	(col 2)
Electricity rate per kilowatt hour (Php)	**17.07**
Kilowatt consumption/hour for the unit delivering the service	**5.63**
Number of operating hours per day	**8.00**
Number of days per year	**264.00**
Electricity cost per year	**202,971.86**
Percent of work for the service rendered	**0.34%**
Net electricity cost attributed to "Subject Service" service	

Table 13

Cost of Water	
Particulars	**Offices involved in the delivery of "** **" Fee**
(col 1)	(col 2)
Number of People	**10**
Water bill per person per month	**77.50**
Estimated water bill of the office per year	**9,300.00**
Percent of work for the service rendered	**0.34%**
Net cost of water attributed to delivery of "Subject Service".	

Table 14

Cost for Communication	
Particulars	**Offices involved in the delivery of "** **" Fee**
(col 1)	(col 2)
Number of telephone/cellphone lines in the Office delivering the	**1**
Rate of subscription per month	**599**
Annual cost of telephone/mobile services	**7,188.00**
Percent of work for the service rendered	**20%**
Net cost of telephone/mobile services attributed to processing and issuance of "Subject Service"	

STEP 6.D OTHER FIXED COST

Instructions in Filling the Form

Column 1. Identify Offices delivering the "Subject Service" fee and the type of other fixed costs significant for their operation. In the particular example, these are cost for internet subscription and regular office supplies for the offices involved in delivering the "Subject Service".

Column 2. Verify actual office expenses from the LGU Accounting Office. If data are hard to get, reflect the budget allocation of each office (c/o LGU Budget Office).

Column 3. Determine the percentage of time used by the Office in delivering the specific service in relation to its total responsibilities.

Column 4. Compute for the other variable cost by multiplying column 2 and column 3.

NOTE: Note: The LGU may have other major fixed costs not mentioned in this illustration. When costs are significant, those fixed cost must be identified and added in the template. Conversely, costs that are negligible may be dropped from the calculations.

Table 16:

Other Fixed Cost

Particulars	Annual Rate	Percent of Use for "[illegible]" Fees	Annual Cost
(col 1)	(col 2)	(col 3)	(col 4)
Internet Services	**18000**	**1%**	**180.00**
Regular Office Supplies			-
Information Tech Team			-
Security Team			
Janitorial Team			
Reception Services			
		Total	180.00

Instructions for Filling Up the Form

Column 1 - List all identified fixed costs.
Column 2 - Fill up the fixed costs for the "Subject Service" and reflect the sum of all entries of each cell under "Total".
Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Fixed Cost Per Application.

Table 17:

Summary Table - Fixed Costs

Fixed Cost	Total	Estimated Routine Fixed Cost Per Application
(col 1)	(col 2)	(col 3)
Annual Number of Applications	3	
Office Space	2,055.96	685.32
Utilities	2,159.32	719.77
Electricity	690.10	230.03
Water	31.62	10.54
Communication	1,437.60	479.20
Equipment and Furniture	633.60	211.20
Other Fixed Cost	180.00	60.00
TOTAL	5,028.88	1,676.29

STEP 7. COMPARE FEE WITH COST OF DELIVERING SERVICES

Name of Fee/Charge:

Fee Rate Estimation Using Costs of Issuing Permits Plus Cost of Surveillance		Comparison with Current Fee Rates		Difference	% Variance (-/+)	Remarks:Reasonable/Not Reasonable
Total Cost		Total Collection on Fees and/or Charges		(1,601.63)	(0.21)	Reasonable
Number of Applications Processed		Number of Applications Processed				
Average Fee Rate		Average Fee Rates		(533.88)	(0.21)	

Instructions for Filling

(1) For every fee or charge, compare Total Revenue with Total Cost of delivering the subject service based on the results of the foregoing procedures.
(2) Compute the difference and determine the corresponding variance. If it yields a variance (-/+) of more than 10%, the LGU is either subsidizing (-) or generating revenues (+) in relation to the subject fee/rate.

(3) Input the results in a summary form using Table 23 for ease in reference and appreciation during the review and deliberation of the results of the Toolkit.
(4) If so, then the LGU must submit, along with the report of the results, a proposed Rationalization of Fees and Charges using the options.

Compare Fee with Cost of Delivering Services			
Fee Rate Estimation using Costs of issuing permits plus cost of surveillance		**Comparison with Current Fee Rates**	
Total Cost		Total Revenue	(1,601.63)
Total Number of Applicants		Number of Applications Processed	
Average Fee Rate		Average Fee Rates	(533.88)

10,584.00 Total

Scenario 1	% of Applicants	Number of Applicants	Cost (with weight)	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application			
Simple	#DIV/0!		#DIV/0!	#DIV/0!	555.19	1,676.29	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Complex	#DIV/0!		#DIV/0!	#DIV/0!	555.19	1,676.29	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!		#DIV/0!				#DIV/0!			#DIV/0!

Classification	Allocation	% of Applicants	Number	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application			
Manufacturer	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Wholesaler	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Exporter	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Retailers	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Contractors	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Banks and other institutions	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Peddlers	#DIV/0!									
Others	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!
Total		0%								

2452801.42	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
2452801.42	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
#REF!									
	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
									#DIV/0!

Summary of Rationalized Local Fees and Charges

Local Fee/Charge	Current Rate	Rationalized Rate	% Variance	Remarks/Recommended Rate
[illegible]	2,000.00	2,533.88	-0.21	Propose: 2,500.00

STEP 1: MAP YOUR PROCESS FLOW

Note:
- A flowchart is a picture of the separate steps involved in a given process, presented in sequential order.
- Particularly helpful in analyzing and identifying areas for improvement by showing inefficiencies in the system.
- Also, it is useful in costing analysis.
- For this template, it is not necessary to use the various diagrams and boxes normally used in process flowcharts.

Instructions in Filling the Form

1 Discuss and decide on the boundaries of your process.
  * Where or when does the process start? Where or when does it end?
2 Arrange and document the activities in proper sequence.

Table 1:

	LIST OF ACTIVITIES
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for , and verify the completeness of the requirements.
2	Encode the application in the system and check the correctness of the entries.
3	Prepare and print the Tax Order of Payment.
4	Receive payment and issue Official Receipt.
5	Sign and approve the application by the Municipal Treasurer and BPLO.
6	Prepare and approve Mayor's Permit.
7	Record and release the Mayor's Permit to the applicant.
8	Conduct actual inspection of the business establishment.

STEP 2: IDENTIFY THE RESOURCES FOR EACH ACTIVITY

Instructions in Filling the Form

1 Identify the offices and all key people involved with each activity. Identify official position.

  * This includes those who do the work in the process: suppliers, customers and supervisors.
2 List down the materials and resources utilized in each stage.

Table 2:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for , and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jheian Richelle Lipao/Admin Aide I	Linen Paper A4
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form

STEP 3: CLASSIFY ACTIVITIES INTO "ROUTINE" AND "SPECIAL"

Instructions in Filling the Form

1 Classify the activities into whether they are:

- **It is highly suggested to identify one (1) special step.**
- **However, it can be two (2) or more. In that case, it will have an impact on the weight of the Special Variable Component.**
- **It may also yield that there is no special step in the whole process. In that case, the normal costing procedure is applicable and the computation will not involve a Special Variable Component.**

Table 3:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL	TYPE OF ACTIVITY
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for , and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen	Routine
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-	Routine
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink	Routine
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt	Routine
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-	Routine
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jheian Richelle Lipao/Admin Aide I	Linen Paper A4	Routine
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook	Routine
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form	Special

STEP 4. QUANTIFY THE VARIABLE COST FOR ROUTINE ACTIVITIES

STEP 4.A PERSONNEL COSTS

Instructions in Filling Up the Form

Column 1 - Base it on the staff identified as directly involved in the Routine Activities of the subject service. The actual number may be obtained from the Citizen's Charter or authorized office process flow, including the list of contractual positions for the particular service/s being rendered.

Column 2 - Match the salary grade for each staff. The salary grade data will be available at the Citizen's Charter, HR, Accounting, or Budget Office of the City.

Column 3 - Fill out the salary rate per month for each staff. The salary rates per month may be obtained from HR, Accounting, or Budget offices of the LGU.

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months

Column 5 Identify all other remunerations regularly received by the staff. Data will be available at the City Budget or Accounting Department. In case data will not be readily available, other benefits can be represented by computing 20% of the annual salary.

Column 6. Sum up columns 4 and 5, and multiply it by 80%. The 20% covers lag time usually allotted to attendance in seminars/trainings, leaves, and other admin activities not related to the service. LGUs may also devise other method to determine the annual % of time assigned in the delivery of subject service, exclusive of lag time.

Column 7. Approximate the annual percentage of time each staff performs the task directly related to the activity. Data shall be provided by the head of units performing the service, e.g., if exclusively doing such task, then put 100%.

Column 8.Get the total personnel cost attributable to Routine Activities by adding the cost for each staff involved in delivering the service.

Table 4: Personnel Cost

Name and Position	Compensation					% Time assigned in the delivery of	Annual Cost of the Service
	SG-Step	Monthly Salary	Annual Salary	Other Benefits	Annual Compensation		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Carmelita M. Palma - Acting MT	SG14/S1	27,768.00	333,216.00	153,536.00	469,401.60	0.04%	187.76
Aileen Rose A. Tantoy - LRCO I/BPLO	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.20	0.06%	175.79
Luzviminda A. Datoy - RCC III	SG9/S1	17,420.00	209,040.00	82,840.00	233,504.00	0.05%	116.75
Nora D. Ogdoc - Admin Aide	SG1/S1	10,623.00	127,476.00	69,246.00	157,377.60	0.03%	47.21
Nestor S. Valeroso - Mayor	SG27/S3	106,997.00	1,283,964.00	441,994.00	1,380,766.40	0.01%	138.08
Jhelam Richelle Lipao - Admin Aide	SG1/S1	10,546.00	126,552.00	69,092.00	156,515.20	0.03%	46.95
							-
							-
							-
							-
							-
			-		-		-
			-		-		-
			-		-		-

STEP 4.B COST OF TRANSPORTATION

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection

Column 2. Identify the number of vehicles used for inspection.

Column 3. Verify unit cost of vehicle

Column 4. Determine the total cost by multiplying columns 2 and 3

Column 5. Apply the depreciation rate (Note. Economic life of a vehicle is 10 years)

Column 6. Compute for the annual depreciation cost by multiplying columns 4 and 5.

Column 7. Verify from the City Accounting Office the actual amount spent for maintenance of the vehicle used for inspection. In the absence of actual data, the amount can be computed by multiplying column 5 by 20%.

Column 8. Determine the frequency of use of the vehicle. In the specific case sample, half day use from February to November is 44/52 weeks x 5 days. Note that the LGUs may devise other method to determine the actual frequency of use of vehicle.

Column 9. Compute the cost of vehicle for inspection by adding columns 6 and 7 thenmultiply the frequency of use in column 8.

Table 5:

Variable Cost - Vehicle

List of Vehicle/s	Number of Vehicles	Unit Cost	Total Cost	Depreciation Rate/Year	Annual Depreciation Cost	Maintenance cost	Percentage of use for inspection per week	Annual cost of vehicle for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)
					-			-
							TOTAL	

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection

Column 2. Identify the number of vehicles used for inspection

Column 3. Verify the average cost of fuel per liter

Column 4. Check the average weekly consumption in liters

Column 5. There are 52 weeks in one year. Identify the number of weeks the vehicles(s) has been used in a year.

Column 6. Compute for annual cost of fuel for 1 year by multiplying columns 2, 3, 4 and 5.

Column 7. Determine the percentage for the frequency of use of the vehicle for inspection. In the specific case sample, half day use from February to November is 44/52 weeks X 5 days. Note that the LGUs may devise other method to determine the actual percentage for the frequency of use of the vehicle.

Column 8. Compute the cost of fuel for inspection activities by multiplying columns 6 and 7.

Table 6:

Variable Cost - Fuel

List of vehicle/s	Number of Vehicles	Average Cost per liter	Ave. weekly consumption in liters	Number of weeks in one year	Annual Cost of fuel for the vehicle	Percentage of use for inspection per week	Annual cost for Fuel for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
					-		-
						TOTAL	

If the LGU does not provide vehicles for inspection, but only allows the reimbursement of actual transportation expenses, the annual cost should be computed by determining the monthly reimbursements multiplied by 12

Table 7:

Variable Cost - Allowance/Reimbursement for Fuel

Name and Position	Transportation Cost based on Allowance/Reimbursements		% Time assigned in the delivery of the " "	Annual Cost of the Service
	Average Monthly	Annual Allowance	(col 4)	
(col 1)	(col 2)	(col 3)		(col 5)
Aileen Rose A. Tantoy - LRCO I/BPLO	300	1,200	6%	72.00
Maximo D. Guarte- Sanitary Inspector	300	1,200	6%	72.00
Joegie E. Cabatuan-Admin. Aide VI	300	1,200	5%	60.00
Kathleen Jay U. Orozco-Admin Aide IV	300	1,200	5%	60.00
Anthony Rengel-Agri'l Technologist	300	1,200	5%	60.00
Rachel Ontolan-Envi.Mgt. Specialist	300	1,200	5%	60.00
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
			TOTAL	

STEP 4.C OTHER VARIABLE COSTS

Instructions in Filling the Form

Column 1. List down the supplies, materials and other resources which are issued to each applicant or varies directly with the number of applicants.

Column 2. Count all filled application forms, schedule slips, results forms, etc., and those issued with official receipts. Consider if applicants were successfully processed and approved, and provided with new business plate, stickers and/or certificates.

Column 3. Secure the unit cost for each and every item identified as other variable cost from the City Accounting Office.

Column 4. Compute for the annual other variable cost by multiplying column 2 and column 3

Table 8:

Variable Cost - Other variable cost

Particulars	Annual Number of Applications	Cost/Measuring unit (Php)	Annual cost (Php)
(col 1)	(col 2)	(col 3)	(col 4)
	3		
Bond paper	9	0.50	4.50
Official Receipts	6	3.40	20.40
Linen Paper A4	3	2.00	6.00
			-
			-
			-
			-
		TOTAL	30.90

Instructions for Filling Up the Form

Column 1 - List all identified variable costs.

Column 2 - Fill up the variable costs for the "Subject Service" and reflect the sum of all entries of each cell to total

Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Variable Cost Per Application.

Table 9:

Summary Table- Variable Costs

	Total	Estimated Routine Variable Cost Per Application
Annual Number of Applications	3	
Variable Costs		
Routine Personnel	712.55	237.52
Travel Reimbursement	384.00	128.00
Other Supplies/Forms/Materials	30.90	10.30
TOTAL	1,127.45	375.82

STEP 5. ALLOCATE THE VARIABLE COST FOR SPECIAL ACTIVITIES

Name and position	SG/Step	Monthly Salary	Annual Salary	Other compensation	Total Annual Compensation	% time allocated to the service	Annual cost of employee expenses
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Aileen Rose A. Tantay	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.20	0.06%	175.79
Mariano D. Guarte	SG6/S8	19,961.00	239,536.00	87,926.00	261,985.60	0.06%	157.19
Joegie E. Cabotaan	SG6/S3	14,537.00	174,444.00	77,074.00	201,214.40	0.05%	100.61
Kathleen Jay U. Orozco	SG4/S2	12,719.80	152,628.00	73,432.00	189,852.80	0.05%	94.43
Anthony Rengel	SG10/S1	19,190.00	230,280.00	86,380.00	253,328.00	0.05%	126.66
Rachel Overdan	SG15/S1	30,454.00	365,436.00	108,906.00	379,473.60	0.05%	189.74

Instructions in Filling the Form

Column 1 - List the staff assigned to the "Special" Activity

Column 2 - Match the salary grade for each staff

Column 3 - Indicate the annual rate/remuneration for each staff

Column 4 - Compute for the annual salary of the staff by multiplying item 3 by 12 months

Column 5 - Identify all other remunerations regularly received by the staff. Other benefits, including RATA, PERA, year-end benefits and other remuneration received

Column 6 - Sum - up item 4 and 5

Column 7 - Estimate the proportion of time each staff performs direct participation in the provision of the subject service. The rate shall be provided by the concerned unit head

Column 8 - Get the total cost for the Special Activity by adding the cost for each staff involved in the activity

Basis (2) Simple and Complex

CATEGORIES	No. of Personnel	Weight	Allocation
Simple		#DIV/0!	#DIV/0!
Complex		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!

Basis (1) Per Business Classification

CLASSIFICATION	Weight	Allocation
Manufacturer		#DIV/0!
Wholesalers		#DIV/0!
Exporters		#DIV/0!
Retailers		#DIV/0!
Contractors		#DIV/0!
Banks and other institutions		#DIV/0!
Peddlers		#DIV/0!
Others		#DIV/0!
	0	#DIV/0!

Weight Allocation According to Complexity and Business Classification

BUSINESS CLASSIFICATION			Simple Employee Weight	Complex Employee Weight	Total	Simple	Complex
With Complex	Manufacturer	#DIV/0!				#DIV/0!	#DIV/0!
	Wholesalers	#DIV/0!				#DIV/0!	
	Exporters	#DIV/0!				#DIV/0!	
	Retailers	#DIV/0!				#DIV/0!	
With Complex	Contractors	#DIV/0!				#DIV/0!	#DIV/0!
	Banks and other institutions	#DIV/0!				#DIV/0!	
	Peddlers	#DIV/0!				#DIV/0!	
	Others	#DIV/0!				#DIV/0!	
						#DIV/0!	#DIV/0!

Note: Other basis may be used (e. g. the DTI classification as to Cottage, Small, etc)

STEP 6. ESTIMATE AND DISTRIBUTE THE FIXED COSTS

STEP 6.A COST OF OFFICE SPACE

Instruction in Filling Up the Form

Column 1 - Describes the cost formula for determining share of office cost for delivering "Subject Service". Determine the cost of construction per square meter (approximately P20,000/sq.m.) and the floor area of the entire City Hall. The building construction cost is the product of the two values. Knowing the floor area occupied by the different offices delivering the "Subject Service", its proportionate share in the total floor area of the city hall multiplied by cost of constructing the building will be the cost of office space occupied. The annual depreciation rate is 4% since the normal economic life of reinforced concrete structures is 25 years. We can compute for the annual depreciation expense by multiplying the cost of office space occupied by depreciation rate and approximately the annual maintenance cost by apportioning 20% of the annual depreciation expenses. The 20% is used whenever actual data from the Accounting Office is unavailable. The share of cost for delivering "Subject Service" can be computed by adding annual depreciation expense and annual maintenance cost multiplied by the percent of work by the Office utilized for delivering the "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 10:

Fixed Cost - Office Space (Owned by the LGU)

Particulars (col 1)	Offices Involved in the delivery of "[illegible] Fee (col 2)
Construction Cost (per sq m)	14,751.85
Floor area of City Hall (sq m)	1,080.00
Building Construction Cost (Php)	15,913,000.00
Office Area Occupied (sq. m)	72.00
Cost of Office Area Occupied (Php)	1,060,866.67
Depreciation Rate (%)	3%
Annual Depreciation Expense (Php)	503,911.66
Annual Maintenance Cost (Php)	100,782.33
Percent of Work for " [illegible] " (%)	0.22%
Share of Cost attributable to delivering the service (Php)	1,330.31

Instructions for Filling Up the Form

Column 1 - Determine the monthly rental rate and multiply by the number of months the office space was rented to know the annual cost for rental. Add actual cost for maintaining the Office space. If the actual data is not available add 20% of the annual cost of rental to determine the annual cost for rented office space. The annual fixed cost for rented office space attributable to rendering the service is the annual cost of rented office space multiplied by the proportion of time used for "Subject Service" services in relation to the total responsibility of the Office delivering the service

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 11:

Fixed Cost - Office Space (Rented by the LGU)

Particulars (col 1)	Offices Involved in the delivery of "Subject Service" Fee (col 2)
Rental rate per month	
Number of months use	
Annual cost of rental	-
Maintenance Cost	-
Annual cost of rented office space	-
Percentage of time used for the delivery of the service in relation to the responsibility of the Office	
Annual fixed cost (rented office space) attributable to delivering the service	

STEP 6.C COST OF EQUIPMENT AND FURNITURE

Instructions in Filling the Form

Column 1. Identify all the equipment, and other facilities used for the delivery of the subject service.
Column 2. Count the number of each type of equipment or facility.
Column 3. Verify acquisition cost from the Accounting Unit.
Column 4. Compute for the total cost of acquisition by multiplying columns 2 and 3.
Column 5. Compute for the annual depreciation rate by dividing 100% with the estimated economic life in years.
Column 6. Compute the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Secure from the City Accounting Office the actual amount spent for maintenance of equipment/furniture used delivery of the subject service. In the absence of actual data, the amount can be computed by multiplying column 6 by 20%.
Column 8. Add Columns 6 and 7 to determine the annual cost of equipment/facility.
Column 9. Determine the % of time used for delivering the specific service in relation to responsibilities of the office involved in delivering the subject service.
Column 10. Compute for the annual cost share for equipment and furniture by multiplying columns 8 & 9.

Table 15:

Fixed Cost - Equipment and Furniture

Particulars	Number of Units	Acquisition Cost	Total Cost	Depreciation Rate	Annual Depreciation Cost	Maintenance Cost	Total Annual Cost	% Used for delivering the Service	Annual Cost Share for Equipment and Furniture
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)	(col 10)
A. Equipment									
Air Condition	3	35,000	105,000.00	20%	21,000	4,200	25,200	1%	252.00
Computers	3	50,000	150,000.00	20%	30,000	6,000	36,000	1%	360.00
Photocopier			-		-	-	-		-
								Sub-Total	612.00
B. Furniture									
Filing Cabinets	2	5,000	10,000.00	10%	1,000	200	1,200	1%	12.00
Tables and Chairs	4	2,000	8,000.00	10%	800	160	960	1%	9.60
								Sub-Total	21.60
									[illegible]

STEP 6.B UTILITIES

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of electricity cost of the offices delivering the service (e.g. "Subject service"). Initially, know the cost of electricity rate per kilowatt hour and the kilowatt consumption/hour of the Office delivering the service. The regular operations of a City Office is 7:30am-5:30pm or 10 hrs and there are approximately 260 days per year. The annual cost of electricity for the offices delivering the service is the product of the electricity rate per kwh, the kilowatt consumption per hour of the office, the number of operating hours per days, and the number of operating days per year. The percent of work to be considered is an approximation by the head of unit delivering the service in relation to its total responsibilities. When known, the net cost of electricity attributed to delivery of service shall be the annual cost of electricity for the office multiplied by the percent of work devoted by the office for "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 12

Cost of Electricity	
Particulars	**Offices involved in the delivery of " " Fee**
(col 1)	(col 2)
Electricity rate per kilowatt hour (Php)	17.07
Kilowatt consumption/hour for the unit delivering the service	5.63
Number of operating hours per day	8.00
Number of days per year	264.00
Electricity cost per year	202,971.86
Percent of work for the service rendered	0.22%
Net electricity cost attributed to "Subject Service" service	

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of water cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the number of people directly related to the processing and issuance of "Subject Service". The estimated water bill per person per month is ₱100. The net cost of water attributed to the delivery of "Subject Service" can be computed by the estimated water bill of the office per year multiplied by the percent of "Subject Service" work performed by the office in relation to the total responsibilities assigned to the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 13

Cost of Water	
Particulars	**Offices involved in the delivery of " " Fee**
(col 1)	(col 2)
Number of People	10
Water bill per person per month	77.50
Estimated water bill of the office per year	9,300.00
Percent of work for the service rendered	0.22%
Net cost of water attributed to delivery of "Subject Service"	

Instructions for Filling Up the Form

Column 1. The cost of telephone can be computed by knowing the number of telephone lines available in the Office and the monthly subscription rate per month. The annual cost of telephone services is the number of telephone lines multiplied by the monthly subscription rate over a period of twelve months. The net cost of telephone services attributed to processing and issuance of mayors permit is the annual cost of telephone services multiplied by the percent of work performed by the Office in processing and issuance of "Subject Service" in as a percentage of the total responsibilities of the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 14

Cost for Communication	
Particulars	**Offices involved in the delivery of " " Fee**
(col 1)	(col 2)
Number of telephone/cellphone lines in the Office delivering the	
Rate of subscription per month	
Annual cost of telephone/mobile services	
Percent of work for the service rendered	
Net cost of telephone/mobile services attributed to processing and issuance of "Subject Service"	

STEP 6.D OTHER FIXED COST

Instructions in Filling the Form

Column 1. Identify Offices delivering the "Subject Service" fee and the type of other fixed costs significant for their operation. In the particular example, these are cost for internet subscription and regular office supplies for the offices involved in delivering the "Subject Service".

Column 2. Verify actual office expenses from the LGU Accounting Office. If data are hard to get, reflect the budget allocation of each office (c/o LGU Budget Office).

Column 3. Determine the percentage of time used by the Office in delivering the specific service in relation to its total responsibilities.

Column 4. Compute for the other variable cost by multiplying column 2 and column 3.

NOTE: Note: The LGU may have other major fixed costs not mentioned in this illustration. When costs are significant, those fixed cost must be identified and added in the template. Conversely, costs that are negligible may be dropped from the calculations.

Table 16:

Other Fixed Cost

Particulars	Annual Rate	Percent of Use for "[illegible] Fees	Annual Cost
(col 1)	(col 2)	(col 3)	(col 4)
Internet Services	**18000**	**1%**	**180.00**
Regular Office Supplies			-
Information Tech Team			-
Security Team			
Janitorial Team			
Reception Services			
		Total	180.00

Instructions for Filling Up the Form

Column 1 - List all identified fixed costs.
Column 2 - Fill up the fixed costs for the "Subject Service" and reflect the sum of all entries of each cell under "Total".
Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Fixed Cost Per Application.

Table 17:

Summary Table - Fixed Costs

Fixed Cost	Total	Estimated Routine Fixed Cost Per Application
(col 1)	(col 2)	(col 3)
Annual Number of Applications	3	
Office Space	1,330.33	443.44
Utilities	467.00	155.67
Electricity	446.54	148.85
Water	20.46	6.82
Communication	-	-
Equipment and Furniture	633.60	211.20
Other Fixed Cost	180.00	60.00
TOTAL	2,610.92	870.31

STEP 7. COMPARE FEE WITH COST OF DELIVERING SERVICES

Name of Fee/Charge:

Fee Rate Estimation Using Costs of Issuing Permits Plus Cost of Surveillance		Comparison with Current Fee Rates		Difference	% Variance (-/+)	Remaks:Reasonable/Not Reasonable
Total Cost	3,578.79	Total Collection on Fees and/or Charges		(4,578.79)	(1.00)	Reasonable
Number of Applications Processed		Number of Applications Processed				
Average Fee Rate	1,526.26	Average Fee Rates		(1,526.26)	(1.00)	

Instructions for Filling

(1) For every fee or charge, compare Total Revenue with Total Cost of delivering the subject service based on the results of the foregoing procedures.
(2) Compute the difference and determine the corresponding variance. If it yields a variance (-/+) of more than 10%, the LGU is either subsidizing (-) or generating revenues (+) in relation to the subject Service.

(3) Input the results in a summary form using Table 23 for ease in reference and appreciation during the review and deliberation of the results of the Toolkit.
(4) If so, then the LGU must submit, along with the report of the results, a proposed rationalization of Fees and Charges using the options.

EXAMPLE:

Compare Fee with Cost of Delivering Services				
Fee Rate Estimation using Costs of issuing permits plus cost of surveillance		Comparison with Current Fee Rates		
Total Cost	3,578.79	Total Revenue		(4,578.79)
Total Number of Applicants		Number of Applications Processed		
Average Fee Rate	1,526.26	Average Fee Rates		(1,526.26)

10,700.00 Tota

Scenario 1	% of Applicants	Number of Applicants	Cost (with weight)	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application			
Simple	#DIV/0!		#DIV/0!	#DIV/0!	375.82	870.31	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Complex	#DIV/0!		#DIV/0!	#DIV/0!	375.82	870.31	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!		#DIV/0!				#DIV/0!			#DIV/0!

Classification	Allocation	% of Applicants	Number	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application			
Manufacturers	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Wholesalers	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Exporters	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Retailers	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Contractors	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Banks and other institutions	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Peddlers	#DIV/0!									
Others	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!			#DIV/0!				#DIV/0!		#DIV/0!
	Tota	0%								

23,891.42			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
23,891.42			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
#REF!									
			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
									#DIV/0!

Summary of Rationalized Local Fees and Charges

Local Fee/Charge	Current Rate	Rationalized Rate	% Variance	Remarks/Recommended Rate
Mayor's Permit on Other Financial Institutions-Micro	-	1,526.26	-1	Propose: 1,500.00

STEP 1: MAP YOUR PROCESS FLOW

Note:
- A flowchart is a picture of the separate steps involved in a given process, presented in sequential order.
- Particularly helpful in analyzing and identifying areas for improvement by showing inefficiencies in the system.
- Also, it is useful in costing analysis.
- For this template, it is not necessary to use the various diagrams and boxes normally used in process flowcharts.
- Suggested Source: Citizen's Charter or the duly authorized process flow of the concerned office (for standard procedure)

Instructions in Filling the Form

1 Discuss and decide on the boundaries of your process.
  * Where or when does the process start? Where or when does it end?
2 Arrange and document the activities in proper sequence.

Table 1:

	LIST OF ACTIVITIES
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Other Financial Institutions-Medium, and verify the completeness of the requirements.
2	Encode the application in the system and check the correctness of the entries.
3	Prepare and print the Tax Order of Payment.
4	Receive payment and issue Official Receipt.
5	Sign and approve the application by the Municipal Treasurer and BPLO.
6	Prepare and approve Mayor's Permit.
7	Record and release the Mayor's Permit to the applicant.
8	Conduct actual inspection of the business establishment.

STEP 2: IDENTIFY THE RESOURCES FOR EACH ACTIVITY

Instructions in Filling the Form

1 Identify the offices and all key people involved with each activity. Identify official position.
  * For standardization, base the information on the Citizen's Charter or the duly authorized process flow for standard procedure.
  * This includes those who do the work in the process: suppliers, customers and supervisors.
2 List down the materials and resources utilized in each stage.

Table 2:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Other Financial Institutions-Medium, and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jheian Richelle Lipao/Admin Aide I	Linen Paper A4
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form

STEP 3: CLASSIFY ACTIVITIES INTO "ROUTINE" AND "SPECIAL"

Instructions in Filling the Form

1 Classify the activities into whether they are:
  * Routine(same procedure and effort for each applicant)
  * Special (usually the vital part of the process and varies according to the type and/or complexity of the business of the applicant)

Note: **It is highly suggested to identify one (1) special step.**
- **However, it can be two (2) or more. In that case, it will have an impact on the weight of the Special Variable Component.**
- **It may also yield that there is no special step in the whole process. In that case, the normal costing procedure is applicable and the computation will not involve a Special Variable Component.**

Table 3:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL	TYPE OF ACTIVITY
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Other Financial Institutions-Medium, and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen	Routine
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-	Routine
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink	Routine
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt	Routine
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-	Routine
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jheian Richelle Lipao/Admin Aide I	Linen Paper A4	Routine
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook	Routine
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form	Special

STEP 4. QUANTIFY THE VARIABLE COST FOR ROUTINE ACTIVITIES

STEP 4.A PERSONNEL COSTS

Instructions in Filling Up the Form

Column 1- Base it on the staff identified as directly involved in the Routine Activities of the subject service. The actual number may be obtained from the Citizen's Charter or authorized office process flow, including the list of contractual positions for the particular service/s being rendered.

Column 2 - Match the salary grade for each staff. The salary grade data will be available at the Citizen's Charter, HR, Accounting, or Budget Office of the City.

Column 3 - Fill out the salary rate per month for each staff. The salary rates per month may be obtained from HR, Accounting, or Budget offices of the LGU.

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months

Column 5. Identify all other remunerations regularly received by the staff. Data will be available at the City Budget or Accounting Department. In case data will not be readily available, other benefits can be represented by computing 20% of the annual salary.

Column 6. Sum up columns 4 and 5, and multiply it by 80%. The 20% covers lag time usually allotted to attendance in seminars/trainings, leaves, and other admin activities not related to the service. LGUs may also devise other method to determine the annual % of time assigned in the delivery of subject service, exclusive of lag time.

Column 7. Approximate the annual percentage of time each staff performs the task directly related to the activity. Data shall be provided by the head of units performing the service, e.g., if exclusively doing such task, then put 100%.

Column 8. Get the total personnel cost attributable to Routine Activities by adding the cost for each staff involved in delivering the service.

Table 4: Personnel Cost

Name and Position	Compensation					% Time assigned in the delivery of Mayor's Permit: Other Financial Institutions-Medium	Annual Cost of the Service
	SG-Step	Monthly Salary	Annual Salary	Other Benefits	Annual Compensation		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Carmelita M. Palma - Acting MT	SG14/S1	27,768.00	333,216.00	253,536.00	469,401.60	0.12%	563.28
Aileen Rose A. Tantoy - LRCO I/BPLO	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.20	0.15%	439.48
Luzviminda A. Datoy - RCC III	SG9/S1	17,420.00	209,040.00	82,840.00	233,504.00	0.13%	303.56
Nora D. Ogdoc - Admin Aide	SG1/S1	10,623.00	127,476.00	69,246.00	157,377.60	0.10%	157.38
Nestor S. Valeroso - Mayor	SG27/S3	106,997.00	1,283,964.00	441,994.00	1,380,766.40	0.07%	966.54
Jhelan Richelle Lipao - Admin Aide	SG1/S1	10,546.00	126,552.00	69,092.00	156,515.20	0.10%	156.52
							-
							-
							-
							-
							-
			-		-		-
			-		-		-
			-		-		-
						TOTAL	2,586.75

STEP 4.B COST OF TRANSPORTATION

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection.
Column 3. Verify unit cost of vehicle
Column 4. Determine the total cost by multiplying columns 2 and 3
Column 5. Apply the depreciation rate (Note: Economic life of a vehicle is 10 years)
Column 6. Compute for the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Verify from the City Accounting Office the actual amount spent for maintenance of the vehicle used for inspection. In the absence of actual data, the amount can be computed by multiplying column 5 by 20%.

Column 8. Determine the frequency of use of the vehicle. In the specific case sample, half day use from February to November is 44/52 weeks x .5 days. Note that the LGUs may devise other method to determine the actual frequency of use of vehicle.
Column 9. Compute the cost of vehicle for inspection by adding columns 6 and 7 thenmultiply the frequency of use in column 8.

Table 5:

Variable Cost - Vehicle

List of Vehicle/s	Number of Vehicles	Unit Cost	Total Cost	Depreciation Rate/Year	Annual Depreciation Cost	Maintenance cost	Percentage of use for inspection per week	Annual cost of vehicle for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)
					-			-
							TOTAL	-

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection
Column 3. Verify the average cost of fuel per liter
Column 4. Check the average weekly consumption in liters
Column 5. There are 52 weeks in one year. Identify the number of weeks the vehicles(s) has been used in a year.
Column 6. Compute for annual cost of fuel for 1 year by multiplying columns 2, 3, 4 and 5.
Column 7. Determine the percentage for the frequency of use of the vehicle for inspection. In the specific case sample, half day use from February to November is 44/52 weeks X .5 days.
Note that the LGUs may devise other method to determine the actual percentage for the frequency of use of the vehicle.
Column 8. Compute the cost of fuel for inspection activities by multiplying columns 6 and 7.

Table 6:

Variable Cost - Fuel

List of vehicle/s	Number of Vehicles	Average Cost per liter	Ave. weekly consumption in liters	Number of weeks in one year	Annual Cost of fuel for the vehicle	Percentage of use for inspection per week	Annual cost for Fuel for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
					-		-
						TOTAL	-

If the LGU does not provide vehicles for inspection, but only allows the reimbursement of actual transportation expenses, the annual cost should be computed by determining the monthly reimbursements multiplied by 12

Table 7:

Variable Cost - Allowance/Reimbursement for Fuel

Name and Position	Transportation Cost based on Allowance/Reimbursements		% Time assigned in the delivery of the "Mayor's Permit: Other Financial Institutions- Medium"	Annual Cost of the Service
	Average Monthly	Annual Allowance	(col 4)	
(col 1)	(col 2)	(col 3)		(col 5)
Aileen Rose A. Tantoy - LRCO I/BPLO	300	1,200	6%	72.00
Maximo D. Guarte- Sanitary Inspector	300	1,200	6%	72.00
Joegie E. Cabatuan-Admin. Aide VI	300	1,200	5%	60.00
Kathleen Jay U. Orozco-Admin Aide IV	300	1,200	5%	60.00
Anthony Rengel-Agri'l Technologist	300	1,200	5%	60.00
Rachel Ontolan-Envi.Mgt. Specialist	300	1,200	5%	60.00
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
			TOTAL	384.00

TOTAL OF VEHICLE AND FUEL:	-

STEP 4.C OTHER VARIABLE COSTS

Instructions in Filling the Form

Column 1. List down the supplies, materials and other resources which are issued to each applicant or varies directly with the number of applicants.

Column 2. Count all filled application forms, schedule slips, results forms, etc., and those issued with official receipts. Consider if applicants were successfully processed and approved, and provided with new business plate, stickers and/or certificates.

Column 3. Secure the unit cost for each and every item identified as other variable cost from the City Accounting Office.

Column 4. Compute for the annual other variable cost by multiplying column 2 and column 3

Table 8:

Variable Cost - Other variable cost

Particulars	Annual Number of Applications	Cost/Measuring unit (Php)	Annual cost (Php)
(col 1)	(col 2)	(col 3)	(col 4)
3			
Bond paper	78	0.50	39.00
Official Receipts	52	3.40	176.80
Linen Paper A4	26	2.00	52.00
			-
			-
			-
			-
		TOTAL	267.80

Instructions for Filling Up the Form

Column 1 - List all identified variable costs.

Column 2 - Fill up the variable costs for the "Subject Service" and reflect the sum of all entries of each cell to total

Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Variable Cost Per Application.

Table 9:

Summary Table- Variable Costs

	Total	Estimated Routine Variable Cost Per Application
Annual Number of Applications	3	
Variable Costs		
Routine Personnel	2,586.75	862.25
Travel Reimbursement	384.00	128.00
Other Supplies/Forms/Materials	267.80	89.27
TOTAL	3,238.55	1,079.52

STEP 5. ALLOCATE THE VARIABLE COST FOR SPECIAL ACTIVITIES

Name and position	SG/Step	Monthly Salary	Annual Salary	Other compensation	Total Annual Compensation	% Time allocated for the service	Amount cost of service for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Aileen Rose A. Yantoy - BPLO Designate	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.20	0.14%	410.18
Maximo D. Guarte - Sanitary Inspector	SG6/S8	19,963.00	239,556.00	87,926.00	281,985.60	0.14%	966.78
Jongie E. Cabotaan - Admin Aide IV	SG6/S3	14,537.00	174,444.00	77,874.00	201,214.40	0.12%	241.46
Kathleen Joy U. Orozco - Admin Aide IV	SG4/S2	12,719.00	152,628.00	73,438.00	180,852.80	0.12%	217.02
Anthony Rengel - Agric'l Technologist	SG10/S1	19,190.00	230,280.00	86,380.00	253,328.00	0.12%	303.99
Rachel Ostolan - Env.Mgt. Specialist	SG15/S1	30,453.00	365,436.00	108,906.00	379,473.60	0.12%	455.37
			-		-		-
						TOTAL	1,994.80

Instructions in Filling the Form

Column 1- List the staff assigned to the "Special" Activity/ies.
Column 2 - Match the salary grade for each staff
Column 3 - Fill out the salary rate/month for each staff.
Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months
Column 5. Identify all other remunerations regularly received by the staff. Other benefits include RATA, PERA, year end benefits and other remunerations received
Column 6. Sum up columns 4 and 5
Column 7. Estimate the annual % of time each staff performs directly to the issuance of the subject service. The rate shall be provided by the concerned unit head.
Column 8. Get the total cost for the Special Activity by adding the cost for each staff involved in delivering the service.
Proceed to the weight allocation. (The weight allocation may vary depending on the appropriate basis in the scenario within an LGU)

Basis (2) Simple and Complex

CATEGORIES	No. of Personnel	Weight	Allocation
Simple		#DIV/0!	#DIV/0!
Complex		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!

*Here, the client is to assign the weight allocation based on the combination of the previous two options

**In the Manufacturers Unit - option has were viewed to have both simple and complex business characteristics

***Hence, the further classification as to simple and complex within the classification of Manufacturers and Contractors.

Basis (1) Per Business Classification

CLASSIFICATION	Weight	Allocation
Manufacturer		#DIV/0!
Wholesalers		#DIV/0!
Exporters		#DIV/0!
Retailers		#DIV/0!
Contractors		#DIV/0!
Banks and other institutions		#DIV/0!
Peddlers		#DIV/0!
Others		#DIV/0!
	0	#DIV/0!

Weight Allocation According to Complexity and Business Classification

			Simple Weight	Complex Weight	Total	Simple	Complex
	BUSINESS CLASSIFICATION						
With Complex	Manufacturer	#DIV/0!				#DIV/0!	#DIV/0!
	Wholesalers	#DIV/0!				#DIV/0!	
	Exporters	#DIV/0!				#DIV/0!	
	Retailers	#DIV/0!				#DIV/0!	
With Complex	Contractors	#DIV/0!				#DIV/0!	#DIV/0!
	Banks and other inst	#DIV/0!				#DIV/0!	
	Peddlers	#DIV/0!				#DIV/0!	
	Others	#DIV/0!				#DIV/0!	
						#DIV/0!	#DIV/0!

Note: Other basis may be used (e. g. the DTI classification as to Cottage, Small, etc)

STEP 6. ESTIMATE AND DISTRIBUTE THE FIXED COSTS

STEP 6.A COST OF OFFICE SPACE

Instruction in Filling Up the Form

Column 1 - Describes the cost formula for determining share of office cost for delivering "Subject Service". Determine the cost of construction per square meter (approximately P20,000/sq.m.) and the floor area of the entire City Hall. The building construction cost is the product of the two values. Knowing the floor area occupied by the different offices delivering the "Subject Service", its proportionate share in the total floor area of the city hall multiplied by cost of constructing the building will be the cost of office space occupied. The annual depreciation rate is 4% since the normal economic life of reinforced concrete structures is 25 years. We can compute for the annual depreciation expense by multiplying the cost of office space occupied by depreciation rate and approximately the annual maintenance cost by apportioning 20% of the annual depreciation expenses. The 20% is used whenever actual data from the Accounting Office is unavailable. The share of cost for delivering "Subject Service" can be computed by adding annual depreciation expense and annual maintenance cost multiplied by the percent of work by the Office utilized for delivering the "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 10:

Fixed Cost - Office Space (Owned by the LGU)

Particulars	Offices Involved in the delivery of "Mayor's Permit: Other Financial Institutions-Medium" Fee
(col 1)	(col 2)
Construction Cost (per sq m)	14,751.85
Floor area of City Hall (sq m)	1,080.00
Building Construction Cost (Php)	15,913,000.00
Office Area Occupied (sq. m)	72.00
Cost of Office Area Occupied (Php)	1,060,866.67
Depreciation Rate (%)	3%
Annual Depreciation Expense (Php)	503,911.66
Annual Maintenance Cost (Php)	100,782.33
Percent of Work for "Mayor's Permit: Other Financial Institutions-Medium" (%)	0.67%
Share of Cost attributable to delivering the service (Php)	4,051.45

Instructions for Filling Up the Form

Column 1 - Determine the monthly rental rate and multiply by the number of months the office space was rented to know the annual cost for rental. Add actual cost for maintaining the Office space. If the actual data is not available add 20% of the annual cost of rental to determine the annual cost for rented office space. The annual fixed cost for rented office space attributable to rendering the service is the annual cost of rented office space multiplied by the proportion of time used for "Subject Service" services in relation to the total responsibility of the Office delivering the service

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 11:

Fixed Cost - Office Space (Rented by the LGU)

Particulars	Offices Involved in the delivery of "Subject Service" Fee
(col 1)	(col 2)
Rental rate per month	
Number of months use	
Annual cost of rental	-
Maintenance Cost	-
Annual cost of rented office space	-
Percentage of time used for the delivery of the service in relation to the responsibility of the Office	
Annual fixed cost (rented office space) attributable to delivering the service	-

STEP 6.C COST OF EQUIPMENT AND FURNITURE

Instructions in Filling the Form

Column 1. Identify all the equipment, and other facilities used for the delivery of the subject service.
Column 2. Count the number of each type of equipment or facility.
Column 3. Verify acquisition cost from the Accounting Unit.
Column 4. Compute for the total cost of acquisition by multiplying columns 2 and 3.
Column 5. Compute for the annual depreciation rate by dividing 100% with the estimated economic life in years.
Column 6. Compute the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Secure from the City Accounting Office the actual amount spent for maintenance of equipment/furniture used delivery of the subject service. In the absence of actual data, the amount can be computed by multiplying column 6 by 20%.
Column 8. Add Columns 6 and 7 to determine the annual cost of equipment/facility.
Column 9. Determine the % of time used for delivering the specific service in relation to responsibilities of the office involved in delivering the subject service.
Column 10. Compute for the annual cost share for equipment and funiture by multiplying columns 8 & 9.

Table 15:

Fixed Cost - Equipment and Furniture

Particulars	Number of Units	Acquisition Cost	Total Cost	Depreciation Rate	Annual Depreciation Cost	Maintenance Cost	Total Annual Cost	% Used for delivering the Service	Annual Cost Share for Equipment and Furniture
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)	(col 10)
A. Equipment									
Air Condition	3	35,000	105,000.00	20%	21,000	4,200	25,200	2%	504.00
Computers	3	50,000	150,000.00	20%	30,000	6,000	36,000	2%	720.00
Photocopier			-		-	-	-		-
								Sub-Total	1,224.00
B. Furniture									
Filing Cabinets	2	5,000	10,000.00	10%	1,000	200	1,200	2%	24.00
Tables and Chairs	4	2,000	8,000.00	10%	800	160	960	2%	19.20
								Sub-Total	43.20
								TOTAL	1,267.20

STEP 6.B UTILITIES

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of electricity cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the cost of electricity rate per kilowatt hour and the kilowatt consumption/hour of the Office delivering the service. The regular operations of a City Office is 7:30am-5:30pm or 10 hrs and there are approximately 260 days per year. The annual cost of electricity for the ofices delivering the service is the product of the electricity rate per kwh, the kilowatt consumption per hour of the office, the number of operating hours per days, and the number of operating days per year. The percent of work to be considered is an approximation by the head of unit delivering the service in relation to its total responsibilities. When known, the net cost of electricity attributed to delivery of service shall be the annual cost of electricity for the office multiplied by the percent of work devoted by the office for "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 12:

Cost of Electricity	
Particulars	**Offices involved in the delivery of** "Mayor's Permit: Other Financial Institutions Medium" **Fee**
(col 1)	(col 2)
Electricity rate per kilowatt hour (Php)	**17.07**
Kilowatt consumption/hour for the unit delivering the service	**5.63**
Number of operating hours per day	**8.00**
Number of days per year	**264.00**
Electricity cost per year	**202,971.86**
Percent of work for the service rendered	**0.67%**
Net electricity cost attributed to "Subject Service" service	1,359.91

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of water cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the number of people directly related to the processing and issuance of "Subject Service". The estimated water bill per person per month is P100. The net cost of water attributed to the delivery of "Subject Service" can be computed by the estimated water bill of the office per year multiplied by the percent of "Subject Service" work performed by the office in relation to the total responsibilities assigned to the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 13:

Cost of Water	
Particulars	**Offices involved in the delivery of** "Mayor's Permit: Other Financial Institutions Medium" **Fee**
(col 1)	(col 2)
Number of People	**10**
Water bill per person per month	**77.50**
Estimated water bill of the office per year	**9,300.00**
Percent of work for the service rendered	**0.67%**
Net cost of water attributed to delivery of "Subject Service".	62.31

Instructions for Filling Up the Form

Column 1. The cost of telephone can be computed by knowing the number of telephone lines available in the Office and the monthly subscription rate per month. The annual cost of telephone services is the number of telephone lines multiplied by the monthly subscription rate over a period of twelve months. The net cost of telephone services attributed to processing and issuance of mayors permit is the annual cost of telephone services multiplied by the percent of work performed by the Office in processing and issuance of "Subject Service" in as a percentage of the total responsibilities of the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 14:

Cost for Communication	
Particulars	**Offices involved in the delivery of** "Mayor's Permit: Other Financial Institutions Medium" **Fee**
(col 1)	(col 2)
Number of telephone/cellphone lines in the Office delivering the	**1**
Rate of subscription per month	**599**
Annual cost of telephone/mobile services	**7,188.00**
Percent of work for the service rendered	**20%**
Net cost of telephone/mobile services attributed to processing and issuance of "Subject Service"	1,437.60

STEP 6.D OTHER FIXED COST

Instructions in Filling the Form

Column 1. Identify Offices delivering the "Subject Service" fee and the type of other fixed costs significant for their operation. In the particular example, these are cost for internet subscription and regular office supplies for the offices involved in delivering the "Subject Service".

Column 2. Verify actual office expenses from the LGU Accounting Office. If data are hard to get, reflect the budget allocation of each office (c/o LGU Budget Office).

Column 3. Determine the percentage of time used by the Office in delivering the specific service in relation to its total responsibilities.

Column 4. Compute for the other variable cost by multiplying column 2 and column 3.

NOTE: Note: The LGU may have other major fixed costs not mentioned in this illustration. When costs are significant, those fixed cost must be identified and added in the template. Conversely, costs that are negligible may be dropped from the calculations.

Table 16:

Other Fixed Cost

Particulars	Annual Rate	Percent of Use for "Mayor's Permit: Other Financial Institutions-Medium" Fees	Annual Cost
(col 1)	(col 2)	(col 3)	(col 4)
Internet Services	18000	1%	180.00
Regular Office Supplies			-
Information Tech Team			-
Security Team			
Janitorial Team			
Reception Services			
		Total	180.00

Instructions for Filling Up the Form

Column 1 - List all identified fixed costs.
Column 2 - Fill up the fixed costs for the "Subject Service" and reflect the sum of all entries of each cell under "Total".
Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Fixed Cost Per Application.

Table 17:

Summary Table - Fixed Costs

Fixed Cost	Total	Estimated Routine Fixed Cost Per Application
(col 1)	(col 2)	(col 3)
Annual Number of Applications	3	
Office Space	4,051.45	1,350.48
Utilities	2,859.82	953.27
Electricity	1,359.91	453.30
Water	62.31	20.77
Communication	1,437.60	479.20
Equipment and Furniture	1,267.20	422.40
Other Fixed Cost	180.00	60.00
TOTAL	8,358.47	2,786.16

STEP 7. COMPARE FEE WITH COST OF DELIVERING SERVICES

Name of Fee/Charge: Mayor's Permit: Other Financial Institutions - Medium

Fee Rate Estimation Using Costs of Issuing Permits Plus Cost of Surveillance		Comparison with Current Fee Rates		Difference	% Variance (-/+)	Remaks:Reasonable/Not Reasonable
Total Cost	*13,591.82*	Total Collection on Fees and/or Charges	*12,000.00*	(1,591.82)	(0.12)	Reasonable
Number of Applications Processed	*3*	Number of Applications Processed	*3*			
Average Fee Rate	*4,530.61*	Average Fee Rates	*4,000.00*	(530.61)	(0.12)	

Instructions for Filling

(1) For every fee or charge, compare Total Revenue with Total Cost of delivering the subject service based on the results of the foregoing procedures.
(2) Compute the difference and determine the corresponding variance. If it yields a variance (-/+) of more than 10%, the LGU is either subsidizing (-) or generating revenues (+) in relation to the subject Service. 8

(3) Input the results in a summary form using Table 23 for ease in reference and appreciation during the review and deliberation of the results of the Toolkit.
(4) If so, then the LGU must submit, along with the report of the results, a proposed Rationalization of Fees and Charges using the options.

EXAMPLE:

Compare Fee with Cost of Delivering Services					
Fee Rate Estimation using Costs of Issuing permits plus cost of surveillance		Comparison with Current Fee Rates			
Total Cost	*13,591.82*	Total Revenue	*12,000.00*	(1,591.82)	[illegible]
Total Number of Applicants	*248*	Number of Applications Processed	*248*		
Average Fee Rate	*54.81*	Average Fee Rates	*48.39*	(6.42)	[illegible]

10,594.00 Total

Scenario 1	% of Applicants	Number of Applicants	Cost (with weight)	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application			
Simple	#DIV/0!		#DIV/0!	[illegible]	1,079.52	2,786.16	[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Complex	#DIV/0!		#DIV/0!	[illegible]	1,079.52	2,786.16	[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!	-	#DIV/0!					#DIV/0!		#DIV/0!

Classification	Allocation	% of Applicants	Number	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application			
Manufacturer	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Wholesalers	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Exporters	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Retailers	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Contractors	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Banks and other institutions	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Peddlers	#DIV/0!									
Others	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!		-	#DIV/0!				#DIV/0!		#DIV/0!

Total: 0%
100%

Ok ok

235801.42 - - #DIV/0! #DIV/0! #DIV/0! #DIV/0!
235801.42 - - #DIV/0! #DIV/0! #DIV/0! #DIV/0!
#REF! -

#DIV/0! #DIV/0! #DIV/0! #DIV/0!
#DIV/0! #DIV/0! #DIV/0! #DIV/0!
#DIV/0!

Summary of Rationalized Local Fees and Charges

Local Fee/Charge	Current Rate	Rationalized Rate	% Variance	Remarks/Recommended Rate
Mayor's Permit on Other Financial Institutions-Medium	4,000.00	4,530.61	-0.12	Propose: 4,500.00

STEP 1: MAP YOUR PROCESS FLOW

Note:
- A flowchart is a picture of the separate steps involved in a given process, presented in sequential order.
- Particularly helpful in analyzing and identifying areas for improvement by showing inefficiencies in the system.
- Also, it is useful in costing analysis.
- For this template, it is not necessary to use the various diagrams and boxes normally used in process flowcharts.
- Suggested Source: Citizen's Charter or the duly authorized process flow of the concerned office (for standard procedure)

Instructions in Filling the Form

1 Discuss and decide on the boundaries of your process.
   * Where or when does the process start? Where or when does it end?
2 Arrange and document the activities in proper sequence.

Table 1:

	LIST OF ACTIVITIES
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Other Financial Institutions-Large, and verify the completeness of the requirements.
2	Encode the application in the system and check the correctness of the entries.
3	Prepare and print the Tax Order of Payment.
4	Receive payment and issue Official Receipt.
5	Sign and approve the application by the Municipal Treasurer and BPLO.
6	Prepare and approve Mayor's Permit.
7	Record and release the Mayor's Permit to the applicant.
8	Conduct actual inspection of the business establishment.

STEP 2: IDENTIFY THE RESOURCES FOR EACH ACTIVITY

Instructions in Filling the Form

1 Identify the offices and all key people involved with each activity. Identify official position.
   * For standardization, base the information on the Citizen's Charter or the duly authorized process flow for standard procedure.
   * This includes those who do the work in the process: suppliers, customers and supervisors.
2 List down the materials and resources utilized in each stage.

Table 2:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Other Financial Institutions-Large, and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jhelan Richelle Lipao/Admin Aide I	Linen Paper A4
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form

STEP 3: CLASSIFY ACTIVITIES INTO "ROUTINE" AND "SPECIAL"

Instructions in Filling the Form

1 Classify the activities into whether they are:
   * Routine(same procedure and effort for each applicant)
   * Special (usually the vital part of the process and varies according to the type and/or complexity of the business of the applicant)

Note: **It is highly suggested to identify one (1) special step.**
- **However, it can be two (2) or more. In that case, it will have an impact on the weight of the Special Variable Component.**
- **It may also yield that there is no special step in the whole process. In that case, the normal costing procedure is applicable and the computation will not involve a Special Variable Component.**

Table 3:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL	TYPE OF ACTIVITY
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Other Financial Institutions-Large, and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen	Routine
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-	Routine
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink	Routine
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt	Routine
	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-	Routine
	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jhelan Richelle Lipao/Admin Aide I	Linen Paper A4	Routine
	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook	Routine
5	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form	Special

STEP 4. QUANTIFY THE VARIABLE COST FOR ROUTINE ACTIVITIES

STEP 4.A PERSONNEL COSTS

Instructions in Filling Up the Form

Column 1- Base it on the staff identified as directly involved in the Routine Activities of the subject service. The actual number may be obtained from the Citizen's Charter or authorized office process flow, including the list of contractual positions for the particular service/s being rendered.

Column 2 - Match the salary grade for each staff. The salary grade data will be available at the Citizen's Charter, HR, Accounting, or Budget Office of the City.

Column 3 - Fill out the salary rate per month for each staff. The salary rates per month may be obtained from HR, Accounting, or Budget offices of the LGU.

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months

Column 5. Identify all other remunerations regularly received by the staff. Data will be available at the City Budget or Accounting Department. In case data will not be readily available, other benefits can be represented by computing 20% of the annual salary.

Column 6. Sum up columns 4 and 5, and multiply it by 80%. The 20% covers lag time usually allotted to attendance in seminars/trainings, leaves, and other admin activities not related to the service. LGUs may also devise other method to determine the annual % of time assigned in the delivery of subject service, exclusive of lag time.

Column 7. Approximate the annual percentage of time each staff performs the task directly related to the activity. Data shall be provided by the head of units performing the service, e.g., if exclusively doing such task, then put 100%.

Column 8.Get the total personnel cost attributable to Routine Activities by adding the cost for each staff involved in delivering the service.

Table 4: Personnel Cost

Name and Position	Compensation					% Time assigned in the delivery of Mayor's Permit: Other Financial Institutions- Large	Annual Cost of the Service
	SG-Step	Monthly Salary	Annual Salary	Other Benefits	Annual Compensation		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Carmelita M. Palma - Acting MT	SG14/S1	27,768.00	333,216.00	253,536.00	469,401.60	0.28%	1,314.32
Aileen Rose A. Tantoy - LRCO I/BPLO	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.20	0.32%	937.56
Luzviminda A. Datoy - RCC III	SG9/S1	17,420.00	209,040.00	82,840.00	233,504.00	0.30%	700.51
Nora D. Ogdoc - Admin Aide	SG1/S1	10,623.00	127,476.00	69,246.00	157,377.60	0.24%	377.71
Nestor S. Valeroso - Mayor	SG27/S3	106,997.00	1,283,964.00	441,994.00	1,380,766.40	0.18%	2,485.38
Jhelan Richelle Lipao - Admin Aide	SG1/S1	10,546.00	126,552.00	69,092.00	156,515.20	0.24%	375.64
							-
							-
							-
							-
							-
			-		-		-
			-		-		-
			-		-		-
						TOTAL	6,191.12

STEP 4.B COST OF TRANSPORTATION

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection.
Column 3. Verify unit cost of vehicle
Column 4. Determine the total cost by multiplying columns 2 and 3
Column 5. Apply the depreciation rate (Note: Economic life of a vehicle is 10 years)
Column 6. Compute for the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Verify from the City Accounting Office the actual amount spent for maintenance of the vehicle used for inspection. In the absence of actual data, the amount can be computed by multiplying column 5 by 20%.

Column 8. Determine the frequency of use of the vehicle. In the specific case sample, half day use from February to November is 44/52 weeks x .5 days. Note that the LGUs may devise other method to determine the actual frequency of use of vehicle.
Column 9. Compute the cost of vehicle for inspection by adding columns 6 and 7 thenmultiply the frequency of use in column 8.

Table 5:

Variable Cost - Vehicle

List of Vehicle/s	Number of Vehicles	Unit Cost	Total Cost	Depreciation Rate/Year	Annual Depreciation Cost	Maintenance cost	Percentage of use for inspection per week	Annual cost of vehicle for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)
					-			-
							TOTAL	-

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection
Column 3. Verify the average cost of fuel per liter
Column 4. Check the average weekly consumption in liters
Column 5. There are 52 weeks in one year. Identify the number of weeks the vehicles(s) has been used in a year.
Column 6. Compute for annual cost of fuel for 1 year by multiplying columns 2, 3, 4 and 5.
Column 7. Determine the percentage for the frequency of use of the vehicle for inspection. In the specific case sample, half day use from February to November is 44/52 weeks X .5 days. Note that the LGUs may devise other method to determine the actual percentage for the frequency of use of the vehicle.
Column 8. Compute the cost of fuel for inspection activities by multiplying columns 6 and 7.

Table 6:

Variable Cost - Fuel

List of vehicle/s	Number of Vehicles	Average Cost per liter	Ave. weekly consumption in liters	Number of weeks in one year	Annual Cost of fuel for the vehicle	Percentage of use for inspection per week	Annual cost for Fuel for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
					-		-
							-
						TOTAL	-

If the LGU does not provide vehicles for inspection, but only allows the reimbursement of actual transportation expenses, the annual cost should be computed by determining the monthly reimbursements multiplied by 12

Table 7:

Variable Cost - Allowance/Reimbursement for Fuel

Name and Position	Transportation Cost based on Allowance/Reimbursements		% Time assigned in the delivery of the "Mayor's Permit Banks-Universal"	Annual Cost of the Service
	Average Monthly	Annual Allowance	(col 4)	
(col 1)	(col 2)	(col 3)		(col 5)
Aileen Rose A. Tantoy - LRCO I/BPLO	300	1,200	6%	72.00
Maximo D. Guarte- Sanitary Inspector	300	1,200	6%	72.00
Joegie E. Cabatuan-Admin. Aide VI	300	1,200	5%	60.00
Kathleen Jay U. Orozco-Admin Aide IV	300	1,200	5%	60.00
Anthony Rengel-Agri'l Technologist	300	1,200	5%	60.00
Rachel Ontolan-Envi.Mgt. Specialist	300	1,200	5%	60.00
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
			TOTAL	384.00

TOTAL OF VEHICLE AND FUEL:	-

STEP 4.C OTHER VARIABLE COSTS

Instructions in Filling the Form

Column 1. List down the supplies, materials and other resources which are issued to each applicant or varies directly with the number of applicants.

Column 2. Count all filled application forms, schedule slips, results forms, etc., and those issued with official receipts. Consider if applicants were successfully processed a approved, and provided with new business plate, stickers and/or certificates.

Column 3. Secure the unit cost for each and every item identified as other variable cost from the City Accounting Office.

Column 4. Compute for the annual other variable cost by multiplying column 2 and column 3

Table 8:

Variable Cost - Other variable cost

Particulars	Annual Number of Applications	Cost/Measuring unit (Php)	Annual cost (Php)
(col 1)	(col 2)	(col 3)	(col 4)
	3		
Bond paper	78	0.50	39.00
Official Receipts	52	3.40	176.80
Linen Paper A4	26	2.00	52.00
			-
			-
			-
			-
		TOTAL	267.80

Instructions for Filling Up the Form

Column 1 - List all identified variable costs.

Column 2 - Fill up the variable costs for the "Subject Service" and reflect the sum of all entries of each cell to total

Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Variable Cost Per Application.

Table 9:

Summary Table- Variable Costs

	Total	Estimated Routine Variable Cost Per Application
Annual Number of Applications	3	
Variable Costs		
Routine Personnel	6,191.12	2,063.71
Travel Reimbursement	384.00	128.00
Other Supplies/Forms/Materials	267.80	89.27
TOTAL	6,842.92	2,280.97

STEP 5. ALLOCATE THE VARIABLE COST FOR SPECIAL ACTIVITIES

Name and position	SG/Step	Monthly Salary	Annual Salary	Other compensation	Total Annual Compensation	% time allocated for the service	Annual cost of service for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Allean Rose A. Tantoy-BPLO Designate	SG11/S1	22,731.00	272,772.00	99,462.00	292,987.20	0.30%	878.96
Mauboo D. Geurte - Sanitary Inspector	SG6/S8	19,965.00	239,556.00	87,926.00	261,985.60	0.30%	785.96
Jongie E. Cabotaje - Admin Aide IV	SG5/S3	14,537.00	174,444.00	77,074.00	201,214.40	0.28%	563.40
Kathleen Joy U. Orozco - Admin Aide IV	SG4/S2	12,719.00	152,628.00	73,488.00	180,852.80	0.28%	506.39
Anthony Rengel - Agric'l Technologist	SG10/S1	19,190.00	230,280.00	86,380.00	253,328.00	0.28%	709.32
Rachel Ontolan - Envl.Mgt. Specialist	SG15/S1	30,453.00	365,436.00	108,906.00	379,473.60	0.28%	1,062.53
			-		-		-
						TOTAL	4,506.55

Instructions in Filling the Form

Column 1 - List the staff assigned to the "Special" Activity/ies

Column 2 - Match the salary grade for each staff

Column 3 - Fill out the salary rate/month for each staff.

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months

Column 5, Identify all other remunerations regularly received by the staff. Other benefits include RATA, PERA, year end benefits and other remunerations received

Column 6, Sum up columns 4 and 5

Column 7,Estimate the annual % of time each staff performs directly to the issuance of the subject service. The rate shall be provided by the concerned unit head.

Column 8,Get the total cost for the Special Activity by adding the cost for each staff involved in delivering the service.

Proceed to the weight allocation (The weight allocation may vary depending on the appropriate basis to the scenario within an LGU)

Basis (2) Simple and Complex

CATEGORIES	No. of Personnel	Weight	Allocation
Simple		#DIV/0!	#DIV/0!
Complex		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!

*Note: they have to distribute the weight allocations based on the combination of the previous two options

** In note: Maintain internal control cost were valued to have both simple and complex business structures

*** Note: the further classification in terms of simple and complex within the classification of Manufacturers and Contractors

Basis (1) Per Business Classification

CLASSIFICATION	Weight	Allocation
Manufacturer		#DIV/0!
Wholesalers		#DIV/0!
Exporters		#DIV/0!
Retailers		#DIV/0!
Contractors		#DIV/0!
Banks and other institutions		#DIV/0!
Peddlers		#DIV/0!
Others		#DIV/0!
	0	#DIV/0!

Weight Allocation According to Complexity and Business Classification

	BUSINESS CLASSIFICATION		Simple Weight	Complex Weight	Total	Simple	Complex
With Complex	Manufacturer	#DIV/0!				#DIV/0!	#DIV/0!
	Wholesalers	#DIV/0!				#DIV/0!	
	Exporters	#DIV/0!				#DIV/0!	
	Retailers	#DIV/0!				#DIV/0!	
With Complex	Contractors	#DIV/0!				#DIV/0!	#DIV/0!
	Banks and other inst	#DIV/0!				#DIV/0!	
	Peddlers	#DIV/0!				#DIV/0!	
	Others	#DIV/0!				#DIV/0!	
						#DIV/0!	#DIV/0!

Note: Other basis may be used (e. g. the DTI classification as to Cottage, Small, etc)

STEP 6. ESTIMATE AND DISTRIBUTE THE FIXED COSTS

STEP 6.A COST OF OFFICE SPACE

Instruction in Filling Up the Form

Column 1 - Describes the cost formula for determining share of office cost for delivering "Subject Service". Determine the cost of construction per square meter (approximately P20,000/sq.m.) and the floor area of the entire City Hall. The building construction cost is the product of the two values. Knowing the floor area occupied by the different offices delivering the "Subject Service", its proportionate share in the total floor area of the city hall multiplied by cost of constructing the building will be the cost of office space occupied. The annual depreciation rate is 4% since the normal economic life of reinforced concrete structures is 25 years. We can compute for the annual depreciation expense by multiplying the cost of office space occupied by depreciation rate and approximately the annual maintenance cost by apportioning 20% of the annual depreciation expenses. The 20% is used whenever actual data from the Accounting Office is unavailable. The share of cost for delivering "Subject Service" can be computed by adding annual depreciation expense and annual maintenance cost multiplied by the percent of work by the Office utilized for delivering the "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 10:

Fixed Cost - Office Space (Owned by the LGU)

Particulars (col 1)	Offices Involved in the delivery of "Mayor's Permit: Other Financial Institutions- Large" Fee (col 2)
Construction Cost (per sq m)	14,751.85
Floor area of City Hall (sq m)	1,080.00
Building Construction Cost (Php)	15,913,000.00
Office Area Occupied (sq. m)	72.00
Cost of Office Area Occupied (Php)	1,060,866.67
Depreciation Rate (%)	3%
Annual Depreciation Expense (Php)	503,911.66
Annual Maintenance Cost (Php)	100,782.33
Percent of Work for "Mayor's Permit: Other Financial Institutions-Large" (%)	1.56%
Share of Cost attributable to delivering the service (Php)	9,433.23

Instructions for Filling Up the Form

Column 1 - Determine the monthly rental rate and multiply by the number of months the office space was rented to know the annual cost for rental. Add actual cost for maintaining the Office space. If the actual data is not available add 20% of the annual cost of rental to determine the annual cost for rented office space. The annual fixed cost for rented office space attributable to rendering the service is the annual cost of rented office space multiplied by the proportion of time used for "Subject Service" services in relation to the total responsibility of the Office delivering the service

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 11:

Fixed Cost - Office Space (Rented by the LGU)

Particulars (col 1)	Offices Involved in the delivery of "Subject Service" Fee (col 2)
Rental rate per month	
Number of months use	
Annual cost of rental	-
Maintenance Cost	-
Annual cost of rented office space	-
Percentage of time used for the delivery of the service in relation to the responsibility of the Office	
Annual fixed cost (rented office space) attributable to delivering the service	-

STEP 6.C COST OF EQUIPMENT AND FURNITURE

Instructions in Filling the Form

Column 1. Identify all the equipment, and other facilities used for the delivery of the subject service.
Column 2. Count the number of each type of equipment or facility.
Column 3. Verify acquisition cost from the Accounting Unit.
Column 4. Compute for the total cost of acquisition by multiplying columns 2 and 3.
Column 5. Compute for the annual depreciation rate by dividing 100% with the estimated economic life in years.
Column 6. Compute the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Secure from the City Accounting Office the actual amount spent for maintenance of equipment/furniture used delivery of the subject service. In the absence of actual data, the amount can be computed by multiplying column 6 by 20%.
Column 8. Add Columns 6 and 7 to determine the annual cost of equipment/facility.
Column 9. Determine the % of time used for delivering the specific service in relation to responsibilities of the office involved in delivering the subject service.
Column 10. Compute for the annual cost share for equipment and funiture by multiplying columns 8 & 9.

Table 15:

Fixed Cost - Equipment and Furniture

Particulars	Number of Units	Acquisition Cost	Total Cost	Depreciation Rate	Annual Depreciation Cost	Maintenance Cost	Total Annual Cost	% Used for delivering the Service	Annual Cost Share for Equipment and Furniture
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)	(col 10)
A. Equipment									
Air Condition	3	35,000	105,000.00	20%	21,000	4,200	25,200	2%	504.00
Computers	3	50,000	150,000.00	20%	30,000	6,000	36,000	2%	720.00
Photocopier			-		-	-	-		-
								Sub-Total	1,224.00
B. Furniture									
Filing Cabinets	2	5,000	10,000.00	10%	1,000	200	1,200	2%	24.00
Tables and Chairs	4	2,000	8,000.00	10%	800	160	960	2%	19.20
								Sub-Total	43.20
								TOTAL	1,267.20

STEP 6.B UTILITIES

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of electricity cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the cost of electricity rate per kilowatt hour and the kilowatt consumption/hour of the Office delivering the service. The regular operations of a City Office is 7:30am-5:30pm or 10 hrs and there are approximately 260 days per year. The annual cost of electricity for the ofices delivering the service is the product of the electricity rate per kwh, the kilowatt consumption per hour of the office, the number of operating hours per days, and the number of operating days per year. The percent of work to be considered is an approximation by the head of unit delivering the service in relation to its total responsibilities. When known, the net cost of electricity attributed to delivery of service shall be the annual cost of electricity for the office multiplied by the percent of work devoted by the office for "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of water cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the number of people directly related to the processing and issuance of "Subject Service". The estimated water bill per person per month is P100. The net cost of water attributed to the delivery of "Subject Service" can be computed by the estimated water bill of the office per year multiplied by the percent of "Subject Service" work performed by the office in relation to the total responsibilities assigned to the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Instructions for Filling Up the Form

Column 1. The cost of telephone can be computed by knowing the number of telephone lines available in the Office and the monthly subscription rate per month. The annual cost of telephone services is the number of telephone lines multiplied by the monthly subscription rate over a period of twelve months. The net cost of telephone services attributed to processing and issuance of mayors permit is the annual cost of telephone services multiplied by the percent of work performed by the Office in processing and issuance of "Subject Service" in as a percentage of the total responsibilities of the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 12:

Cost of Electricity	
Particulars	**Offices involved in the delivery of** "Mayor's Permit: Other Financial Institutions-Large" **Fee**
(col 1)	**(col 2)**
Electricity rate per kilowatt hour (Php)	**17.07**
Kilowatt consumption/hour for the unit delivering the service	**5.63**
Number of operating hours per day	**8.00**
Number of days per year	**264.00**
Electricity cost per year	**202,971.86**
Percent of work for the service rendered	**1.56%**
Net electricity cost attributed to "Subject Service" service	3,166.36

Table 13:

Cost of Water	
Particulars	**Offices involved in the delivery of** "Mayor's Permit: Other Financial Institutions-Large" **Fee**
(col 1)	**(col 2)**
Number of People	**10**
Water bill per person per month	**77.50**
Estimated water bill of the office per year	**9,300.00**
Percent of work for the service rendered	**1.56%**
Net cost of water attributed to delivery of "Subject Service".	145.08

Table 14:

Cost for Communication	
Particulars	**Offices involved in the delivery of** "Mayor's Permit: Other Financial Institutions-Large" **Fee**
(col 1)	**(col 2)**
Number of telephone/cellphone lines in the Office delivering the	
Rate of subscription per month	
Annual cost of telephone/mobile services	
Percent of work for the service rendered	
Net cost of telephone/mobile services attributed to processing and issuance of "Subject Service"	

STEP 6.D OTHER FIXED COST

Instructions in Filling the Form

Column 1. Identify Offices delivering the "Subject Service" fee and the type of other fixed costs significant for their operation. In the particular example, these are cost for internet subscription and regular office supplies for the offices involved in delivering the "Subject Service".

Column 2. Verify actual office expenses from the LGU Accounting Office. If data are hard to get, reflect the budget allocation of each office (c/o LGU Budget Office).

Column 3. Determine the percentage of time used by the Office in delivering the specific service in relation to its total responsibilities.

Column 4. Compute for the other variable cost by multiplying column 2 and column 3.

NOTE: Note: The LGU may have other major fixed costs not mentioned in this illustration. When costs are significant, those fixed cost must be identified and added in the template. Conversely, costs that are negligible may be dropped from the calculations.

Table 16:

Other Fixed Cost

Particulars	Annual Rate	Percent of Use for "Mayor's Permit: Other Financial Institutions-Large" Fees	Annual Cost
(col 1)	(col 2)	(col 3)	(col 4)
Internet Services	18000	1%	180.00
Regular Office Supplies			-
Information Tech Team			-
Security Team			
Janitorial Team			
Reception Services			
		Total	180.00

Instructions for Filling Up the Form

Column 1 - List all identified fixed costs.
Column 2 - Fill up the fixed costs for the "Subject Service" and reflect the sum of all entries of each cell under "Total".
Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Fixed Cost Per Application.

Table 17:

Summary Table - Fixed Costs		
Fixed Cost	Total	Estimated Routine Fixed Cost Per Application
(col 1)	(col 2)	(col 3)
Annual Number of Applications	3	
Office Space	9,433.23	3,144.41
Utilities	3,311.44	1,103.81
Electricity	3,166.36	1,055.45
Water	145.08	48.36
Communication	-	-
Equipment and Furniture	1,267.20	422.40
Other Fixed Cost	180.00	60.00
TOTAL	14,191.87	4,730.62

STEP 7. COMPARE FEE WITH COST OF DELIVERING SERVICES

Name of Fee/Charge: Mayor's Permit: Other Financial Institutions - Large

Fee Rate Estimation Using Costs of Issuing Permits Plus Cost of Surveillance		Comparison with Current Fee Rates		Difference	% Variance (-/+)	Remaks:Reasonable/Not Reasonable
Total Cost	25,541.34	Total Collection on Fees and/or Charges	24,000.00	(1,541.34)	(0.06)	Reasonable
Number of Applications Processed	3	Number of Applications Processed	3			
Average Fee Rate	8,513.78	Average Fee Rates	8,000.00	(513.78)	(0.06)	

Instructions for Filling

(1) For every fee or charge, compare Total Revenue with Total Cost of delivering the subject service based on the results of the foregoing procedures.
(2) Compute the difference and determine the corresponding variance. If it yields a variance (-/+) of more than 10%, the LGU is either subsidizing (-) or generating revenues (+) in relation to the subject Service.

(3) Input the results in a summary form using Table 23 for ease in reference and appreciation during the review and deliberation of the results of the Toolkit.
(4) If so, then the LGU must submit, along with the report of the results, a proposed Rationalization of Fees and Charges using the options.

EXAMPLE:

Compare Fee with Cost of Delivering Services					
Fee Rate Estimation using Costs of issuing permits plus cost of surveillance		Comparison with Current Fee Rates			
Total Cost	25,541.34	Total Revenue	24,000.00	(1,541.34)	-6%
Total Number of Applicants	3	Number of Applications Processed	3		
Average Fee Rate	8,513.78	Average Fee Rates	8,000.00	(513.78)	-6%

10,594.00 Total

Scenario 1	% of Applicants	Number of Applicants	Cost (with weight)	SPCL-PROCESSED	STD-VAR	STD-FXD	Cost per Application			
Simple	#DIV/0!		#DIV/0!	[illegible]	2,289.97	4,730.62	[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Complex	#DIV/0!		#DIV/0!	[illegible]	2,289.97	4,730.62	[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!	-	#DIV/0!					#DIV/0!		#DIV/0!

Classification	Allocation	% of Applicants	Number	SPCL-PROCESSED	STD-VAR	STD-FXD	Cost per Application			
Manufacturer	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Wholesalers	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Exporters	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Retailers	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Contractors	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Banks and other institutions	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Peddlers	#DIV/0!									
Others	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!		-	#DIV/0!				#DIV/0!		#DIV/0!
	Total	0%								
		100%								

Ok ok

235801.42	-	-	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
235801.42	-	-	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
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			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
									#DIV/0!

Summary of Rationalized Local Fees and Charges

Local Fee/Charge	Current Rate	Rationalized Rate	% Variance	Remarks/Recommended Rate
Mayor's Permit: Other Financial Institutions-Large	8,000.00	8,513.78	-0.06	Propose: 8,500.00

STEP 1: MAP YOUR PROCESS FLOW

Note:
- A flowchart is a picture of the separate steps involved in a given process, presented in sequential order.
- Particularly helpful in analyzing and identifying areas for improvement by showing inefficiencies in the system.
- Also, it is useful in costing analysis.
- For this template, it is not necessary to use the various diagrams and boxes normally used in process flowcharts.

Instructions in Filling the Form

1 Discuss and decide on the boundaries of your process.
  * Where or when does the process start? Where or when does it end?
2 Arrange and document the activities in proper sequence.

Table 1:

	LIST OF ACTIVITIES
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for , and verify the completeness of the requirements.
2	Encode the application in the system and check the correctness of the entries.
3	Prepare and print the Tax Order of Payment.
4	Receive payment and issue Official Receipt.
5	Sign and approve the application by the Municipal Treasurer and BPLO.
6	Prepare and approve Mayor's Permit.
7	Record and release the Mayor's Permit to the applicant.
8	Conduct actual inspection of the business establishment.

STEP 2: IDENTIFY THE RESOURCES FOR EACH ACTIVITY

Instructions in Filling the Form

1 Identify the offices and all key people involved with each activity. Identify official position.
  * This includes those who do the work in the process: suppliers, customers and supervisors.
2 List down the materials and resources utilized in each stage.

Table 2:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for , and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jheian Richelle Lipao/Admin Aide I	Linen Paper A4
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form

STEP 3: CLASSIFY ACTIVITIES INTO "ROUTINE" AND "SPECIAL"

Instructions in Filling the Form

1 Classify the activities into whether they are:
  - It is highly suggested to identify one (1) special step.
  - **However, it can be two (2) or more. In that case, it will have an impact on the weight of the Special Variable Component.**
  - **It may also yield that there is no special step in the whole process. In that case, the normal costing procedure is applicable and the computation will not involve a Special Variable Component.**

Table 3:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL	TYPE OF ACTIVITY
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for , and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen	Routine
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-	Routine
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink	Routine
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt	Routine
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-	Routine
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jheian Richelle Lipao/Admin Aide I	Linen Paper A4	Routine
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook	Routine
8	Conduct actual inspection of the business establishment.	BPLO, MHO, M	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form	Special

STEP 4. QUANTIFY THE VARIABLE COST FOR ROUTINE ACTIVITIES

STEP 4.A PERSONNEL COSTS

Instructions in Filling Up the Form

Column 1- Base it on the staff identified as directly involved in the Routine Activities of the subject service. The actual number may be obtained from the Citizen's Charter or authorized office process flow, including the list of contractual positions for the particular service/s being rendered.

Column 2 - Match the salary grade for each staff. The salary grade data will be available at the Citizen's Charter, HR, Accounting, or Budget Office of the City.

Column 3 - Fill out the salary rate per month for each staff. The salary rates per month may be obtained from HR, Accounting, or Budget offices of the LGU.

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months

Column 5. Identify all other remunerations regularly received by the staff. Data will be available at the City Budget or Accounting Department. In case data will not be readily available, other benefits can be represented by computing 20% of the annual salary.

Column 6. Sum up columns 4 and 5, and multiply it by 80%. The 20% covers lag time usually allotted to attendance in seminars/trainings, leaves, and other admin activities not related to the service. LGUs may also devise other method to determine the annual % of time assigned in the delivery of subject service, exclusive of lag time.

Column 7. Approximate the annual percentage of time each staff performs the task directly related to the activity. Data shall be provided by the head of units performing the service, e.g., if exclusively doing such task, then put 100%.

Column 8. Get the total personnel cost attributable to Routine Activities by adding the cost for each staff involved in delivering the service.

Table 4: Personnel Cost

Name and Position	Compensation					% Time assigned in the delivery of	Annual Cost of the Service
	SG-Step	Monthly Salary	Annual Salary	Other Benefits	Annual Compensation		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Carmelita M. Palma - Acting MT	SG14/S1	27,768.00	333,216.00	253,536.00	469,401.60	0.03%	140.82
Aileen Rose A. Tamoy - LRCO I/BPLO	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.20	0.05%	146.49
Luzviminda A. Datoy - RCC III	SG9/S1	17,420.00	209,040.00	82,840.00	233,504.00	0.04%	93.40
Nora D. Ogdoc - Admin Aide	SG1/S1	10,623.00	127,476.00	69,246.00	157,377.60	0.01%	15.74
Nestor S. Valeroso - Mayor	SG27/S3	106,997.00	1,283,964.00	441,994.00	1,380,766.40	0.01%	138.08
Jheian Richelle Lipao - Admin Aide	SG1/S1	10,546.00	126,552.00	69,092.00	156,515.20	0.01%	15.65
							-
							-
							-
							-
							-
			-		-		-
			-		-		-
			-		-		-

STEP 4.B COST OF TRANSPORTATION

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection

Column 2. Identify the number of vehicles used for inspection.

Column 3. Verify unit cost of vehicle

Column 4. Determine the total cost by multiplying columns 2 and 3

Column 5. Apply the depreciation rate (Note: Economic life of a vehicle is 10 years)

Column 6. Compute for the annual depreciation cost by multiplying columns 4 and 5.

Column 7. Verify from the City Accounting Office the actual amount spent for maintenance of the vehicle used for inspection. In the absence of actual data, the amount can be computed by multiplying column 5 by 20%.

Column 8. Determine the frequency of use of the vehicle. In the specific case sample, half day use from February to November is 44/52 weeks x .5 days. Note that the LGUs may devise other method to determine the actual frequency of use of vehicle.

Column 9. Compute the cost of vehicle for inspection by adding columns 6 and 7 then multiply the frequency of use in column 8.

Table 5:

Variable Cost - Vehicle

List of Vehicle/s	Number of Vehicles	Unit Cost	Total Cost	Depreciation Rate/Year	Annual Depreciation Cost	Maintenance cost	Percentage of use for inspection per week	Annual cost of vehicle for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)
					-			-

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection

Column 2. Identify the number of vehicles used for inspection

Column 3. Verify the average cost of fuel per liter

Column 4. Check the average weekly consumption in liters

Column 5. There are 52 weeks in one year. Identify the number of weeks the vehicle(s) has been used in a year.

Column 6. Compute for annual cost of fuel for 1 year by multiplying columns 2, 3, 4 and 5.

Column 7. Determine the percentage for the frequency of use of the vehicle for inspection. In the specific case sample, half day use from February to November is 44/52 weeks X .5 days. Note that the LGUs may devise other method to determine the actual percentage for the frequency of use of the vehicle.

Column 8. Compute the cost of fuel for inspection activities by multiplying columns 6 and 7.

Table 6:

Variable Cost - Fuel

List of vehicle/s	Number of Vehicles	Average Cost per liter	Ave. weekly consumption in liters	Number of weeks in one year	Annual Cost of fuel for the vehicle	Percentage of use for inspection per week	Annual cost for Fuel for Inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
					-		-

If the LGU does not provide vehicles for inspection, but only allows the reimbursement of actual transportation expenses, the annual cost should be computed by determining the monthly reimbursements multiplied by 12

Table 7:

Variable Cost - Allowance/Reimbursement for Fuel

Name and Position	Transportation Cost based on Allowance/Reimbursements		% Time assigned in the delivery of the [illegible]	Annual Cost of the Service
	Average Monthly	Annual Allowance	(col 4)	(col 5)
(col 1)	(col 2)	(col 3)		
Aileen Rose A. Tantoy - LRCO I/BPLO	300	1,200	5%	60.00
Maximo D. Guarte- Sanitary Inspector	300	1,200	5%	60.00
Joegie E. Cabatuan-Admin. Aide VI	300	1,200	4%	48.00
Kathleen Jay U. Orozco-Admin Aide IV	300	1,200	4%	48.00
Anthony Rangel-Agri'l Technologist	300	1,200	4%	48.00
Rachel Ontolan-Envi.Mgt. Specialist	300	1,200	4%	48.00
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-

STEP 4.C OTHER VARIABLE COSTS

Instructions in Filling the Form

Column 1. List down the supplies, materials and other resources which are issued to each applicant or varies directly with the number of applicants.

Column 2. Count all filled application forms, schedule slips, results forms, etc., and those issued with official receipts. Consider if applicants were successfully processed a approved, and provided with new business plate, stickers and/or certificates.

Column 3. Secure the unit cost for each and every item identified as other variable cost from the City Accounting Office.

Column 4. Compute for the annual other variable cost by multiplying column 2 and column 3

Table 8:

Variable Cost - Other variable cost

Particulars	Annual Number of Applications	Cost/Measuring unit (Php)	Annual cost (Php)
(col 1)	(col 2)	(col 3)	(col 4)
	3		
Bond paper	**9**	**0.50**	**4.50**
Official Receipts	**6**	**3.40**	**20.40**
Linen Paper A4	**3**	**2.00**	**6.00**
			-
			-
			-
			-
		TOTAL	

Instructions for Filling Up the Form

Column 1 - List all identified variable costs.
Column 2 - Fill up the variable costs for the "Subject Service" and reflect the sum of all entries of each cell to total
Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Variable Cost Per Application.

Table 9:

Summary Table- Variable Costs		
	Total	**Estimated Routine Variable Cost Per Application**
Annual Number of Applications	**3**	
Variable Costs		
Routine Personnel	**550.18**	**183.39**
Travel Reimbursement	**312.00**	**104.00**
Other Supplies/Forms/Materials	**30.90**	**10.30**
TOTAL	893.08	297.69

Instructions for Filling Up the Form

Column 1 - List all identified variable costs.
Column 2 - Fill up the variable costs for the "Subject Service" and reflect the sum of all entries of each cell to total
Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Variable Cost Per Application.

Table 9:

Summary Table- Variable Costs		
	Total	**Estimated Routine Variable Cost Per Application**
Annual Number of Applications	**3**	
Variable Costs		
Routine Personnel	**550.18**	**183.39**
Travel Reimbursement	**312.00**	**104.00**
Other Supplies/Forms/Materials	**30.90**	**10.30**
TOTAL	893.08	297.69

STEP 5. ALLOCATE THE VARIABLE COST FOR SPECIAL ACTIVITIES

Name and position	SG/Step	Monthly Salary	Annual Salary	Other compensation	Total Annual Compensation	% time devoted to the activity	Amount of time for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Aileen Rose A. Tantoy-BPLO Designate	SG11/S1	22,731.00	272,772.00	93,462.80	292,987.20	0.05%	87.90
Maxmo D. Guarte - Sanitary Inspector	SG6/S8	19,963.00	239,556.00	87,928.00	261,985.60	0.03%	78.60
Jongie E. Cabatuan - Admin Aide IV	SG6/S3	14,537.00	174,444.00	77,074.00	201,214.40	0.02%	40.24
Kathleen Joy U. Orozco - Admin Aide IV	SG4/S2	12,719.00	152,628.00	73,438.00	180,852.80	0.02%	36.17
Anthony Rengel - Agric'l Technologist	SG19/S1	19,190.00	230,280.00	86,330.00	255,878.00	0.02%	50.67
Rachel Ontolan - Envt.Mgt. Specialist	SG15/S1	30,953.00	365,436.00	108,906.00	379,473.60	0.02%	75.89

Instructions in Filling the Form

Column 1 - List the staff (engaged in the [illegible] activity)
Column 2 - Indicate the salary grade for each staff
Column 3 - [illegible]
Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months
Column 5 - Identify all other compensation extended to the staff (Other benefits such as RATA, PERA, year end benefits and other remuneration)
Column 6 - Sum total of column 4 and 5
Column 7 - Estimate the actual time of each staff performing activity for the purpose of the [illegible]
Column 8 - Get the total cost for the Special Activity by adding the cost for each staff involved in delivering the service

Basis (2) Simple and Complex

CATEGORIES	No. of Personnel	Weight	Allocation
Simple		#DIV/0!	#DIV/0!
Complex		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!

Basis (1) Per Business Classification

CLASSIFICATION	Weight	Allocation
Manufacturer		#DIV/0!
Wholesalers		#DIV/0!
Exporters		#DIV/0!
Retailers		#DIV/0!
Contractors		#DIV/0!
Banks and other institution		#DIV/0!
Peddlers		#DIV/0!
Others		#DIV/0!
	0	#DIV/0!

Weight Allocation According to Complexity and Business Classification

BUSINESS CLASSIFICATION			Simple Weight	Complex Weight	Total	Simple	Complex
With Complex	Manufacturer	#DIV/0!				#DIV/0!	#DIV/0!
	Wholesalers	#DIV/0!				#DIV/0!	
	Exporters	#DIV/0!				#DIV/0!	
	Retailers	#DIV/0!				#DIV/0!	
With Complex	Contractors	#DIV/0!				#DIV/0!	#DIV/0!
	Banks and other Inst	#DIV/0!				#DIV/0!	
	Peddlers	#DIV/0!				#DIV/0!	
	Others	#DIV/0!				#DIV/0!	
						#DIV/0!	#DIV/0!

Note: Other basis may be used (e. g. the DTI classification as to Cottage, Small, etc)

STEP 6. ESTIMATE AND DISTRIBUTE THE FIXED COSTS

STEP 6.A COST OF OFFICE SPACE

Instruction in Filling Up the Form

Column 1 - Describes the cost formula for determining share of office cost for delivering "Subject Service". Determine the cost of construction per square meter (approximately P20,000/sq.m.) and the floor area of the entire City Hall. The building construction cost is the product of the two values Knowing the floor area occupied by the different offices delivering the "Subject Service", its proportionate share in the total floor area of the city hall multiplied by cost of constructing the building will be the cost of office space occupied. The annual depreciation rate is 4% since the normal economic life of reinforced concrete structures is 25 years. We can compute for the annual depreciation expense by multiplying the cost of office space occupied by depreciation rate and approximately the annual maintenance cost by apportioning 20% of the annual depreciation expenses. The 20% is used whenever actual data from the Accounting Office is unavailable. The share of cost for delivering "Subject Service" can be computed by adding annual depreciation expense and annual maintenance cost multiplied by the percent of work by the Office utilized for delivering the "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 10:

Fixed Cost - Office Space (Owned by the LGU)

Particulars	Offices involved in the delivery of " " Fee
(col 1)	(col 2)
Construction Cost (per sq m)	14,751.85
Floor area of City Hall (sq m)	1,080.00
Building Construction Cost (Php)	15,913,000.00
Office Area Occupied (sq. m)	72.00
Cost of Office Area Occupied (Php)	1,060,866.67
Depreciation Rate (%)	3%
Annual Depreciation Expense (Php)	503,911.66
Annual Maintenance Cost (Php)	100,782.33
Percent of Work for " " (%)	0.15%
Share of Cost attributable to delivering the service (Php)	907.04

Instructions for Filling Up the Form

Column 1 - Determine the monthly rental rate and multiply by the number of months the office space was rented to know the annual cost for rental. Add actual cost for maintaining the Office space. If the actual data is not available add 20% of the annual cost of rental to determine the annual cost for rented office space. The annual fixed cost for rented office space attributable to rendering the service is the annual cost of rented office space multiplied by the proportion of time used for "Subject Service" services in relation to the total responsibility of the Office delivering the service

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 11:

Fixed Cost - Office Space (Rented by the LGU)

Particulars	Offices Involved in the delivery of "Subject Service" Fee
(col 1)	(col 2)
Rental rate per month	
Number of months use	
Annual cost of rental	-
Maintenance Cost	-
Annual cost of rented office space	-
Percentage of time used for the delivery of the service in relation to the responsibility of the Office	
Annual fixed cost (rented office space) attributable to delivering the service	

STEP 6.B UTILITIES

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of electricity cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the cost of electricity rate per kilowatt hour and the kilowatt consumption/hour of the Office delivering the service. The regular operations of a City Office is 7:30am-5:30pm or 10 hrs and there are approximately 260 days per year. The annual cost of electricity for the ofices delivering the service is the product of the electricity rate per kwh, the kilowatt consumption per hour of the office, the number of operating hours per days, and the number of operating days per year. The percent of work to be considered is an approximation by the head of unit delivering the service in relation to its total responsibilities. When known, the net cost of electricity attributed to delivery of service shall be the annual cost of electricity for the office multiplied by the percent of work devoted by the office for "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 12

Cost of Electricity

Particulars	Offices involved in the delivery of " " Fee
(col 1)	(col 2)
Electricity rate per kilowatt hour (Php)	17.87
Kilowatt consumption/hour for the unit delivering the service	5.63
Number of operating hours per day	8.00
Number of days per year	264.00
Electricity cost per year	202,971.86
Percent of work for the service rendered	0.15%
Ne. electricity cost attributed to "Subject Service" service	

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of water cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the number of people directly related to the processing and issuance of "Subject Service". The estimated water bill per person per month is P100. The net cost of water attributed to the delivery of "Subject Service" can be computed by the estimated water bill of the office per year multiplied by the percent of "Subject Service" work performed by the office in relation to the total responsibilities assigned to the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 13

Cost of Water

Particulars	Offices involved in the delivery of " " Fee
(col 1)	(col 2)
Number of People	10
Water bill per person per month	77.50
Estimated water bill of the office per year	9,300.00
Percent of work for the service rendered	0.15%
Net cost of water attributed to delivery of "Subject Service".	

Instructions for Filling Up the Form

Column 1. The cost of telephone can be computed by knowing the number of telephone lines available in the Office and the monthly subscription rate per month. The annual cost of telephone services is the number of telephone lines multiplied by the monthly subscription rate over a period of twelve months. The net cost of telephone services attributed to processing and issuance of mayors permit is the annual cost of telephone services multiplied by the percent of work performed by the Office in processing and issuance of "Subject Service" in as a percentage of the total responsibilities of the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 14

Cost for Communication

Particulars	Offices involved in the delivery of " " Fee
(col 1)	(col 2)
Number of telephone/cellphone lines in the Office delivering the	
Rate of subscription per month	
Annual cost of telephone/mobile services	
Percent of work for the service rendered	
Net cost of telephone/mobile services attributed to processing	

STEP 6.C COST OF EQUIPMENT AND FURNITURE

Instructions in Filling the Form

Column 1. Identify all the equipment, and other facilities used for the delivery of the subject service.
Column 2. Count the number of each type of equipment or facility
Column 3. Verify acquisition cost from the Accounting Unit.
Column 4. Compute for the total cost of acquisition by multiplying columns 2 and 3.
Column 5. Compute for the annual depreciation rate by dividing 100% with the estimated economic life in years.
Column 6. Compute the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Secure from the City Accounting Office the actual amount spent for maintenance of equipment/furniture used delivery of the subject service. In the absence of actual data, the amount can be computed by multiplying column 6 by 20%.
Column 8. Add Columns 6 and 7 to determine the annual cost of equipment/facility.
Column 9. Determine the % of time used for delivering the specific service in relation to responsibilities of the office involved in delivering the subject service.
Column 10. Compute for the annual cost share for equipment and furniture by multiplying columns 8 & 9.

Table 15:

Fixed Cost - Equipment and Furniture

Particulars	Number of Units	Acquisition Cost	Total Cost	Depreciation Rate	Annual Depreciation Cost	Maintenance Cost	Total Annual Cost	% Used for delivering the Service	Annual Cost Share for Equipment and Furniture
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)	(col 10)
A. Equipment									
Air Condition	3	35,000	105,000.00	20%	21,000	4,200	25,200	0.6%	151.20
Computers	3	50,000	150,000.00	20%	30,000	6,000	36,000	0.6%	216.00
Photocopier			-		-	-	-		-
								Sub-Total	367.20
B. Furniture									
Filing Cabinets	2	5,000	10,000.00	10%	1,000	200	1,200	0.6%	7.20
Tables and Chairs	4	2,000	8,000.00	10%	800	160	960	0.6%	5.76
								Sub-Total	12.96

STEP 6.D OTHER FIXED COST

Instructions in Filling the Form

Column 1. Identify Offices delivering the "Subject Service" fee and the type of other fixed costs significant for their operation. In the particular example, these are cost for internet subscription and regular office supplies for the offices involved in delivering the "Subject Service".

Column 2. Verify actual office expenses from the LGU Accounting Office. If data are hard to get, reflect the budget allocation of each office (c/o LGU Budget Office).

Column 3. Determine the percentage of time used by the Office in delivering the specific service in relation to its total responsibilities.

Column 4. Compute for the other variable cost by multiplying column 2 and column 3.

NOTE: Note: The LGU may have other major fixed costs not mentioned in this illustration. When costs are significant, those fixed cost must be identified and added in the template. Conversely, costs that are negligible may be dropped from the calculations.

Table 16:

Other Fixed Cost

Particulars	Annual Rate	Percent of Use for " " Fees	Annual Cost
(col 1)	(col 2)	(col 3)	(col 4)
Internet Services	**18000**	**1%**	**180.00**
Regular Office Supplies			-
Information Tech Team			-
Security Team			
Janitorial Team			
Reception Services			
		Total	180.00

Instructions for Filling Up the Form

Column 1 - List all identified fixed costs.
Column 2 - Fill up the fixed costs for the "Subject Service" and reflect the sum of all entries of each cell under "Total".
Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Fixed Cost Per Application.

Table 17:

Summary Table - Fixed Costs

Fixed Cost	Total	Estimated Routine Fixed Cost Per Application
(col 1)	(col 2)	(col 3)
Annual Number of Applications	3	
Office Space	907.04	302.35
Utilities	318.41	106.14
Electricity	304.46	101.49
Water	13.95	4.65
Communication	-	-
Equipment and Furniture	380.16	126.72
Other Fixed Cost	180.00	60.00
TOTAL	1,785.61	595.20

STEP 7. COMPARE FEE WITH COST OF DELIVERING SERVICES

Name of Fee/Charge:

Fee Rate Estimation Using Costs of Issuing Permits Plus Cost of Surveillance		Comparison with Current Fee Rates		Difference	% Variance (-/+)	Remarks:Reasonable/Not Reasonable
Total Cost		Total Collection on Fees and/or Charges		(3,048.16)	(1.00)	Reasonable
Number of Applications Processed		Number of Applications Processed				
Average Fee Rate		Average Fee Rates		(1,016.05)	(1.00)	

Instructions for Filling

(1) For every fee or charge, compare Total Revenue with Total Cost of delivering the subject service based on the results of the foregoing procedures.
(2) Compute the difference and determine the corresponding variance. If it yields a variance (-/+) of more than 10%, the LGU is either subsidizing (-) or generating revenues (+) in relation to the subject Service.

(3) Input the results in a summary form using Table 23 for ease in reference and appreciation during the review and deliberation of the results of the ruleflut.
(4) If so, then the LGU must submit, along with the report of the results, a proposed Rationalization of Fees and Charges using the options.

Compare Fee with Cost of Delivering Services				
Fee Rate Estimation using Costs of Issuing permits plus cost of surveillance		**Comparison with Current Fee Rates**		
Total Cost		Total Revenue		(3,048.16)
Total Number of Applicants		Number of Applications Processed		
Average Fee Rate		Average Fee Rates		(1,016.05)

Scenario 1	% of Applicants	Number of Applicants	Cost (with weight)	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application			
Simple	#DIV/0!		#DIV/0!	#DIV/0!	297.60	595.20	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Complex	#DIV/0!		#DIV/0!	#DIV/0!	297.60	595.20	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!	-	#DIV/0!					#DIV/0!		#DIV/0!

Classification	Allocation	% of Applicants	Number	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application			
Manufacturer	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Wholesaler	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Importer	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Retailer	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Contractors	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Bureau and other institutions	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Others	#DIV/0!									
Others	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!	Total	0%	#DIV/0!				#DIV/0!		#DIV/0!

	230801.42			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	230801.42			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#REF!									
				#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
				#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
										#DIV/0!

Summary of Rationalized Local Fees and Charges

Local Fee/Charge	Current Rate	Rationalized Rate	% Variance	Remarks/Recommended Rate
[illegible]	-	1,016.05	-1.00	Propose: 1,000.00

STEP 1: MAP YOUR PROCESS FLOW

Note:
- A flowchart is a picture of the separate steps involved in a given process, presented in sequential order.
- Particularly helpful in analyzing and identifying areas for improvement by showing inefficiencies in the system.
- Also, it is useful in costing analysis.
- For this template, it is not necessary to use the various diagrams and boxes normally used in process flowcharts.
- Suggested Source: Citizen's Charter or the duly authorized process flow of the concerned office (for standard procedure)

Instructions in Filling the Form

1 Discuss and decide on the boundaries of your process.
* Where or when does the process start? Where or when does it end?

2 Arrange and document the activities in proper sequence.

Table 1:

	LIST OF ACTIVITIES
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Contractor- Small, and verify the completeness of the requirements.
2	Encode the application in the system and check the correctness of the entries.
3	Prepare and print the Tax Order of Payment.
4	Receive payment and issue Official Receipt.
5	Sign and approve the application by the Municipal Treasurer and BPLO.
6	Prepare and approve Mayor's Permit.
7	Record and release the Mayor's Permit to the applicant.
8	Conduct actual inspection of the business establishment.

STEP 2: IDENTIFY THE RESOURCES FOR EACH ACTIVITY

Instructions in Filling the Form

1 Identify the offices and all key people involved with each activity. Identify official position.
* For standardization, base the information on the Citizen's Charter or the duly authorized process flow for standard procedure.
* This includes those who do the work in the process: suppliers, customers and supervisors.

2 List down the materials and resources utilized in each stage.

Table 2:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Contractor- Small, and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jheian Richelle Lipao/Admin Aide I	Linen Paper A4
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form

STEP 3: CLASSIFY ACTIVITIES INTO "ROUTINE" AND "SPECIAL"

Instructions in Filling the Form

1 Classify the activities into whether they are:
* Routine(same procedure and effort for each applicant)
* Special (usually the vital part of the process and varies according to the type and/or complexity of the business of the applicant)

Note: **It is highly suggested to identify one (1) special step.**
- **However, it can be two (2) or more. In that case, it will have an impact on the weight of the Special Variable Component.**
- **It may also yield that there is no special step in the whole process. In that case, the normal costing procedure is applicable and the computation will not involve a Special Variable Component.**

Table 3:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL	TYPE OF ACTIVITY
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Contractor- Small, and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen	Routine
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-	Routine
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink	Routine
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt	Routine
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-	Routine
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jheian Richelle Lipao/Admin Aide I	Linen Paper A4	Routine
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook	Routine
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form	Special

STEP 4. QUANTIFY THE VARIABLE COST FOR ROUTINE ACTIVITIES

STEP 4.A PERSONNEL COSTS

Instructions in Filling Up the Form

Column 1- Base it on the staff identified as directly involved in the Routine Activities of the subject service. The actual number may be obtained from the Citizen's Charter or authorized office process flow, including the list of contractual positions for the particular service/s being rendered.

Column 2 - Match the salary grade for each staff. The salary grade data will be available at the Citizen's Charter, HR, Accounting, or Budget Office of the City.

Column 3 - Fill out the salary rate per month for each staff. The salary rates per month may be obtained from HR, Accounting, or Budget offices of the LGU.

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months

Column 5. Identify all other remunerations regularly received by the staff. Data will be available at the City Budget or Accounting Department. In case data will not be readily available, other benefits can be represented by computing 20% of the annual salary.

Column 6. Sum up columns 4 and 5, and multiply it by 80%. The 20% covers lag time usually allotted to attendance in seminars/trainings, leaves, and other admin activities not related to the service. LGUs may also devise other method to determine the annual % of time assigned in the delivery of subject service, exclusive of lag time.

Column 7. Approximate the annual percentage of time each staff performs the task directly related to the activity. Data shall be provided by the head of units performing the service, e.g., if exclusively doing such task, then put 100%.

Column 8.Get the total personnel cost attributable to Routine Activities by adding the cost for each staff involved in delivering the service.

Table 4: Personnel Cost

Name and Position	Compensation					% Time assigned in the delivery of Mayor's Permit Contractor Small	Annual Cost of the Service
	SG-Step	Monthly Salary	Annual Salary	Other Benefits	Annual Compensation		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Carmelita M. Palma - Acting MT	SG14/S1	27,768.00	333,216.00	253,536.00	469,401.60	0.05%	234.70
Aileen Rose A. Tantoy - LRCO I/BPLO	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.20	0.08%	234.39
Luzviminda A. Datoy - RCC III	SG9/S1	17,420.00	209,040.00	82,840.00	233,504.00	0.07%	163.45
Nora D. Ogdoc - Admin Aide	SG1/S1	10,623.00	127,476.00	69,246.00	157,377.60	0.04%	62.95
Nestor S. Valeroso - Mayor	SG27/S3	106,997.00	1,283,964.00	441,994.00	1,380,766.40	0.02%	276.15
Jhelan Richelle Lipao - Admin Aide	SG1/S1	10,546.00	126,552.00	69,092.00	156,515.20	0.04%	62.61
							-
							-
							-
							-
							-
			-		-		-
			-		-		-
			-		-		-
						TOTAL	1,034.25

STEP 4.B COST OF TRANSPORTATION

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection.
Column 3. Verify unit cost of vehicle
Column 4. Determine the total cost by multiplying columns 2 and 3
Column 5. Apply the depreciation rate (Note: Economic life of a vehicle is 10 years)
Column 6. Compute for the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Verify from the City Accounting Office the actual amount spent for maintenance of the vehicle used for inspection. In the absence of actual data, the amount can be computed by multiplying column 5 by 20%.

Column 8. Determine the frequency of use of the vehicle. In the specific case sample, half day use from February to November is 44/52 weeks x .5 days. Note that the LGUs may devise other method to determine the actual frequency of use of vehicle.
Column 9. Compute the cost of vehicle for inspection by adding columns 6 and 7 thenmultiply the frequency of use in column 8.

Table 5:

Variable Cost - Vehicle

List of Vehicle/s	Number of Vehicles	Unit Cost	Total Cost	Depreciation Rate/Year	Annual Depreciation Cost	Maintenance cost	Percentage of use for inspection per week	Annual cost of vehicle for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)
					-			-
							TOTAL	-

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection
Column 3. Verify the average cost of fuel per liter
Column 4. Check the average weekly consumption in liters
Column 5. There are 52 weeks in one year. Identify the number of weeks the vehicles(s) has been used in a year.
Column 6. Compute for annual cost of fuel for 1 year by multiplying columns 2, 3, 4 and 5.
Column 7. Determine the percentage for the frequency of use of the vehicle for inspection. In the specific case sample, half day use from February to November is 44/52 weeks X .5 days. Note that the LGUs may devise other method to determine the actual percentage for the frequency of use of the vehicle.
Column 8. Compute the cost of fuel for inspection activities by multiplying columns 6 and 7.

Table 6:

Variable Cost - Fuel

List of vehicle/s	Number of Vehicles	Average Cost per liter	Ave. weekly consumption in liters	Number of weeks in one year	Annual Cost of fuel for the vehicle	Percentage of use for inspection per week	Annual cost for Fuel for Inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
					-		-
							-
						TOTAL	-

If the LGU does not provide vehicles for inspection, but only allows the reimbursement of actual transportation expenses, the annual cost should be computed by determining the monthly reimbursements multiplied by 12

Table 7:

Variable Cost - Allowance/Reimbursement for Fuel

Name and Position	Transportation Cost based on Allowance/Reimbursements		% Time assigned in the delivery of the "Mayor's Permit-Contractor-Small"	Annual Cost of the Service
	Average Monthly	Annual Allowance	(col 4)	
(col 1)	(col 2)	(col 3)		(col 5)
Aileen Rose A. Tantoy - LRCO I/BPLO	300	1,200	6%	70.80
Maximo D. Guarte- Sanitary Inspector	300	1,200	6%	70.80
Joegie E. Cabatuan-Admin. Aide VI	300	1,200	5%	60.00
Kathleen Jay U. Orozco-Admin Aide IV	300	1,200	5%	60.00
Anthony Rangel-Agri'l Technologist	300	1,200	5%	60.00
Rachel Ontolan-Envl.Mgt. Specialist	300	1,200	5%	60.00
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-	TOTAL	381.60

TOTAL OF VEHICLE AND FUEL:	-

STEP 4.C OTHER VARIABLE COSTS

Instructions in Filling the Form

Column 1. List down the supplies, materials and other resources which are issued to each applicant or varies directly with the number of applicants.

Column 2. Count all filled application forms, schedule slips, results forms, etc., and those issued with official receipts. Consider if applicants were successfully processed a approved, and provided with new business plate, stickers and/or certificates.

Column 3. Secure the unit cost for each and every item identified as other variable cost from the City Accounting Office.

Column 4. Compute for the annual other variable cost by multiplying column 2 and column 3

Table 8:

Variable Cost - Other variable cost

Particulars	Annual Number of Applications	Cost/Measuring unit (Php)	Annual cost (Php)
(col 1)	(col 2)	(col 3)	(col 4)
	3		
Bond paper	9	0.50	4.50
Official Receipts	6	3.40	20.40
Linen Paper A4	3	2.00	6.00
			-
			-
			-
			-
		TOTAL	30.90

Instructions for Filling Up the Form

Column 1 - List all identified variable costs.

Column 2 - Fill up the variable costs for the "Subject Service" and reflect the sum of all entries of each cell to total

Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Variable Cost Per Application.

Table 9:

Summary Table- Variable Costs

	Total	Estimated Routine Variable Cost Per Application
Annual Number of Applications	3	
Variable Costs		
Routine Personnel	1,034.25	344.75
Travel Reimbursement	381.60	127.20
Other Supplies/Forms/Materials	30.90	10.30
TOTAL	1,446.75	482.25

STEP 5. ALLOCATE THE VARIABLE COST FOR SPECIAL ACTIVITIES

Name and position	SG/Step	Monthly Salary	Annual Salary	Other compensation	Total Annual Compensation	% time allocated for the service	Annual cost of service for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Aileen Rose A. Tuscay - RPLO Designate	**SG11/S1**	**22,731.00**	**272,772.00**	**93,482.00**	**292,987.20**	**0.10%**	**292.99**
Maximo D. Georte - Sanitary Inspector	**SG6/S8**	**19,963.00**	**239,556.00**	**87,926.00**	**261,985.60**	**0.10%**	**261.99**
Joegie E. Cebotuan - Admin Aide IV	**SG6/S3**	**14,537.00**	**174,444.00**	**77,074.00**	**291,214.40**	**0.08%**	**160.97**
Kathleen Joy U. Orozco - Admin Aide IV	**SG4/S2**	**12,719.00**	**152,628.00**	**73,438.00**	**180,852.80**	**0.08%**	**144.68**
Anthony Rengel - Agric'l Technologist	**SG18/S1**	**19,190.00**	**230,280.00**	**86,380.00**	**253,528.00**	**0.08%**	**202.66**
Rachel Ostolan - Envi.Mgt. Specialist	**SG15/S1**	**30,453.00**	**365,436.00**	**108,906.00**	**379,473.60**	**0.08%**	**303.58**
			-		-		-
						TOTAL	1,366.87

Instructions in Filling the Form

Column 1- List the staff assigned to the "Special" Activity/ies.
Column 2 - Match the salary grade for each staff.
Column 3 - Fill out the salary rate/month for each staff.
Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months
Column 5. Identify all other remunerations regularly received by the staff. Other benefits include RATA, PERA, year end benefits and other remunerations
Column 6. Sum up columns 4 and 5
Column 7. Estimate the annual % of time each staff performs directly to the issuance of the subject service. The rate shall be provided by the concerned unit
Column 8. Get the total cost for the Special Activity by adding the cost for each staff involved in delivering the service.
Proceed to the weight allocation. (The weight allocation may vary depending on the appropriate basis for the scenario within an Instl)

Basis (2) Simple and Complex

CATEGORIES	No. of Personnel	Weight	Allocation
Simple		#DIV/0!	#DIV/0!
Complex		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!

*Here, they have to multiply the weight % which is based on the combination of the previous two options

**Note: Manufacturers and Contractors are always classified as Complex Business Structures

***Note: The further classification to simple and complex within the classes of Manufacturers and Contractors

Basis (1) Per Business Classification

CLASSIFICATION	Weight	Allocation
Manufacturer		#DIV/0!
Wholesalers		#DIV/0!
Exporters		#DIV/0!
Retailers		#DIV/0!
Contractors		#DIV/0!
Banks and other institutions		#DIV/0!
Peddlers		#DIV/0!
Others		#DIV/0!
	0	#DIV/0!

Weight Allocation According to Complexity and Business Classification

BUSINESS CLASSIFICATION			Simple Weight	Complex Weight	Total	Simple	Complex
With Complex	Manufacturer	#DIV/0!				#DIV/0!	#DIV/0!
	Wholesalers	#DIV/0!				#DIV/0!	
	Exporters	#DIV/0!				#DIV/0!	
	Retailers	#DIV/0!				#DIV/0!	
With Complex	Contractors	#DIV/0!				#DIV/0!	#DIV/0!
	Banks and other inst	#DIV/0!				#DIV/0!	
	Peddlers	#DIV/0!				#DIV/0!	
	Others	#DIV/0!				#DIV/0!	
						#DIV/0!	#DIV/0!

Note: Other basis may be used (e. g. the DTI classification as to Cottage, Small, etc)

STEP 6. ESTIMATE AND DISTRIBUTE THE FIXED COSTS

STEP 6.A COST OF OFFICE SPACE

Instruction in Filling Up the Form

Column 1 - Describes the cost formula for determining share of office cost for delivering "Subject Service". Determine the cost of construction per square meter (approximately P20,000/sq.m.) and the floor area of the entire City Hall. The building construction cost is the product of the two values. Knowing the floor area occupied by the different offices delivering the "Subject Service", its proportionate share in the total floor area of the city hall multiplied by cost of constructing the building will be the cost of office space occupied. The annual depreciation rate is 4% since the normal economic life of reinforced concrete structures is 25 years. We can compute for the annual depreciation expense by multiplying the cost of office space occupied by depreciation rate and approximately the annual maintenance cost by apportioning 20% of the annual depreciation expenses. The 20% is used whenever actual data from the Accounting Office is unavailable. The share of cost for delivering "Subject Service" can be computed by adding annual depreciation expense and annual maintenance cost multiplied by the percent of work by the Office utilized for delivering the "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 10:

Fixed Cost - Office Space (Owned by the LGU)

Particulars (col 1)	Offices Involved in the delivery of "Mayor's Permit: Contractor-Small" Fee (col 2)
Construction Cost (per sq m)	14,751.85
Floor area of City Hall (sq m)	1,080.00
Building Construction Cost (Php)	15,913,000.00
Office Area Occupied (sq. m)	72.00
Cost of Office Area Occupied (Php)	1,060,866.67
Depreciation Rate (%)	3%
Annual Depreciation Expense (Php)	503,911.66
Annual Maintenance Cost (Php)	100,782.33
Percent of Work for "Mayor's Permit: Contractor-Small" (%)	0.30%
Share of Cost attributable to delivering the service (Php)	1,814.08

Instructions for Filling Up the Form

Column 1 - Determine the monthly rental rate and multiply by the number of months the office space was rented to know the annual cost for rental. Add actual cost for maintaining the Office space. If the actual data is not available add 20% of the annual cost of rental to determine the annual cost for rented office space. The annual fixed cost for rented office space attributable to rendering the service is the annual cost of rented office space multiplied by the proportion of time used for "Subject Service" services in relation to the total responsibility of the Office delivering the service

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 11:

Fixed Cost - Office Space (Rented by the LGU)

Particulars (col 1)	Offices Involved in the delivery of "Subject Service" Fee (col 2)
Rental rate per month	
Number of months use	
Annual cost of rental	-
Maintenance Cost	-
Annual cost of rented office space	-
Percentage of time used for the delivery of the service in relation to the responsibility of the Office	
Annual fixed cost (rented office space) attributable to delivering the service	-

STEP 6.B UTILITIES

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of electricity cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the cost of electricity rate per kilowatt hour and the kilowatt consumption/hour of the Office delivering the service. The regular operations of a City Office is 7:30am-5:30pm or 10 hrs and there are approximately 260 days per year. The annual cost of electricity for the ofices delivering the service is the product of the electricity rate per kwh, the kilowatt consumption per hour of the office, the number of operating hours per days, and the number of operating days per year. The percent of work to be considered is an approximation by the head of unit delivering the service in relation to its total responsibilities. When known, the net cost of electricity attributed to delivery of service shall be the annual cost of electricity for the office multiplied by the percent of work devoted by the office for "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 12

Cost of Electricity	
Particulars	**Offices involved in the delivery of "Mayor's Permit:Contractor-Small" Fee**
(col 1)	(col 2)
Electricity rate per kilowatt hour (Php)	**17.07**
Kilowatt consumption/hour for the unit delivering the service	**5.63**
Number of operating hours per day	**8.00**
Number of days per year	**264.00**
Electricity cost per year	**202,971.86**
Percent of work for the service rendered	**0.30%**
Net electricity cost attributed to "Subject Service" service	608.92

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of water cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the number of people directly related to the processing and issuance of "Subject Service". The estimated water bill per person per month is P100. The net cost of water attributed to the delivery of "Subject Service" can be computed by the estimated water bill of the office per year multiplied by the percent of "Subject Service" work performed by the office in relation to the total responsibilities assigned to the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 13

Cost of Water	
Particulars	**Offices involved in the delivery of "Mayor's Permit:Contractor-Small" Fee**
(col 1)	(col 2)
Number of People	**10**
Water bill per person per month	**77.50**
Estimated water bill of the office per year	**9,300.00**
Percent of work for the service rendered	**0.30%**
Net cost of water attributed to delivery of "Subject Service".	27.90

Instructions for Filling Up the Form

Column 1. The cost of telephone can be computed by knowing the number of telephone lines available in the Office and the monthly subscription rate per month. The annual cost of telephone services is the number of telephone lines multiplied by the monthly subscription rate over a period of twelve months. The net cost of telephone services attributed to processing and issuance of mayors permit is the annual cost of telephone services multiplied by the percent of work performed by the Office in processing and issuance of "Subject Service" in as a percentage of the total responsibilities of the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 14

Cost for Communication	
Particulars	**Offices involved in the delivery of "Mayor's Permit:Contractor-Small" Fee**
(col 1)	(col 2)
Number of telephone/cellphone lines in the Office delivering the	
Rate of subscription per month	
Annual cost of telephone/mobile services	-
Percent of work for the service rendered	
Net cost of telephone/mobile services attributed to processing	-

STEP 6.C COST OF EQUIPMENT AND FURNITURE

Instructions in Filling the Form

Column 1. Identify all the equipment, and other facilities used for the delivery of the subject service.
Column 2. Count the number of each type of equipment or facility.
Column 3. Verify acquisition cost from the Accounting Unit.
Column 4. Compute for the total cost of acquisition by multiplying columns 2 and 3.
Column 5. Compute for the annual depreciation rate by dividing 100% with the estimated economic life in years.
Column 6. Compute the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Secure from the City Accounting Office the actual amount spent for maintenance of equipment/furniture used delivery of the subject service. In the absence of actual data, the amount can be computed by multiplying column 6 by 20%.
Column 8. Add Columns 6 and 7 to determine the annual cost of equipment/facility.
Column 9. Determine the % of time used for delivering the specific service in relation to responsibilities of the office involved in delivering the subject service.
Column 10. Compute for the annual cost share for equipment and funiture by multiplying columns 8 & 9.

Table 15:

Fixed Cost - Equipment and Furniture

Particulars	Number of Units	Acquisition Cost	Total Cost	Depreciation Rate	Annual Depreciation Cost	Maintenance Cost	Total Annual Cost	% Used for delivering the Service	Annual Cost Share for Equipment and Furniture
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)	(col 10)
A. Equipment									
Air Condition	3	35,000	105,000.00	20%	21,000	4,200	25,200	1%	252.00
Computers	3	50,000	150,000.00	20%	30,000	6,000	36,000	1%	360.00
Photocopier			-		-	-	-		-
								Sub-Total	612.00
B. Furniture									
Filing Cabinets	2	5,000	10,000.00	10%	1,000	200	1,200	1%	12.00
Tables and Chairs	4	2,000	8,000.00	10%	800	160	960	1%	9.60
								Sub-Total	21.60
								TOTAL	633.60

STEP 6.D OTHER FIXED COST

Instructions in Filling the Form

Column 1. Identify Offices delivering the "Subject Service" fee and the type of other fixed costs significant for their operation. In the particular example, these are cost for internet subscription and regular office supplies for the offices involved in delivering the "Subject Service".

Column 2. Verify actual office expenses from the LGU Accounting Office. If data are hard to get, reflect the budget allocation of each office (c/o LGU Budget Office).

Column 3. Determine the percentage of time used by the Office in delivering the specific service in relation to its total responsibilities.

Column 4. Compute for the other variable cost by multiplying column 2 and column 3.

NOTE: Note: The LGU may have other major fixed costs not mentioned in this illustration. When costs are significant, those fixed cost must be identified and added in the template. Conversely, costs that are negligible may be dropped from the calculations.

Table 16:

Other Fixed Cost

Particulars	Annual Rate	Percent of Use for "Mayor's Permit: Contractor-Small" Fees	Annual Cost
(col 1)	(col 2)	(col 3)	(col 4)
Internet Services	18000	1%	180.00
Regular Office Supplies			-
Information Tech Team			-
Security Team			
Janitorial Team			
Reception Services			
		Total	180.00

Instructions for Filling Up the Form

Column 1 - List all identified fixed costs.
Column 2 - Fill up the fixed costs for the "Subject Service" and reflect the sum of all entries of each cell under "Total".
Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Fixed Cost Per Application.

Table 17:

Summary Table - Fixed Costs		
Fixed Cost	Total	Estimated Routine Fixed Cost Per Application
(col 1)	(col 2)	(col 3)
Annual Number of Applications	3	
Office Space	1,814.08	604.69
Utilities	636.82	212.27
Electricity	608.92	202.97
Water	27.90	9.30
Communication	-	-
Equipment and Furniture	633.60	211.20
Other Fixed Cost	180.00	60.00
TOTAL	3,264.50	1,088.17

STEP 7. COMPARE FEE WITH COST OF DELIVERING SERVICES

Name of Fee/Charge: Mayor's Permit Contractor (General Engineering) - Small

Fee Rate Estimation Using Costs of Issuing Permits Plus Cost of Surveillance		Comparison with Current Fee Rates		Difference	% Variance (-/+)	Remaks:Reasonable/Not Reasonable
Total Cost	6,078.12	Total Collection on Fees and/or Charges	1,500.00	(4,578.12)	(0.75)	Reasonable
Number of Applications Processed	3	Number of Applications Processed	3			
Average Fee Rate	2,026.04	Average Fee Rates	500.00	(1,526.04)	(0.75)	

Instructions for Filling

(1) For every fee or charge, compare Total Revenue with Total Cost of delivering the subject service based on the results of the foregoing procedures.
(2) Compute the difference and determine the corresponding variance. If it yields a variance (-/+) of more than 10%, the LGU is either subsidizing (-) or generating revenues (+) in relation to the subject Service. 8

(3) Input the results in a summary form using Table 23 for ease in reference and appreciation during the review and deliberation of the results of the Toolkit.
(4) If so, then the LGU must submit, along with the report of the results, a proposed Rationalization of Fees and Charges using the options.

EXAMPLE:

Compare Fee with Cost of Delivering Services					
Fee Rate Estimation using Costs of issuing permits plus cost of surveillance		Comparison with Current Fee Rates			
Total Cost	6,078.12	Total Revenue	1,500.00	(4,578.12)	-75%
Total Number of Applicants	3	Number of Applications Processed	3		
Average Fee Rate	2,026.04	Average Fee Rates	500.00	(1,526.04)	-75%

10,594.00 Total

Scenario 1	% of Applicants	Number of Applicants	Cost (with weight)	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application			
Simple	#DIV/0!		#DIV/0!	#DIV/0!	482.25	1,088.17	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Complex	#DIV/0!		#DIV/0!	#DIV/0!	482.25	1,088.17	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!	-	#DIV/0!				#DIV/0!			#DIV/0!

Classification	Allocation	% of Applicants	Number	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application			
Manufacturer	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Wholesalers	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Exporters	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Retailers	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Contractors	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Banks and other institutions	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Peddlers	#DIV/0!									
Others	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!		-	#DIV/0!				#DIV/0!		#DIV/0!

Total: 0%
100%

Ok ok

235801.42	-	-	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
235801.42	-	-	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
#REF!		-							
			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
									#DIV/0!

Summary of Rationalized Local Fees and Charges

Local Fee/Charge	Current Rate	Rationalized Rate	% Variance	Remarks/Recommended Rate
Mayor's Permit Contractor-Small	500.00	2,026.04	-0.75	Propose: 2,000.00

STEP 1: MAP YOUR PROCESS FLOW

Note:
- A flowchart is a picture of the separate steps involved in a given process, presented in sequential order.
- Particularly helpful in analyzing and identifying areas for improvement by showing inefficiencies in the system.
- Also, it is useful in costing analysis.
- For this template, it is not necessary to use the various diagrams and boxes normally used in process flowcharts.

Instructions in Filling the Form

1 Discuss and decide on the boundaries of your process.
  * Where or when does the process start? Where or when does it end?
2 Arrange and document the activities in proper sequence.

Table 1:

	LIST OF ACTIVITIES
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for , and verify the completeness of the requirements.
2	Encode the application in the system and check the correctness of the entries.
3	Prepare and print the Tax Order of Payment.
4	Receive payment and issue Official Receipt.
5	Sign and approve the application by the Municipal Treasurer and BPLO.
6	Prepare and approve Mayor's Permit.
7	Record and release the Mayor's Permit to the applicant.
8	Conduct actual inspection of the business establishment.

STEP 2: IDENTIFY THE RESOURCES FOR EACH ACTIVITY

Instructions in Filling the Form

1 Identify the offices and all key people involved with each activity. Identify official position.
  * This includes those who do the work in the process: suppliers, customers and supervisors.
2 List down the materials and resources utilized in each stage.

Table 2:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for , and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jhelan Richelle Lipao/Admin Aide I	Linen Paper A4
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form

STEP 3: CLASSIFY ACTIVITIES INTO "ROUTINE" AND "SPECIAL"

Instructions in Filling the Form

1 Classify the activities into whether they are:

It is highly suggested to identify one (1) special step.
- **However, it can be two (2) or more. In that case, it will have an impact on the weight of the Special Variable Component.**
- **It may also yield that there is no special step in the whole process. In that case, the normal costing procedure** is applicable and the computation will not involve a Special Variable Component.

Table 3:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL	TYPE OF ACTIVITY
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for , and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen	Routine
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO		Routine
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink	Routine
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt	Routine
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-	Routine
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jhelan Richelle Lipao/Admin Aide I	Linen Paper A4	Routine
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook	Routine
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form	Special

STEP 4. QUANTIFY THE VARIABLE COST FOR ROUTINE ACTIVITIES

STEP 4.A PERSONNEL COSTS

Instructions in Filling Up the Form

Column 1 - Base it on the staff identified as directly involved in the Routine Activities of the subject service. The actual number may be obtained from the Citizen's Charter or authorized office process flow, including the list of contractual positions for the particular service/s being rendered

Column 2 - Match the salary grade for each staff. The salary grade data will be available at the Citizen's Charter, HR, Accounting, or Budget Office of the City.

Column 3 - Fill out the salary rate per month for each staff. The salary rates per month may be obtained from HR, Accounting, or Budget offices of the LGU.

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months

Column 5. Identify all other remunerations regularly received by the staff. Data will be available at the City Budget or Accounting Department. In case data will not be readily available, other benefits can be represented by computing 20% of the annual salary.

Column 6. Sum up columns 4 and 5, and multiply it by 80%. The 20% covers lag time usually allotted to attendance in seminars/trainings, leaves, and other admin activities not related to the service. LGUs may also devise other method to determine the annual % of time assigned in the delivery of subject service, exclusive of lag time.

Column 7. Approximate the annual percentage of time each staff performs the task directly related to the activity. Data shall be provided by the head of units performing the service, e.g., if exclusively doing such task, then put 100%.

Column 8. Get the total personnel cost attributable to Routine Activities by adding the cost for each staff involved in delivering the service.

Table 4: Personnel Cost

Name and Position	Compensation					% Time assigned in the delivery of	Annual Cost of the Service
	SG-Step	Monthly Salary	Annual Salary	Other Benefits	Annual Compensation		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Carmelita M. Palma - Acting MT	**SG14/S1**	**27,768.00**	**333,216.00**	**253,536.00**	**469,401.60**	**0.08%**	**375.52**
Aileen Rose A. Tantoy - LRCO I/BPLO	**SG11/S1**	**22,731.00**	**272,772.00**	**93,462.00**	**292,987.20**	**0.13%**	**380.88**
Luzviminda A. Datoy - RCC III	**SG9/S1**	**17,420.00**	**209,040.00**	**82,840.00**	**233,504.00**	**0.10%**	**233.50**
Nora D. Ogdoc - Admin Aide	**SG1/S1**	**10,623.00**	**127,476.00**	**69,246.00**	**157,377.60**	**0.06%**	**94.43**
Nestor S. Valeroso - Mayor	**SG27/S3**	**106,997.00**	**1,283,964.00**	**441,994.00**	**1,380,766.40**	**0.05%**	**690.38**
Jhelan Richelle Lipao - Admin Aide	**SG1/S1**	**10,546.00**	**126,552.00**	**69,092.00**	**156,515.20**	**0.06%**	**93.91**
							-
							-
							-
							-
							-
							-
							-
							-

STEP 4.B COST OF TRANSPORTATION

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection

Column 2. Identify the number of vehicles used for inspection.

Column 3. Verify unit cost of vehicle

Column 4. Determine the total cost by multiplying columns 2 and 3

Column 5. Apply the depreciation rate (Note: Economic life of a vehicle is 20 years)

Column 6. Compute for the annual depreciation cost by multiplying columns 4 and 5.

Column 7. Verify from the City Accounting Office the actual amount spent for maintenance of the vehicle used for inspection. In the absence of actual data, the amount can be computed by multiplying column 5 by 20%.

Column 8. Determine the frequency of use of the vehicle. In the specific case sample, half day use from February to November is 44/52 weeks x .5 days. Note that the LGUs may devise other method to determine the actual frequency of use of vehicle.

Column 9. Compute the cost of vehicle for inspection by adding columns 6 and 7 then multiply the frequency of use in column 8.

Table 5:

Variable Cost - Vehicle

List of Vehicle/s	Number of Vehicles	Unit Cost	Total Cost	Depreciation Rate/Year	Annual Depreciation Cost	Maintenance cost	Percentage of use for inspection per week	Annual cost of vehicle for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)
					-			-

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection

Column 2. Identify the number of vehicles used for inspection

Column 3. Verify the average cost of fuel per liter

Column 4. Check the average weekly consumption in liters

Column 5. There are 52 weeks in one year. Identify the number of weeks the vehicle(s) has been used in a year

Column 6. Compute for annual cost of fuel for a year by multiplying columns 2, 3, 4 and 5.

Column 7. Determine the percentage for the frequency of use of the vehicle for inspection. In the specific case sample, half day use from February to November is 44/52 weeks X .5 days. Note that the LGUs may devise other method to determine the actual percentage for the frequency of use of the vehicle.

Column 8. Compute the cost of fuel for inspection activities by multiplying columns 6 and 7

Table 6:

Variable Cost - Fuel

List of vehicle/s	Number of Vehicles	Average Cost per liter	Ave. weekly consumption in liters	Number of weeks in one year	Annual Cost of fuel for the vehicle	Percentage of use for inspection per week	Annual cost for Fuel for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
					-		-

If the LGU does not provide vehicles for inspection, but only allows the reimbursement of actual transportation expenses, the annual cost should be computed by determining the monthly reimbursements multiplied by 12

Table 7:

Variable Cost - Allowance/Reimbursement for Fuel

Name and Position	Transportation Cost based on Allowance/Reimbursements		% Time assigned in the delivery of the [illegible]	Annual Cost of the Service
	Average Monthly	Annual Allowance		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)
Aileen Rose A. Tantoy - LRCO I/BPLO	300	1,200	6%	72.00
Maximo D. Guarte- Sanitary Inspector	300	1,200	6%	72.00
Joegie E. Cabatuan-Admin. Aide VI	300	1,200	5%	60.00
Kathleen Jay U. Orozco-Admin Aide IV	300	1,200	5%	60.00
Anthony Rengel-Agri'l Technologist	300	1,200	5%	60.00
Rachel Ontolan-Envi.Mgt. Specialist	300	1,200	5%	60.00
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-

STEP 4.C OTHER VARIABLE COSTS

Instructions in Filling the Form

Column 1. List down the supplies, materials and other resources which are issued to each applicant or varies directly with the number of applicants.

Column 2. Count all filled application forms, schedule slips, results forms, etc., and those issued with official receipts. Consider if applicants were successfully processed a approved, and provided with new business plate, stickers and/or certificates.

Column 3. Secure the unit cost for each and every item identified as other variable cost from the City Accounting Office.

Column 4. Compute for the annual other variable cost by multiplying column 2 and column 3

Table 8:

Variable Cost - Other variable cost

Particulars	Annual Number of Applications	Cost/Measuring unit (Php)	Annual cost (Php)
(col 1)	(col 2)	(col 3)	(col 4)
	3		
Bond paper	9	0.50	4.50
Official Receipts	6	3.40	20.40
Linen Paper A4	3	2.00	6.00
			-
			-
			-
			-
		TOTAL	[illegible]

Instructions for Filling Up the Form

Column 1 - List all identified variable costs.

Column 2 - Fill up the variable costs for the "Subject Service" and reflect the sum of all entries of each cell to total

Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Variable Cost Per Application.

Table 9:

Summary Table- Variable Costs

	Total	Estimated Routine Variable Cost Per Application
Annual Number of Applications	3	
Variable Costs		
Routine Personnel	1,868.63	622.88
Travel Reimbursement	384.00	128.00
Other Supplies/Forms/Materials	30.90	10.30
TOTAL	2,283.53	761.18

STEP 5. ALLOCATE THE VARIABLE COST FOR SPECIAL ACTIVITIES

Name and position	SG/Step	Monthly Salary	Annual Salary	Other compensation	Total Annual Compensation	% time allocated to the activity	Amount allocated to activity
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Aileen Rose A. Tamoy - BPLO Designate	**SG11/S1**	**22,731.00**	**272,772.00**	**93,662.00**	**292,987.20**	**0.15%**	**439.48**
Mauseo O. Guarte - Sanitary Inspector	**SG6/S1**	**19,961.00**	**239,556.00**	**87,926.00**	**261,985.60**	**0.15%**	**392.98**
Jongie E. Calateran - Admin Aide IV	**SG6/S3**	**14,537.80**	**174,444.00**	**77,074.03**	**201,214.48**	**0.12%**	**241.46**
Kathleen Joy O. Orozco - Admin Aide IV	**SG4/S2**	**12,719.00**	**152,628.90**	**79,438.00**	**190,853.88**	**0.13%**	**247.02**
Anthony Rengel - Agric'l Technologist	**SG10/S1**	**19,190.00**	**230,280.00**	**86,580.00**	**258,828.00**	**0.12%**	**303.99**
Rachel Omolon - Envl Mgt. Specialist	**SG15/S1**	**30,453.00**	**365,436.00**	**103,906.00**	**379,473.60**	**0.12%**	**455.37**

Instructions in Filling the Form

Column 1 - List the staff assigned to the Clearance Activity/ies.

Column 2 - Refer to the salary grade for each staff.

Column 3 - [illegible]

Column 4 - Compute for the annual salary of the staff by multiplying the monthly salary by 12 months.

Column 5 - Identify other compensation that is regularly received by the staff (Personal Economic Relief Allowance (PERA), Clothing/Uniform and Commutation).

Column 6 - [illegible] Column 4 and 5.

Column 7 - Estimate the percentage of time spent by the employee on the clearance activity. The allocation should be commensurate to the actual time spent on the activity.

Column 8 - Get the product of the Annual Salary and the rate for each staff multiplied by the [illegible].

Basis (2) Simple and Complex

CATEGORIES	No. of Personnel	Weight	Allocation
Simple		#DIV/0!	#DIV/0!
Complex		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!

Basis (1) Per Business Classification

CLASSIFICATION	Weight	Allocation
Manufacturer		#DIV/0!
Wholesalers		#DIV/0!
Exporters		#DIV/0!
Retailers		#DIV/0!
Contractors		#DIV/0!
Banks and other Institutions		#DIV/0!
Peddlers		#DIV/0!
Others:		#DIV/0!
	0	#DIV/0!

Weight Allocation According to Complexity and Business Classification

BUSINESS CLASSIFICATION			Weight	Weight	Total	Simple	Complex
With Complex	[illegible]	#DIV/0!				#DIV/0!	#DIV/0!
	[illegible]	#DIV/0!				#DIV/0!	
	[illegible]	#DIV/0!				#DIV/0!	
	[illegible]	#DIV/0!				#DIV/0!	
With Complex	Contractors	#DIV/0!				#DIV/0!	#DIV/0!
	[illegible]	#DIV/0!				#DIV/0!	
	[illegible]	#DIV/0!				#DIV/0!	
	[illegible]	#DIV/0!				#DIV/0!	
						#DIV/0!	#DIV/0!

Note: Other basis may be used (e.g. the DTI classification as to Cottage, Small, etc.)

STEP 6. ESTIMATE AND DISTRIBUTE THE FIXED COSTS

STEP 6.A COST OF OFFICE SPACE

Instruction in Filling Up the Form

Column 1 - Describes the cost formula for determining share of office cost for delivering "Subject Service". Determine the cost of construction per square meter (approximately P20,000/sq.m.) and the floor area of the entire City Hall. The building construction cost is the product of the two values. Knowing the floor area occupied by the different offices delivering the "Subject Service", its proportionate share in the total floor area of the city hall multiplied by cost of constructing the building will be the cost of office space occupied. The annual depreciation rate is 4% since the normal economic life of reinforced concrete structures is 25 years. We can compute for the annual depreciation expense by multiplying the cost of office space occupied by depreciation rate and approximately the annual maintenance cost by apportioning 20% of the annual depreciation expenses. The 20% is used whenever actual data from the Accounting Office is unavailable. The share of cost for delivering "Subject Service" can be computed by adding annual depreciation expense and annual maintenance cost multiplied by the percent of work by the Office utilized for delivering the "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 10:

Fixed Cost - Office Space (Owned by the LGU)

Particulars	Offices Involved in the delivery of " Fee "
(col 1)	(col 2)
Construction Cost (per sq m)	14,751.85
Floor area of City Hall (sq m)	1,080.00
Building Construction Cost (Php)	15,913,000.00
Office Area Occupied (sq. m)	72.00
Cost of Office Area Occupied (Php)	1,060,866.67
Depreciation Rate (%)	3%
Annual Depreciation Expense (Php)	503,911.66
Annual Maintenance Cost (Php)	100,782.33
Percent of Work for " " (%)	0.48%
Share of Cost attributable to delivering the service (Php)	2,432.53

Instructions for Filling Up the Form

Column 1 - Determine the monthly rental rate and multiply by the number of months the office space was rented to know the annual cost for rental. Add actual cost for maintaining the Office space. If the actual data is not available add 20% of the annual cost of rental to determine the annual cost for rented office space. The annual fixed cost for rented office space attributable to rendering the service is the annual cost of rented office space multiplied by the proportion of time used for "Subject Service" services in relation to the total responsibility of the Office delivering the service

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 11:

Fixed Cost - Office Space (Rented by the LGU)

Particulars	Offices involved in the delivery of "Subject Service" Fee
(col 1)	(col 2)
Rental rate per month	
Number of months use	
Annual cost of rental	-
Maintenance Cost	-
Annual cost of rented office space	-
Percentage of time used for the delivery of the service in relation to the responsibility of the Office	
Annual fixed cost (rented office space) attributable to delivering the service	

STEP 6.B UTILITIES

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of electricity cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the cost of electricity rate per kilowatt hour and the kilowatt consumption/hour of the Office delivering the service. The regular operations of a City Office is 7:30am-5:30pm or 10 hrs and there are approximately 260 days per year. The annual cost of electricity for the offices delivering the service is the product of the electricity rate per kwh, the kilowatt consumption per hour of the office, the number of operating hours per days, and the number of operating days per year. The percent of work to be considered is an approximation by the head of unit delivering the service in relation to its total responsibilities. When known, the net cost of electricity attributed to delivery of service shall be the annual cost of electricity for the office multiplied by the percent of work devoted by the office for "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject service".

Table 12

Cost of Electricity

Particulars	Offices involved in the delivery of " " Fee
(col 1)	(col 2)
Electricity rate per kilowatt hour (Php)	17.07
Kilowatt consumption/hour for the unit delivering the service	5.63
Number of operating hours per day	8.00
Number of days per year	264.00
Electricity cost per year	202,971.86
Percent of work for the service rendered	0.48%
Net electricity cost attributed to "Subject Service" service	

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of water cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the number of people directly related to the processing and issuance of "Subject Service". The estimated water bill per person per month is P100. The net cost of water attributed to the delivery of "Subject Service" can be computed by the estimated water bill of the office per year multiplied by the percent of "Subject Service" work performed by the office in relation to the total responsibilities assigned to the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 13

Cost of Water

Particulars	Offices involved in the delivery of " " Fee
(col 1)	(col 2)
Number of People	10
Water bill per person per month	77.50
Estimated water bill of the office per year	9,300.00
Percent of work for the service rendered	0.48%
Net cost of water attributed to delivery of "Subject Service".	

Instructions for Filling Up the Form

Column 1. The cost of telephone can be computed by knowing the number of telephone lines available in the Office and the monthly subscription rate per month. The annual cost of telephone services is the number of telephone lines multiplied by the monthly subscription rate over a period of twelve months. The net cost of telephone services attributed to processing and issuance of mayors permit is the annual cost of telephone services multiplied by the percent of work performed by the Office in processing and issuance of "Subject Service" in as a percentage of the total responsibilities of the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service"

Table 14

Cost for Communication

Particulars	Offices involved in the delivery of " " Fee
(col 1)	(col 2)
Number of telephone/cellphone lines in the Office delivering the	
Rate of subscription per month	
Annual cost of telephone/mobile services	-
Percent of work for the service rendered	
Net cost of telephone/mobile services attributed to processing	

STEP 6.C COST OF EQUIPMENT AND FURNITURE

Instructions in Filling the Form

Column 1. Identify all the equipment, and other facilities used for the delivery of the subject service.
Column 2. Count the number of each type of equipment or facility.
Column 3. Verify acquisition cost from the Accounting Unit.
Column 4. Compute for the total cost of acquisition by multiplying columns 2 and 3.
Column 5. Compute for the annual depreciation rate by dividing 100% with the estimated economic life in years.
Column 6. Compute the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Secure from the City Accounting Office the actual amount spent for maintenance of equipment/furniture used delivery of the subject service. In the absence of actual data, the amount can be computed by multiplying column 6 by 20%.
Column 8. Add Columns 6 and 7 to determine the annual cost of equipment/facility.
Column 9. Determine the % of time used for delivering the specific service in relation to responsibilities of the office involved in delivering the subject service.
Column 10. Compute for the annual cost share for equipment and furniture by multiplying columns 8 & 9.

Table 15:

Fixed Cost - Equipment and Furniture

Particulars	Number of Units	Acquisition Cost	Total Cost	Depreciation Rate	Annual Depreciation Cost	Maintenance Cost	Total Annual Cost	% Used for delivering the Service	Annual Cost Share for Equipment and Furniture
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)	(col 10)
A. Equipment									
Air Condition	3	35,000	105,000.00	20%	21,000	4,200	25,200	1%	252
Computers	3	50,000	150,000.00	20%	30,000	6,000	36,000	1%	360
Photocopier			-		-	-	-		-
								Sub Total	612
B. Furniture									
Filing Cabinets	2	5,000	10,000.00	10%	1,000	200	1,200	1%	12
Tables and Chairs	4	2,000	8,000.00	10%	800	160	960	1%	10
								Sub-Total	22
									633.60

STEP 6.D OTHER FIXED COST

Instructions in Filling the Form

Column 1. Identify Offices delivering the "Subject Service" fee and the type of other fixed costs significant for their operation. In the particular example, these are cost for internet subscription and regular office supplies for the offices involved in delivering the "Subject Service".

Column 2. Verify actual office expenses from the LGU Accounting Office. If data are hard to get, reflect the budget allocation of each office (c/o LGU Budget Office).

Column 3. Determine the percentage of time used by the Office in delivering the specific service in relation to its total responsibilities.

Column 4. Compute for the other variable cost by multiplying column 2 and column 3.

NOTE: Note: The LGU may have other major fixed costs not mentioned in this illustration. When costs are significant, those fixed cost must be identified and added in the template. Conversely, costs that are negligible may be dropped from the calculations.

Table 16:

Other Fixed Cost

Particulars	Annual Rate	Percent of Use for " Fees "	Annual Cost
(col 1)	(col 2)	(col 3)	(col 4)
Internet Services	**18000**	**1%**	**180.00**
Regular Office Supplies			-
Information Tech Team			-
Security Team			
Janitorial Team			
Reception Services			
		Total	180.00

Instructions for Filling Up the Form

Column 1 - List all identified fixed costs.

Column 2 - Fill up the fixed costs for the "Subject Service" and reflect the sum of all entries of each cell under "Total".

Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Fixed Cost Per Application.

Table 17:

Summary Table - Fixed Costs

Fixed Cost	Total	Estimated Routine Fixed Cost Per Application
(col 1)	(col 2)	(col 3)
Annual Number of Applications	3	
Office Space	2,902.53	967.51
Utilities	1,018.90	339.63
Electricity	974.26	324.75
Water	44.64	14.88
Communication	-	-
Equipment and Furniture	633.60	211.20
Other Fixed Cost	180.00	60.00
TOTAL	4,735.04	1,578.35

STEP 7. COMPARE FEE WITH COST OF DELIVERING SERVICES

Name of Fee/Charge:

Fee Rate Estimation Using Costs of Issuing Permits Plus Cost of Surveillance		Comparison with Current Fee Rates		Difference	% Variance (-/+)	Remaks:Reasonable/Not Reasonable
Total Cost		Total Collection on Fees and/or Charges		(6,668.87)	(0.74)	Reasonable
Number of Applications Processed		Number of Applications Processed				
Average Fee Rate		Average Fee Rates		(2,222.96)	(0.74)	

Instructions for Filling

(1) For every fee or charge, compare Total Revenue with Total Cost of delivering the subject service based on the results of the foregoing procedures
(2) Compute the difference and determine the corresponding variance. If it yields a variance (-/+) of more than 10%, the LGU is either subsidizing (-) or generating revenues (+) in relation to the subject service.

(3) Input the results in a summary form using Table 23 for ease in reference and appreciation during the review and deliberation of the results of the Toolkit. (4) If so, then the LGU must submit, along with the report of the results, a proposed Rationalization of Fees and Charges using the options.

Compare Fee with Cost of Delivering Services			
Fee Rate Estimation using Costs of issuing permits plus cost of surveillance		**Comparison with Current Fee Rates**	
Total Cost		**Total Revenue**	(6,668.87)
Total Number of Applicants		**Number of Applications Processed**	
Average Fee Rate		**Average Fee Rates**	(2,222.96)

Scenario 1	% of Applicants	Number of Applicants	Cost (with weight)	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application
Simple	#DIV/0!		#DIV/0!	#DIV/0!	761.18	1,578.35	#DIV/0!
Complex	#DIV/0!		#DIV/0!	#DIV/0!	761.18	1,578.35	#DIV/0!

Classification	Alloc akon	% of Applicants	Number	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application
Manufacturer	#DIV/0!			#DIV/0!			#DIV/0!
Warehouses	#DIV/0!			#DIV/0!			#DIV/0!
Exemptee	#DIV/0!			#DIV/0!			#DIV/0!
Retailers	#DIV/0!			#DIV/0!			#DIV/0!
Contractors	#DIV/0!			#DIV/0!			#DIV/0!
Banks and other institutions	#DIV/0!			#DIV/0!			#DIV/0!
Peddlers	#DIV/0!						
Others	#DIV/0!			#DIV/0!			#DIV/0!
	#DIV/0!			#DIV/0!			#DIV/0!

Total

#DIV/0!
#DIV/0!
#REF!

#DIV/0!
#DIV/0!

#DIV/0!
#DIV/0!

Summary of Rationalized Local Fees and Charges

Local Fee/Charge	Current Rate	Rationalized Rate	% Variance	Remarks/Recommended Rate
Mayor's Permit/Contractor Medicine	800.00	3,022.96	-0.74	Propose: 3,000.00

STEP 1: MAP YOUR PROCESS FLOW

Note:
- A flowchart is a picture of the separate steps involved in a given process, presented in sequential order.
- Particularly helpful in analyzing and identifying areas for improvement by showing inefficiencies in the system.
- Also, it is useful in costing analysis.
- For this template, it is not necessary to use the various diagrams and boxes normally used in process flowcharts.
- Suggested Source: Citizen's Charter or the duly authorized process flow of the concerned office (for standard procedure)

Instructions in Filling the Form

1 Discuss and decide on the boundaries of your process.
   * Where or when does the process start? Where or when does it end?
2 Arrange and document the activities in proper sequence.

Table 1:

	LIST OF ACTIVITIES
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Service Establishments- Micro, and verify the completeness of the requirements.
2	Encode the application in the system and check the correctness of the entries.
3	Prepare and print the Tax Order of Payment.
4	Receive payment and issue Official Receipt.
5	Sign and approve the application by the Municipal Treasurer and BPLO.
6	Prepare and approve Mayor's Permit.
7	Record and release the Mayor's Permit to the applicant.
8	Conduct actual inspection of the business establishment.

STEP 2: IDENTIFY THE RESOURCES FOR EACH ACTIVITY

Instructions in Filling the Form

1 Identify the offices and all key people involved with each activity. Identify official position.
   * For standardization, base the information on the Citizen's Charter or the duly authorized process flow for standard procedure.
   * This includes those who do the work in the process: suppliers, customers and supervisors.
2 List down the materials and resources utilized in each stage.

Table 2:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Service Establishments- Micro, and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jheian Richelle Lipao/Admin Aide I	Linen Paper A4
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form

STEP 3: CLASSIFY ACTIVITIES INTO "ROUTINE" AND "SPECIAL"

Instructions in Filling the Form

1 Classify the activities into whether they are:
   * Routine(same procedure and effort for each applicant)
   * Special (usually the vital part of the process and varies according to the type and/or complexity of the business of the applicant)

Note: **It is highly suggested to identify one (1) special step.**
- **However, it can be two (2) or more. In that case, it will have an impact on the weight of the Special Variable Component.**
- **It may also yield that there is no special step in the whole process. In that case, the normal costing procedure is applicable and the computation will not involve a Special Variable Component.**

Table 3:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL	TYPE OF ACTIVITY
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Service Establishments- Micro, and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen	Routine
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-	Routine
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink	Routine
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt	Routine
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-	Routine
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jheian Richelle Lipao/Admin Aide I	Linen Paper A4	Routine
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook	Routine
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form	Special

STEP 4. QUANTIFY THE VARIABLE COST FOR ROUTINE ACTIVITIES

STEP 4.A PERSONNEL COSTS

Instructions in Filling Up the Form

Column 1- Base it on the staff identified as directly involved in the Routine Activities of the subject service. The actual number may be obtained from the Citizen's Charter or authorized office process flow, including the list of contractual positions for the particular service/s being rendered.

Column 2 - Match the salary grade for each staff. The salary grade data will be available at the Citizen's Charter, HR, Accounting, or Budget Office of the City.

Column 3 - Fill out the salary rate per month for each staff. The salary rates per month may be obtained from HR, Accounting, or Budget offices of the LGU.

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months

Column 5. Identify all other remunerations regularly received by the staff. Data will be available at the City Budget or Accounting Department. In case data will not be readily available, other benefits can be represented by computing 20% of the annual salary.

Column 6. Sum up columns 4 and 5, and multiply it by 80%. The 20% covers lag time usually allotted to attendance in seminars/trainings, leaves, and other admin activities not related to the service. LGUs may also devise other method to determine the annual % of time assigned in the delivery of subject service, exclusive of lag time.

Column 7. Approximate the annual percentage of time each staff performs the task directly related to the activity. Data shall be provided by the head of units performing the service, e.g., if exclusively doing such task, then put 100%.

Column 8.Get the total personnel cost attributable to Routine Activities by adding the cost for each staff involved in delivering the service.

Table 4: Personnel Cost

Name and Position	Compensation					% Time assigned in the delivery of Mayor's Permit Service Establishments Micro	Annual Cost of the Service
	SG-Step	Monthly Salary	Annual Salary	Other Benefits	Annual Compensation		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Carmelita M. Palma - Acting MT	SG14/S1	27,768.00	333,216.00	253,536.00	469,401.60	0.35%	1,642.91
Aileen Rose A. Tantoy - LRCO I/BPLO	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.20	0.40%	1,171.95
Luzviminda A. Datoy - RCC III	SG9/S1	17,420.00	209,040.00	82,840.00	233,504.00	0.38%	887.32
Nora D. Ogdoc - Admin Aide	SG1/S1	10,623.00	127,476.00	69,246.00	157,377.60	0.24%	377.71
Nestor S. Valeroso - Mayor	SG27/S3	106,997.00	1,283,964.00	441,994.00	1,380,766.40	0.15%	2,071.15
Jhelan Richelle Lipao - Admin Aide	SG1/S1	10,546.00	126,552.00	69,092.00	156,515.20	0.24%	375.64
							-
							-
							-
							-
							-
			-		-		-
			-		-		-
			-		-		-
						TOTAL	6,526.66

STEP 4.B COST OF TRANSPORTATION

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection.
Column 3. Verify unit cost of vehicle
Column 4. Determine the total cost by multiplying columns 2 and 3
Column 5. Apply the depreciation rate (Note: Economic life of a vehicle is 10 years)
Column 6. Compute for the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Verify from the City Accounting Office the actual amount spent for maintenance of the vehicle used for inspection. In the absence of actual data, the amount can be computed by multiplying column 5 by 20%.

Column 8. Determine the frequency of use of the vehicle. In the specific case sample, half day use from February to November is 44/52 weeks x .5 days. Note that the LGUs may devise other method to determine the actual frequency of use of vehicle.
Column 9. Compute the cost of vehicle for inspection by adding columns 6 and 7 thenmultiply the frequency of use in column 8.

Table 5:

Variable Cost - Vehicle

List of Vehicle/s	Number of Vehicles	Unit Cost	Total Cost	Depreciation Rate/Year	Annual Depreciation Cost	Maintenance cost	Percentage of use for inspection per week	Annual cost of vehicle for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)
					-			-
							TOTAL	-

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection
Column 3. Verify the average cost of fuel per liter
Column 4. Check the average weekly consumption in liters
Column 5. There are 52 weeks in one year. Identify the number of weeks the vehicles(s) has been used in a year.
Column 6. Compute for annual cost of fuel for 1 year by multiplying columns 2, 3, 4 and 5.
Column 7. Determine the percentage for the frequency of use of the vehicle for inspection. In the specific case sample, half day use from February to November is 44/52 weeks X .5 days. Note that the LGUs may devise other method to determine the actual percentage for the frequency of use of the vehicle.
Column 8. Compute the cost of fuel for inspection activities by multiplying columns 6 and 7.

Table 6:

Variable Cost - Fuel

List of vehicle/s	Number of Vehicles	Average Cost per liter	Ave. weekly consumption in liters	Number of weeks in one year	Annual Cost of fuel for the vehicle	Percentage of use for inspection per week	Annual cost for Fuel for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
					-		-
						TOTAL	-

If the LGU does not provide vehicles for inspection, but only allows the reimbursement of actual transportation expenses, the annual cost should be computed by determining the monthly reimbursements multiplied by 12

Table 7:

Variable Cost - Allowance/Reimbursement for Fuel

Name and Position	Transportation Cost based on Allowance/Reimbursements		% Time assigned in the delivery of the "Mayor's Permit Service Establishments Many"	Annual Cost of the Service
	Average Monthly	Annual Allowance	(col 4)	
(col 1)	(col 2)	(col 3)		(col 5)
Aileen Rose A. Tantoy - LRCO I/BPLO	300	1,200	6%	72.00
Maximo D. Guarte- Sanitary Inspector	300	1,200	5%	60.00
Joegie E. Cabatuan-Admin. Aide VI	300	1,200	5%	60.00
Kathleen Jay U. Orozco-Admin Aide IV	300	1,200	5%	60.00
Anthony Rengel-Agri'l Technologist	300	1,200	5%	60.00
Rachel Ontolan-Envi.Mgt. Specialist	300	1,200	5%	60.00
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
			TOTAL	372.00

TOTAL OF VEHICLE AND FUEL	-

STEP 4.C OTHER VARIABLE COSTS

Instructions in Filling the Form

Column 1. List down the supplies, materials and other resources which are issued to each applicant or varies directly with the number of applicants.

Column 2. Count all filled application forms, schedule slips, results forms, etc., and those issued with official receipts. Consider if applicants were successfully processed a approved, and provided with new business plate, stickers and/or certificates.

Column 3. Secure the unit cost for each and every item identified as other variable cost from the City Accounting Office.

Column 4. Compute for the annual other variable cost by multiplying column 2 and column 3

Table 8:

Variable Cost - Other variable cost

Particulars	Annual Number of Applications	Cost/Measuring unit (Php)	Annual cost (Php)
(col 1)	(col 2)	(col 3)	(col 4)
	42		
Bond paper	126	0.50	63.00
Official Receipts	84	3.40	285.60
Linen Paper A4	42	2.00	84.00
			-
			-
			-
			-
		TOTAL	432.60

Instructions for Filling Up the Form

Column 1 - List all identified variable costs.

Column 2 - Fill up the variable costs for the "Subject Service" and reflect the sum of all entries of each cell to total

Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Variable Cost Per Application.

Table 9:

Summary Table- Variable Costs

	Total	Estimated Routine Variable Cost Per Application
Annual Number of Applications	42	
Variable Costs		
Routine Personnel	6,526.66	155.40
Travel Reimbursement	372.00	8.86
Other Supplies/Forms/Materials	432.60	10.30
TOTAL	7,331.26	174.55

STEP 5. ALLOCATE THE VARIABLE COST FOR SPECIAL ACTIVITIES

Name and position	SG/Step	Monthly Salary	Annual Salary	Other compensation	Total Annual Compensation	% Time allocated for the service	Annual cost of service for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Aileen Rose A. Tantoy - BPLO Designate	**SG11/S1**	**22,731.00**	**272,772.00**	**99,462.00**	**292,987.20**	**0.42%**	**1,230.55**
Maximo D. Guarte - Sanitary Inspector	**SG6/S8**	**19,963.00**	**239,556.00**	**87,926.00**	**261,985.60**	**0.42%**	**1,100.34**
Joogie E. Cebotaro - Admin Aide IV	**SG5/S3**	**14,537.00**	**174,444.00**	**77,974.00**	**201,214.40**	**0.40%**	**804.86**
Kathleen Joy U. Orozco - Admin Aide IV	**SG4/S2**	**12,719.00**	**152,628.00**	**73,438.00**	**180,852.80**	**0.40%**	**723.41**
Anthony Rongel - Agric'l Technologist	**SG10/S1**	**19,190.00**	**230,280.00**	**86,380.00**	**253,328.00**	**0.60%**	**1,013.31**
Rachel Ontolan - Envi.Mgt. Specialist	**SG15/S1**	**30,458.00**	**365,496.00**	**108,906.00**	**379,473.60**	**0.40%**	**1,517.89**
			-		-		-
						TOTAL	6,390.36

Instructions in Filling the Form

Column 1.- List the staff assigned to the "Special" Activity/ies.
Column 2.- Match the salary grade for each staff
Column 3.- Fill out the salary rate/month for each staff.
Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months
Column 5. Identify all other remunerations regularly received by the staff. Other benefits include RATA, PERA, year end benefits and other remunerations
Column 6. Sum up columns 4 and 5
Column 7.Estimate the annual % of time each staff performs directly to the issuance of the subject service. The rate shall be provided by the concerned unit
Column 8.Get the total cost for the Special Activity by adding the cost for each staff involved in delivering the service.
Proceed to the weight allocation. (The weight allocation may vary depending on the appropriate basis for the specific service activity)

Basis (2) Simple and Complex

CATEGORIES	No. of Personnel	Weight	Allocation
Simple		#DIV/0!	#DIV/0!
Complex		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!

*Here, they have to provide the weight allocation based on the combination of the previous two options.

**In Note: Manufacturers shall be classified as Complex while Wholesalers, Exporters, Retailers, Contractors, Banks and other financial institutions, Peddlers, Others shall be classified as Simple

***In Note: The factor classification in simple and complex within the classification is as determined by the Administrative Code/Ordinance

Basis (1) Per Business Classification

CLASSIFICATION	Weight	Allocation
Manufacturer		#DIV/0!
Wholesalers		#DIV/0!
Exporters		#DIV/0!
Retailers		#DIV/0!
Contractors		#DIV/0!
Banks and other institutions		#DIV/0!
Peddlers		#DIV/0!
Others		#DIV/0!
	0	#DIV/0!

Weight Allocation According to Complexity and Business Classification

BUSINESS CLASSIFICATION			Simple Weight	Complex Weight	Total	Simple	Complex
With Complex	Manufacturer	#DIV/0!				#DIV/0!	#DIV/0!
	Wholesalers	#DIV/0!				#DIV/0!	
	Exporters	#DIV/0!				#DIV/0!	
	Retailers	#DIV/0!				#DIV/0!	
With Complex	Contractors	#DIV/0!				#DIV/0!	#DIV/0!
	Banks and other ins	#DIV/0!				#DIV/0!	
	Peddlers	#DIV/0!				#DIV/0!	
	Others	#DIV/0!				#DIV/0!	
						#DIV/0!	#DIV/0!

Note: Other basis may be used (e. g. the DTI classification as to Cottage, Small, etc)

STEP 6. ESTIMATE AND DISTRIBUTE THE FIXED COSTS

STEP 6.A COST OF OFFICE SPACE

Instruction in Filling Up the Form

Column 1 - Describes the cost formula for determining share of office cost for delivering "Subject Service". Determine the cost of construction per square meter (approximately P20,000/sq.m.) and the floor area of the entire City Hall. The building construction cost is the product of the two values. Knowing the floor area occupied by the different offices delivering the "Subject Service", its proportionate share in the total floor area of the city hall multiplied by cost of constructing the building will be the cost of office space occupied. The annual depreciation rate is 4% since the normal economic life of reinforced concrete structures is 25 years. We can compute for the annual depreciation expense by multiplying the cost of office space occupied by depreciation rate and approximately the annual maintenance cost by apportioning 20% of the annual depreciation expenses. The 20% is used whenever actual data from the Accounting Office is unavailable. The share of cost for delivering "Subject Service" can be computed by adding annual depreciation expense and annual maintenance cost multiplied by the percent of work by the Office utilized for delivering the "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 10:

Fixed Cost - Office Space (Owned by the LGU)

Particulars	Offices involved in the delivery of "Mayor's Permit: Service Establishments-Small" Fee
(col 1)	(col 2)
Construction Cost (per sq m)	14,751.85
Floor area of City Hall (sq m)	1,080.00
Building Construction Cost (Php)	15,913,000.00
Office Area Occupied (sq. m)	72.00
Cost of Office Area Occupied (Php)	1,060,866.67
Depreciation Rate (%)	3%
Annual Depreciation Expense (Php)	503,911.66
Annual Maintenance Cost (Php)	100,782.33
Percent of Work for "Mayor's Permit: Service Establishments-Micro" (%)	1.76%
Share of Cost attributable to delivering the service (Php)	10,642.61

Instructions for Filling Up the Form

Column 1 - Determine the monthly rental rate and multiply by the number of months the office space was rented to know the annual cost for rental. Add actual cost for maintaining the Office space. If the actual data is not available add 20% of the annual cost of rental to determine the annual cost for rented office space. The annual fixed cost for rented office space attributable to rendering the service is the annual cost of rented office space multiplied by the proportion of time used for "Subject Service" services in relation to the total responsibility of the Office delivering the service

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 11:

Fixed Cost - Office Space (Rented by the LGU)

Particulars	Offices involved in the delivery of "Subject Service" Fee
(col 1)	(col 2)
Rental rate per month	
Number of months use	
Annual cost of rental	-
Maintenance Cost	-
Annual cost of rented office space	-
Percentage of time used for the delivery of the service in relation to the responsibility of the Office	
Annual fixed cost (rented office space) attributable to delivering the service	-

STEP 6.B UTILITIES

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of electricity cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the cost of electricity rate per kilowatt hour and the kilowatt consumption/hour of the Office delivering the service. The regular operations of a City Office is 7:30am-5:30pm or 10 hrs and there are approximately 260 days per year. The annual cost of electricity for the ofices delivering the service is the product of the electricity rate per kwh, the kilowatt consumption per hour of the office, the number of operating hours per days, and the number of operating days per year. The percent of work to be considered is an approximation by the head of unit delivering the service in relation to its total responsibilities. When known, the net cost of electricity attributed to delivery of service shall be the annual cost of electricity for the office multiplied by the percent of work devoted by the office for "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of water cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the number of people directly related to the processing and issuance of "Subject Service". The estimated water bill per person per month is P100. The net cost of water attributed to the delivery of "Subject Service" can be computed by the estimated water bill of the office per year multiplied by the percent of "Subject Service" work performed by the office in relation to the total responsibilities assigned to the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Instructions for Filling Up the Form

Column 1. The cost of telephone can be computed by knowing the number of telephone lines available in the Office and the monthly subscription rate per month. The annual cost of telephone services is the number of telephone lines multiplied by the monthly subscription rate over a period of twelve months. The net cost of telephone services attributed to processing and issuance of mayors permit is the annual cost of telephone services multiplied by the percent of work performed by the Office in processing and issuance of "Subject Service" in as a percentage of the total responsibilities of the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 12:

Cost of Electricity	
Particulars	**Offices involved in the delivery of "Mayor's Permit: Service Establishments-Micro" Fee**
(col 1)	**(col 2)**
Electricity rate per kilowatt hour (Php)	**17.07**
Kilowatt consumption/hour for the unit delivering the service	**5.63**
Number of operating hours per day	**8.00**
Number of days per year	**264.00**
Electricity cost per year	**202,971.86**
Percent of work for the service rendered	**1.76%**
Net electricity cost attributed to "Subject Service" service	3,572.30

Table 13:

Cost of Water	
Particulars	**Offices involved in the delivery of "Mayor's Permit: Service Establishments-Micro" Fee**
(col 1)	**(col 2)**
Number of People	**10**
Water bill per person per month	**77.50**
Estimated water bill of the office per year	**9,300.00**
Percent of work for the service rendered	**1.76%**
Net cost of water attributed to delivery of "Subject Service".	163.68

Table 14:

Cost for Communication	
Particulars	**Offices involved in the delivery of "Mayor's Permit: Service Establishments-Micro" Fee**
(col 1)	**(col 2)**
Number of telephone/cellphone lines in the Office delivering the	
Rate of subscription per month	
Annual cost of telephone/mobile services	
Percent of work for the service rendered	
telephone/mobile services attributed to processing and issuance of "Subject	

STEP 6.C COST OF EQUIPMENT AND FURNITURE

Instructions in Filling the Form

Column 1. Identify all the equipment, and other facilities used for the delivery of the subject service.
Column 2. Count the number of each type of equipment or facility.
Column 3. Verify acquisition cost from the Accounting Unit.
Column 4. Compute for the total cost of acquisition by multiplying columns 2 and 3.
Column 5. Compute for the annual depreciation rate by dividing 100% with the estimated economic life in years.
Column 6. Compute the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Secure from the City Accounting Office the actual amount spent for maintenance of equipment/furniture used delivery of the subject service. In the absence of actual data, the amount can be computed by multiplying column 6 by 20%.
Column 8. Add Columns 6 and 7 to determine the annual cost of equipment/facility.
Column 9. Determine the % of time used for delivering the specific service in relation to responsibilities of the office involved in delivering the subject service.
Column 10. Compute for the annual cost share for equipment and funiture by multiplying columns 8 & 9.

Table 15:

Fixed Cost - Equipment and Furniture

Particulars	Number of Units	Acquisition Cost	Total Cost	Depreciation Rate	Annual Depreciation Cost	Maintenance Cost	Total Annual Cost	% Used for delivering the Service	Annual Cost Share for Equipment and Furniture
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)	(col 10)
A. Equipment									
Air Condition	3	35,000	105,000.00	20%	21,000	4,200	25,200	5%	1,260.00
Computers	3	50,000	150,000.00	20%	30,000	6,000	36,000	5%	1,800.00
Photocopier			-		-	-	-		-
								Sub-Total	3,060.00
B. Furniture									
Filing Cabinets	2	5,000	10,000.00	10%	1,000	200	1,200	5%	60.00
Tables and Chairs	4	2,000	8,000.00	10%	800	160	960	5%	48.00
								Sub-Total	108.00
								TOTAL	3,168.00

STEP 6.D OTHER FIXED COST

Instructions in Filling the Form

Column 1. Identify Offices delivering the "Subject Service" fee and the type of other fixed costs significant for their operation. In the particular example, these are cost for internet subscription and regular office supplies for the offices involved in delivering the "Subject Service".

Column 2. Verify actual office expenses from the LGU Accounting Office. If data are hard to get, reflect the budget allocation of each office (c/o LGU Budget Office).

Column 3. Determine the percentage of time used by the Office in delivering the specific service in relation to its total responsibilities.

Column 4. Compute for the other variable cost by multiplying column 2 and column 3.

NOTE: Note: The LGU may have other major fixed costs not mentioned in this illustration. When costs are significant, those fixed cost must be identified and added in the template. Conversely, costs that are negligible may be dropped from the calculations.

Table 16:

Other Fixed Cost

Particulars	Annual Rate	Percent of Use for "Mayor's Permit: Service Establishments-Micro" Fees	Annual Cost
(col 1)	(col 2)	(col 3)	(col 4)
Internet Services	**18,000.00**	**1%**	**180.00**
Regular Office Supplies			-
Information Tech Team			-
Security Team			
Janitorial Team			
Reception Services			
		Total	**180.00**

Instructions for Filling Up the Form

Column 1 - List all identified fixed costs.
Column 2 - Fill up the fixed costs for the "Subject Service" and reflect the sum of all entries of each cell under "Total".
Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Fixed Cost Per Application.

Table 17:

Summary Table - Fixed Costs

Fixed Cost	Total	Estimated Routine Fixed Cost Per Application
(col 1)	(col 2)	(col 3)
Annual Number of Applications	42	
Office Space	10,642.61	253.40
Utilities	3,735.98	88.95
Electricity	3,572.30	85.05
Water	163.68	3.90
Communication	-	-
Equipment and Furniture	3,168.00	75.43
Other Fixed Cost	180.00	4.29
TOTAL	17,726.60	422.06

STEP 7. COMPARE FEE WITH COST OF DELIVERING SERVICES

Name of Fee/Charge: Mayor's Permit - Service Establishments - Micro

Fee Rate Estimation Using Costs of Issuing Permits Plus Cost of Surveillance		Comparison with Current Fee Rates		Difference	% Variance (-/+)	Remaks:Reasonable/Not Reasonable
Total Cost	31,448.22	Total Collection on Fees and/or Charges	-	(31,448.22)	(1.00)	Reasonable
Number of Applications Processed	42	Number of Applications Processed	42			
Average Fee Rate	748.77	Average Fee Rates	-	(748.77)	(1.00)	

Instructions for Filling

(1) For every fee or charge, compare Total Revenue with Total Cost of delivering the subject service based on the results of the foregoing procedures.
(2) Compute the difference and determine the corresponding variance. If it yields a variance (-/+) of more than 10%, the LGU is either subsidizing (-) or generating revenues (+) in relation to the subject Service. 8

(3) Input the results in a summary form using Table 23 for ease in reference and appreciation during the review and deliberation of the results of the Toolkit.
(4) If so, then the LGU must submit, along with the report of the results, a proposed Rationalization of Fees and Charges using the options.

EXAMPLE:

Compare Fee with Cost of Delivering Services					
Fee Rate Estimation using Costs of issuing permits plus cost of surveillance		Comparison with Current Fee Rates			
Total Cost	31,448.22	Total Revenue	-	(31,448.22)	100%
Total Number of Applicants	42	Number of Applications Processed	248		
Average Fee Rate	748.77	Average Fee Rates	-	(748.77)	100%

10,594.00

Scenario 1	% of Applicants	Number of Applicants	Cost (with weight)	Total [redacted]	STD-VAR	STD-FXD	Cost per Application [redacted]			
Simple	#DIV/0!		#DIV/0!	[redacted]	174.55	422.06	[redacted]	#DIV/0!	#DIV/0!	#DIV/0!
Complex	#DIV/0!		#DIV/0!	[redacted]	174.55	422.06	[redacted]	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!	-	#DIV/0!					#DIV/0!		#DIV/0!

Classification	Allocation	% of Applicants	Number	[redacted]	STD-VAR	STD-FXD	Cost per Application [redacted]			
Manufacturer	#DIV/0!			[redacted]			[redacted]	#DIV/0!	#DIV/0!	#DIV/0!
Wholesalers	#DIV/0!			[redacted]			[redacted]	#DIV/0!	#DIV/0!	#DIV/0!
Exporters	#DIV/0!			[redacted]			[redacted]	#DIV/0!	#DIV/0!	#DIV/0!
Retailers	#DIV/0!			[redacted]			[redacted]	#DIV/0!	#DIV/0!	#DIV/0!
Contractors	#DIV/0!			[redacted]			[redacted]	#DIV/0!	#DIV/0!	#DIV/0!
Banks and other institutions	#DIV/0!			[redacted]			[redacted]	#DIV/0!	#DIV/0!	#DIV/0!
Peddlers	#DIV/0!									
Others	#DIV/0!			[redacted]			[redacted]	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!		-	#DIV/0!				#DIV/0!		#DIV/0!

Total: 0%
100%

Ok ok

235801.42	-	-	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
235801.42	-	-	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
#REF!		-							
			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
									#DIV/0!

Summary of Rationalized Local Fees and Charges

Local Fee/Charge	Current Rate	Rationalized Rate	% Variance	Remarks/Recommended Rate
Mayor's Permit Service Establishments- Micro	-	748.77	-1.00	Propose: 750.00

STEP 1: MAP YOUR PROCESS FLOW

Note:
- A flowchart is a picture of the separate steps involved in a given process, presented in sequential order.
- Particularly helpful in analyzing and identifying areas for improvement by showing inefficiencies in the system.
- Also, it is useful in costing analysis.
- For this template, it is not necessary to use the various diagrams and boxes normally used in process flowcharts.

Instructions in Filling the Form

1 Discuss and decide on the boundaries of your process.
  * Where or when does the process start? Where or when does it end?
2 Arrange and document the activities in proper sequence.

Table 1:

	LIST OF ACTIVITIES
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for , and verify the completeness of the requirements.
2	Encode the application in the system and check the correctness of the entries.
3	Prepare and print the Tax Order of Payment.
4	Receive payment and issue Official Receipt.
5	Sign and approve the application by the Municipal Treasurer and BPLO.
6	Prepare and approve Mayor's Permit.
7	Record and release the Mayor's Permit to the applicant.
8	Conduct actual inspection of the business establishment.

STEP 2: IDENTIFY THE RESOURCES FOR EACH ACTIVITY

Instructions in Filling the Form

1 Identify the offices and all key people involved with each activity. Identify official position.

  * This includes those who do the work in the process: suppliers, customers and supervisors.
2 List down the materials and resources utilized in each stage.

Table 2:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for , and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, ink
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jhelan Richelle Lipao/Admin Aide I	Linen Paper A4
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form

STEP 3: CLASSIFY ACTIVITIES INTO "ROUTINE" AND "SPECIAL"

Instructions in Filling the Form

1 Classify the activities into whether they are:

It is highly suggested to identify one (1) special step.
- **However, it can be two (2) or more. In that case, it will have an impact on the weight of the Special Variable Component.**
- **It may also yield that there is no special step in the whole process. In that case, the normal costing procedure is applicable and the computation will not involve a Special Variable Component.**

Table 3:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL	TYPE OF ACTIVITY
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for , and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen	Routine
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO		Routine
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, ink	Routine
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt	Routine
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT		Routine
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jhelan Richelle Lipao/Admin Aide I	Linen Paper A4	Routine
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook	Routine
8	Conduct actual inspection of the business establishment.	BPLO, MHO, M	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form	Special

STEP 4. QUANTIFY THE VARIABLE COST FOR ROUTINE ACTIVITIES

STEP 4.A PERSONNEL COSTS

Instructions in Filling Up the Form

Column 1 - Base it on the staff identified as directly involved in the Routine Activities of the subject service. The actual number may be obtained from the Citizen's Charter or authorized office process flow, including the list of contractual positions for the particular service/s being rendered.

Column 2 - Match the salary grade for each staff. The salary grade data will be available at the Citizen's Charter, HR, Accounting, or Budget Office of the City.

Column 3 - Fill out the salary rate per month for each staff. The salary rates per month may be obtained from HR, Accounting, or Budget offices of the LGU.

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months

Column 5. Identify all other remunerations regularly received by the staff. Data will be available at the City Budget or Accounting Department. In case data will not be readily available, other benefits can be represented by computing 20% of the annual salary.

Column 6. Sum up columns 4 and 5, and multiply it by 80%. The 20% covers lag time usually allotted to attendance in seminars/trainings, leaves, and other admin activities not related to the service. LGUs may also devise other method to determine the annual % of time assigned in the delivery of subject service, exclusive of lag time.

Column 7. Approximate the annual percentage of time each staff performs the task directly related to the activity. Data shall be provided by the head of units performing the service, e.g., if exclusively doing such task, then put 100%.

Column 8. Get the total personnel cost attributable to Routine Activities by adding the cost for each staff involved in delivering the service.

Table 4: Personnel Cost

Name and Position	Compensation					% Time assigned in the delivery of	Annual Cost of the Service
	SG Step	Monthly Salary	Annual Salary	Other Benefits	Annual Compensation		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Carmelita M. Palma - Acting MT	SG14/S1	27,768.00	333,216.00	253,536.00	469,401.60	0.14%	657.16
Aileen Rose A. Tantoy - LRCO I/BPLO	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.20	0.18%	527.38
Luzviminda A. Datoy - RCC III	SG9/S1	17,420.00	209,040.00	82,840.00	233,504.00	0.16%	373.61
Nora D. Ogdac - Admin Aide	SG1/S1	10,623.00	127,476.00	69,246.00	157,377.60	0.08%	125.90
Nestor S. Valeroso - Mayor	SG27/S3	106,997.00	1,283,964.00	441,994.00	1,380,766.40	0.06%	828.46
Jhelan Richelle Lipao - Admin Aide	SG1/S1	10,546.00	126,552.00	69,092.00	156,515.20	0.08%	125.21
							-
							-
							-
							-
							-
			-		-		-
			-		-		-
			-		-		-
							-

STEP 4.B COST OF TRANSPORTATION

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection

Column 2. Identify the number of vehicles used for inspection.

Column 3. Verify unit cost of vehicle

Column 4. Determine the total cost by multiplying columns 2 and 3

Column 5. Apply the depreciation rate (Note: Economic life of a vehicle is 10 years)

Column 6. Compute for the annual depreciation cost by multiplying columns 4 and 5.

Column 7. Verify from the City Accounting Office the actual amount spent for maintenance of the vehicle used for inspection. In the absence of actual data, the amount can be computed by multiplying column 5 by 20%

Column 8. Determine the frequency of use of the vehicle. In the specific case sample, half day use from February to November is 44/52 weeks x .5 days. Note that the LGUs may devise other method to determine the actual frequency of use of vehicle.

Column 9. Compute the cost of vehicle for inspection by adding columns 6 and 7 then multiply the frequency of use in column 8.

Table 5:

Variable Cost - Vehicle

List of Vehicle/s	Number of Vehicles	Unit Cost	Total Cost	Depreciation Rate/Year	Annual Depreciation Cost	Maintenance cost	Percentage of use for inspection per week	Annual cost of vehicle for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)
					-			-

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection

Column 2. Identify the number of vehicles used for inspection

Column 3. Verify the average cost of fuel per liter

Column 4. Check the average weekly consumption in liters

Column 5. There are 52 weeks in one year. Identify the number of weeks the vehicle(s) has been used in a year.

Column 6. Compute for annual cost of fuel for 1 year by multiplying columns 2, 3, 4 and 5.

Column 7. Determine the percentage for the frequency of use of the vehicle for inspection. In the specific case sample, half day use from February to November is 44/52 weeks X .5 days. Note that the LGUs may devise other method to determine the actual percentage for the frequency of use of the vehicle.

Column 8. Compute the cost of fuel for inspection activities by multiplying columns 6 and 7.

Table 6:

Variable Cost - Fuel

List of vehicle/s	Number of Vehicles	Average Cost per liter	Ave. weekly consumption in liters	Number of weeks in one year	Annual Cost of fuel for the vehicle	Percentage of use for inspection per week	Annual cost for Fuel for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
					-		-

If the LGU does not provide vehicles for inspection, but only allows the reimbursement of actual transportation expenses, the annual cost should be computed by determining the monthly reimbursements multiplied by 12

Table 7:

Variable Cost - Allowance/Reimbursement for Fuel

Name and Position	Transportation Cost based on Allowance/Reimbursements		% Time assigned in the delivery of the [illegible]	Annual Cost of the Service
	Average Monthly	Annual Allowance	(col 4)	
(col 1)	(col 2)	(col 3)		(col 5)
Aileen Rose A. Tantoy - LRCO I/BPLO	300	1,200	6%	72.00
Maximo D. Guarte- Sanitary Inspector	300	1,200	6%	72.00
Joegie E. Cabatuan-Admin. Aide VI	300	1,200	5%	60.00
Kathleen Jay U. Orozco-Admin Aide IV	300	1,200	5%	60.00
Anthony Rengel-Agri'l Technologist	300	1,200	5%	60.00
Rachel Ontolan-Envi.Mgt. Specialist	300	1,200	5%	60.00
		-		-
		-		-
		-		-
		-		-

[illegible]	

STEP 4.C OTHER VARIABLE COSTS

Instructions in Filling the Form

Column 1. List down the supplies, materials and other resources which are issued to each applicant or varies directly with the number of applicants.

Column 2. Count all filled application forms, schedule slips, results forms, etc., and those issued with official receipts. Consider if applicants were successfully processed a approved, and provided with new business plate, stickers and/or certificates.

Column 3. Secure the unit cost for each and every item identified as other variable cost from the City Accounting Office.

Column 4. Compute for the annual other variable cost by multiplying column 2 and column 3

Table 8:

Variable Cost - Other variable cost

Particulars	Annual Number of Applications	Cost/Measuring unit (Php)	Annual cost (Php)
(col 1)	(col 2)	(col 3)	(col 4)
	3		
Bond paper	9	0.50	4.50
Official Receipts	6	3.40	20.40
Linen Paper A4	3	2.00	6.00
			-
			-
			-
			-
		TOTAL	30.90

Instructions for Filling Up the Form

Column 1 - List all identified variable costs.

Column 2 - Fill up the variable costs for the "Subject Service" and reflect the sum of all entries of each cell to total

Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Variable Cost Per Application.

Table 9:

Summary Table- Variable Costs

	Total	Estimated Routine Variable Cost Per Application
Annual Number of Applications	3	
Variable Costs		
Routine Personnel	2,637.72	879.24
Travel Reimbursement	384.00	128.00
Other Supplies/Forms/Materials	30.90	10.30
TOTAL	3,052.62	1,017.54

STEP 5. ALLOCATE THE VARIABLE COST FOR SPECIAL ACTIVITIES

Name and position	SG/Step	Monthly Salary	Annual Salary	Other compensation	Total Annual Compensation	% time allocated for the project	Amount to be charged for activities
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Aileen Rose A. Tanccy - BFAD Designate	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.20	0.15%	439.48
Mantoo D. Guarte - Sanitary Inspector	SG6/S8	18,963.00	259,556.00	87,926.00	261,985.60	0.15%	392.98
Joegie E. Cabotaan - Admin Aide IV	SG6/S3	14,537.00	174,444.00	77,074.00	201,214.40	0.14%	281.70
Kathleen Joy U. Orozco - Admin Aide IV	SG4/S2	12,719.00	152,628.00	73,638.00	180,852.80	0.14%	253.19
Anthony Rengel - Agric'l Technologist	SG10/S1	19,190.00	230,280.00	86,380.00	253,328.00	0.16%	354.66
Rachel Ontalan - Envt.Mgt. Specialist	SG15/S1	30,453.60	365,436.00	108,906.80	379,473.60	0.14%	531.26

Instructions in Filling the Form

Column 1 - [illegible]

Column 2 - [illegible]

Column 3 - [illegible]

Column 4 - [illegible]

Column 5 - [illegible]

Column 6 - [illegible]

Column 7 - [illegible]

Column 8 - [illegible]

Basis (2) Simple and Complex

CATEGORIES	No. of Personnel	Weight	Allocation
Simple		#DIV/0!	#DIV/0!
Complex		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!

Basis (1) Per Business Classification

CLASSIFICATION	Weight	Allocation
Manufacturer		#DIV/0!
Wholesalers		#DIV/0!
Exporters		#DIV/0!
Retailers		#DIV/0!
Consignees		#DIV/0!
Banks and other institutions		#DIV/0!
Peddlers		#DIV/0!
Others		#DIV/0!
	0	#DIV/0!

Weight Allocation According to Complexity and Business Classification

BUSINESS CLASSIFICATION			Simple Weight	Complex Weight	Total	Simple	Complex
With Complex	[illegible]	#DIV/0!				#DIV/0!	#DIV/0!
	[illegible]	#DIV/0!				#DIV/0!	
	[illegible]	#DIV/0!				#DIV/0!	
	[illegible]	#DIV/0!				#DIV/0!	
With Complex	[illegible]	#DIV/0!				#DIV/0!	#DIV/0!
	[illegible]	#DIV/0!				#DIV/0!	
	[illegible]	#DIV/0!				#DIV/0!	
	[illegible]	#DIV/0!				#DIV/0!	
						#DIV/0!	#DIV/0!

Note: Other basis may be used (e. g. the DTI classification as to Cottage, Small, etc)

STEP 6. ESTIMATE AND DISTRIBUTE THE FIXED COSTS

STEP 6.A COST OF OFFICE SPACE

Instruction in Filling Up the Form

Column 1 - Describes the cost formula for determining share of office cost for delivering "Subject Service". Determine the cost of construction per square meter (approximately P20,000/sq.m.) and the floor area of the entire City Hall. The building construction cost is the product of the two values. Knowing the floor area occupied by the different offices delivering the "Subject Service", its proportionate share in the total floor area of the city hall multiplied by cost of constructing the building will be the cost of office space occupied. The annual depreciation rate is 4% since the normal economic life of reinforced concrete structures is 25 years. We can compute for the annual depreciation expense by multiplying the cost of office space occupied by depreciation rate and approximately the annual maintenance cost by apportioning 20% of the annual depreciation expenses. The 20% is used whenever actual data from the Accounting Office is unavailable. The share of cost for delivering "Subject Service" can be computed by adding annual depreciation expense and annual maintenance cost multiplied by the percent of work by the Office utilized for delivering the "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 10:

Fixed Cost - Office Space (Owned by the LGU)

Particulars	Offices Involved in the delivery of " " Fee
(col 1)	(col 2)
Construction Cost (per sq m)	14,751.85
Floor area of City Hall (sq m)	1,080.00
Building Construction Cost (Php)	15,913,000.00
Office Area Occupied (sq. m)	72.00
Cost of Office Area Occupied (Php)	1,060,866.67
Depreciation Rate (%)	3%
Annual Depreciation Expense (Php)	503,911.66
Annual Maintenance Cost (Php)	100,782.33
Percent of Work for " " (%)	0.70%
Share of Cost attributable to delivering the service (Php)	[illegible]

Instructions for Filling Up the Form

Column 1 - Determine the monthly rental rate and multiply by the number of months the office space was rented to know the annual cost for rental. Add actual cost for maintaining the Office space. If the actual data is not available add 20% of the annual cost of rental to determine the annual cost for rented office space. The annual fixed cost for rented office space attributable to rendering the service is the annual cost of rented office space multiplied by the proportion of time used for "Subject Service" services in relation to the total responsibility of the Office delivering the service.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 11:

Fixed Cost - Office Space (Rented by the LGU)

Particulars	Offices Involved in the delivery of "Subject Service" Fee
(col 1)	(col 2)
Rental rate per month	
Number of months use	
Annual cost of rental	-
Maintenance Cost	-
Annual cost of rented office space	-
Percentage of time used for the delivery of the service in relation to the responsibility of the Office	
Annual fixed cost (rented office space) attributable to delivering the service	

STEP 6.B UTILITIES

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of electricity cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the cost of electricity rate per kilowatt hour and the kilowatt consumption/hour of the Office delivering the service. The regular operations of a City Office is 7:30am-5:30pm or 10 hrs and there are approximately 260 days per year. The annual cost of electricity for the ofices delivering the service is the product of the electricity rate per kwh, the kilowatt consumption per hour of the office, the number of operating hours per days, and the number of operating days per year. The percent of work to be considered is an approximation by the head of unit delivering the service in relation to its total responsibilities. When known, the net cost of electricity attributed to delivery of service shall be the annual cost of electricity for the office multiplied by the percent of work devoted by the office for "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 13

Cost of Electricity

Particulars	Offices involved in the delivery of " Fee
(col 1)	(col 2)
Electricity rate per kilowatt hour (Php)	17.07
Kilowatt consumption/hour for the unit delivering the service	5.63
Number of operating hours per day	8.00
Number of days per year	264.00
Electricity cost per year	202,971.86
Percent of work for the service rendered	0.70%
Net electricity cost attributed to "Subject Service" service	

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of water cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the number of people directly related to the processing and issuance of "Subject Service". The estimated water bill per person per month is ₱100. The net cost of water attributed to the delivery of "Subject Service" can be computed by the estimated water bill of the office per year multiplied by the percent of "Subject Service" work performed by the office in relation to the total responsibilities assigned to the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 13

Cost of Water

Particulars	Offices involved in the delivery of " Fee
(col 1)	(col 2)
Number of People	10
Water bill per person per month	77.50
Estimated water bill of the office per year	9,300.00
Percent of work for the service rendered	0.70%
Net cost of water attributed to delivery of "Subject Service".	

Instructions for Filling Up the Form

Column 1. The cost of telephone can be computed by knowing the number of telephone lines available in the Office and the monthly subscription rate per month. The annual cost of telephone services is the number of telephone lines multiplied by the monthly subscription rate over a period of twelve months. The net cost of telephone services attributed to processing and issuance of mayors permit is the annual cost of telephone services multiplied by the percent of work performed by the Office in processing and issuance of "Subject Service" in as a percentage of the total responsibilities of the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 14

Cost for Communication

Particulars	Offices involved in the delivery of " Fee
(col 1)	(col 2)
Number of telephone/celiphone lines in the Office delivering the	
Rate of subscription per month	
Annual cost of telephone/mobile services	
Percent of work for the service rendered	
telephone/mobile services attributed to processing and issuance of "Subject	

STEP 6.C COST OF EQUIPMENT AND FURNITURE

Instructions in Filling the Form

Column 1. Identify all the equipment, and other facilities used for the delivery of the subject service.
Column 2. Count the number of each type of equipment or facility.
Column 3. Verify acquisition cost from the Accounting Unit.
Column 4. Compute for the total cost of acquisition by multiplying columns 2 and 3.
Column 5. Compute for the annual depreciation rate by dividing 100% with the estimated economic life in years.
Column 6. Compute the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Secure from the City Accounting Office the actual amount spent for maintenance of equipment/furniture used delivery of the subject service. In the absence of actual data, the amount can be computed by multiplying column 6 by 20%.
Column 8. Add Columns 6 and 7 to determine the annual cost of equipment/facility.
Column 9. Determine the % of time used for delivering the specific service in relation to responsibilities of the office involved in delivering the subject service.
Column 10. Compute for the annual cost share for equipment and furniture by multiplying columns 8 & 9.

Table 15:

Fixed Cost - Equipment and Furniture

Particulars	Number of Units	Acquisition Cost	Total Cost	Depreciation Rate	Annual Depreciation Cost	Maintenance Cost	Total Annual Cost	% Used for delivering the Service	Annual Cost Share for Equipment and Furniture
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)	(col 10)
A. Equipment									
Air Condition	3	35,000	105,000.00	20%	21,000	4,200	25,200	1.6%	403.20
Computers	3	50,000	150,000.00	20%	30,000	6,000	36,000	1.6%	576.00
Photocopier			-		-	-	-		-
								Sub-Total	979.20
B. Furniture									
Filing Cabinets	2	5,000	10,000.00	10%	1,000	200	1,200	1.6%	19.20
Tables and Chairs	4	2,000	8,000.00	10%	800	160	960	1.6%	15.36
								Sub-Total	34.56
									1,013.76

STEP 6.D OTHER FIXED COST

Instructions in Filling the Form

Column 1. Identify Offices delivering the "Subject Service" fee and the type of other fixed costs significant for their operation. In the particular example, these are cost for internet subscription and regular office supplies for the offices involved in delivering the "Subject Service".

Column 2. Verify actual office expenses from the LGU Accounting Office. If data are hard to get, reflect the budget allocation of each office (c/o LGU Budget Office).

Column 3. Determine the percentage of time used by the Office in delivering the specific service in relation to its total responsibilities.

Column 4. Compute for the other variable cost by multiplying column 2 and column 3.

NOTE: Note: The LGU may have other major fixed costs not mentioned in this illustration. When costs are significant, those fixed cost must be identified and added in the template. Conversely, costs that are negligible may be dropped from the calculations.

Table 16:

Other Fixed Cost

Particulars	Annual Rate	Percent of Use for "[illegible]" Fees	Annual Cost
(col 1)	(col 2)	(col 3)	(col 4)
Internet Services	**18000**	**1%**	**180.00**
Regular Office Supplies			-
Information Tech Team			-
Security Team			
Janitorial Team			
Reception Services			
		Total	180.00

Instructions for Filling Up the Form

Column 1 - List all identified fixed costs.
Column 2 - Fill up the fixed costs for the "Subject Service" and reflect the sum of all entries of each cell under "Total".
Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Fixed Cost Per Application.

Table 17:

Summary Table - Fixed Costs

Fixed Cost	Total	Estimated Routine Fixed Cost Per Application
(col 1)	(col 2)	(col 3)
Annual Number of Applications	3	
Office Space	4,232.86	1,410.95
Utilities	1,485.90	495.30
Electricity	1,420.80	473.60
Water	65.10	21.70
Communication	-	-
Equipment and Furniture	1,013.76	337.92
Other Fixed Cost	180.00	60.00
TOTAL	6,912.52	2,304.17

STEP 7. COMPARE FEE WITH COST OF DELIVERING SERVICES

Name of Fee/Charge:

Fee Rate Estimation Using Costs of Issuing Permits Plus Cost of Surveillance		Comparison with Current Fee Rates		Difference	% Variance (-/+)	Remaks:Reasonable/Not Reasonable
Total Cost		Total Collection on Fees and/or Charges		(9,218.42)	(0.75)	Reasonable
Number of Applications Processed		Number of Applications Processed				
Average Fee Rate		Average Fee Rates		(3,072.81)	(0.75)	

Instructions for Filling

(1) For every fee or charge, compare Total Revenue with Total Cost of delivering the subject service based on the results of the foregoing procedures.
(2) Compute the difference and determine the corresponding variance. If it yields a variance (-/+) of more than 10% the LGU is either subsidizing (-) or generating revenue (+) in relation to the subject service.
(3) Input the results in a summary form using *Table 23* for ease in reference and appreciation during the review and deliberation of the results of the Toolkit.
(4) If so, then the LGU must submit, along with the report of the results, a proposed Rationalization of Fees and Charges using the options.

Compare Fee with Cost of Delivering Services			
Fee Rate Estimation using Costs of issuing permits plus cost of surveillance		**Comparison with Current Fee Rates**	
Total Cost		Total Revenue	(9,218.42)
Total Number of Applicants		Number of Applications Processed	
Average Fee Rate		Average Fee Rates	(3,072.81)

Scenario 1	% of Applicants	Number of Applicants	Cost (with weight)	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application
Simple	#DIV/0!		#DIV/0!	#DIV/0!	1,017.54	2,304.17	#DIV/0!
Complex	#DIV/0!		#DIV/0!	#DIV/0!	1,017.54	2,304.17	#DIV/0!
	#DIV/0!		#DIV/0!				

Classification	Allocation	% of Applicants	Number	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application
Manufacturer	#DIV/0!			#DIV/0!			#DIV/0!
Wholesalers	#DIV/0!			#DIV/0!			#DIV/0!
Retailers	#DIV/0!			#DIV/0!			#DIV/0!
Importers	#DIV/0!			#DIV/0!			#DIV/0!
Consignors	#DIV/0!			#DIV/0!			#DIV/0!
Banks and Non-Bank Financial Institutions	#DIV/0!			#DIV/0!			#DIV/0!
Exporters	#DIV/0!						
Others	#DIV/0!			#DIV/0!			#DIV/0!
	#DIV/0!			#DIV/0!			

	2,304.17	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!
	2,304.17	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!
	#REF!						
		#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!
		#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!

Summary of Rationalized Local Fees and Charges

Local Fee/Charge	Current Rate	Rationalized Rate	% Variance	Remarks/Recommended Rate
Mayor's Permit on Commercial Large	1,000.00	4,072.81	-0.75	Propose: 4,000.00

STEP 1: MAP YOUR PROCESS FLOW

Note:
- A flowchart is a picture of the separate steps involved in a given process, presented in sequential order.
- Particularly helpful in analyzing and identifying areas for improvement by showing inefficiencies in the system.
- Also, it is useful in costing analysis.
- For this template, it is not necessary to use the various diagrams and boxes normally used in process flowcharts.

Instructions in Filling the Form

1 Discuss and decide on the boundaries of your process.
  * Where or when does the process start? Where or when does it end?
2 Arrange and document the activities in proper sequence.

Table 1:

	LIST OF ACTIVITIES
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for , and verify the completeness of the requirements.
2	Encode the application in the system and check the correctness of the entries.
3	Prepare and print the Tax Order of Payment.
4	Receive payment and issue Official Receipt
5	Sign and approve the application by the Municipal Treasurer and BPLO.
6	Prepare and approve Mayor's Permit.
7	Record and release the Mayor's Permit to the applicant.
8	Conduct actual inspection of the business establishment.

STEP 2: IDENTIFY THE RESOURCES FOR EACH ACTIVITY

Instructions in Filling the Form

1 Identify the offices and all key people involved with each activity. Identify official position.

  * This includes those who do the work in the process: suppliers, customers and supervisors.
2 List down the materials and resources utilized in each stage.

Table 2:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for , and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jhelan Richelle Lipao/Admin Aide I	Linen Paper A4
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form

STEP 3: CLASSIFY ACTIVITIES INTO "ROUTINE" AND "SPECIAL"

Instructions in Filling the Form

1 Classify the activities into whether they are.

It is highly suggested to identify one (1) special step.
- **However, it can be two (2) or more. In that case, it will have an impact on the weight of the Special Variable Component.**
- **It may also yield that there is no special step in the whole process. In that case, the normal costing procedure is applicable and the computation will not involve a Special Variable Component.**

Table 3:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL	TYPE OF ACTIVITY
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for , and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen	Routine
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-	Routine
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink	Routine
4	Receive payment and issue Official Receipt	MTO	Luzviminda A. Datoy/RCC III	Official Receipt	Routine
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-	Routine
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jhelan Richelle Lipao/Admin Aide I	Linen Paper A4	Routine
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook	Routine
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form	Special

STEP 4. QUANTIFY THE VARIABLE COST FOR ROUTINE ACTIVITIES

STEP 4.A PERSONNEL COSTS

Instructions in Filling Up the Form

Column 1- Base it on the staff identified as directly involved in the Routine Activities of the subject service. The actual number may be obtained from the Citizen's Charter or authorized office process flow, including the list of contractual positions for the particular service/s being rendered.

Column 2 - Match the salary grade for each staff. The salary grade data will be available at the Citizen's Charter, HR, Accounting, or Budget Office of the City.

Column 3 - Fill out the salary rate per month for each staff. The salary rates per month may be obtained from HR, Accounting, or Budget offices of the LGU.

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months

Column 5. Identify all other remunerations regularly received by the staff. Data will be available at the City Budget or Accounting Department. In case data will not be readily available, other benefits can be represented by computing 20% of the annual salary.

Column 6. Sum up columns 4 and 5, and multiply it by 80%. The 20% covers lag time usually allotted to attendance in seminars/trainings, leaves, and other admin activities not related to the service. LGUs may also devise other method to determine the annual % of time assigned in the delivery of subject service, exclusive of lag time.

Column 7. Approximate the annual percentage of time each staff performs the task directly related to the activity. Data shall be provided by the Head of units performing the service, e.g., if exclusively doing such task, then put 100%.

Column 8. Get the total personnel cost attributable to Routine Activities by adding the cost for each staff involved in delivering the service.

Table 4: Personnel Cost

Name and Position	Compensation					% Time assigned in the delivery of	Annual Cost of the Service
	SG-Step	Monthly Salary	Annual Salary	Other Benefits	Annual Compensation		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Carmelita M. Palma - Acting MT	**SG14/S1**	**27,768.00**	**333,216.00**	**253,536.00**	**469,401.60**	**0.12%**	**563.28**
Aileen Rose A. Tantoy - LRCO I/BPLO	**SG11/S1**	**22,731.00**	**272,772.00**	**93,462.00**	**292,987.20**	**0.16%**	**468.78**
Luryminda A. Datoy - RCC III	**SG9/S1**	**17,420.00**	**209,040.00**	**82,840.00**	**233,504.00**	**0.14%**	**326.91**
Nora D. Ogdoc - Admin Aide	**SG1/S1**	**10,623.00**	**127,476.00**	**69,246.00**	**157,377.60**	**0.08%**	**125.90**
Nestor S. Valeroso - Mayor	**SG27/S3**	**106,997.00**	**1,283,964.00**	**441,994.00**	**1,380,766.40**	**0.05%**	**690.38**
Jhelan Richelle Lipao - Admin Aide	**SG1/S1**	**10,546.00**	**126,552.00**	**69,092.00**	**156,515.20**	**0.08%**	**125.21**
							-
							-
							-
							-
							-
			-				-
			-				-
			-		-		-

STEP 4.B COST OF TRANSPORTATION

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection.
Column 3. Verify unit cost of vehicle
Column 4. Determine the total cost by multiplying columns 2 and 3
Column 5. Apply the depreciation rate (Note: Economic life of a vehicle is 10 years)
Column 6. Compute for the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Verify from the City Accounting Office the actual amount spent for maintenance of the vehicle used for inspection. In the absence of actual data, the amount can be computed by multiplying column 5 by 20%.

Column 8. Determine the frequency of use of the vehicle. In the specific case sample, half day use from February to November is 44/52 weeks x .5 days. Note that the LGUs may devise other method to determine the actual frequency of use of vehicle.
Column 9. Compute the cost of vehicle for inspection by adding columns 6 and 7 thenmultiply the frequency of use in column 8.

Table 5:

Variable Cost - Vehicle

List of Vehicle/s	Number of Vehicles	Unit Cost	Total Cost	Depreciation Rate/Year	Annual Depreciation Cost	Maintenance cost	Percentage of use for inspection per week	Annual cost of vehicle for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)
					-			-

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection
Column 3. Verify the average cost of fuel per liter
Column 4. Check the average weekly consumption in liters
Column 5. There are 52 weeks in one year. Identify the number of weeks the vehicles(s) has been used in a year
Column 6. Compute for annual cost of fuel for 1 year by multiplying columns 2, 3, 4 and 5.
Column 7. Determine the percentage for the frequency of use of the vehicle for inspection. In the specific case sample, half day use from February to November is 44/52 weeks x .5 days. Note that the LGUs may devise other method to determine the actual percentage for the frequency of use of the vehicle.
Column 8. Compute the cost of fuel for inspection activities by multiplying columns 6 and 7.

Table 6:

Variable Cost - Fuel

List of vehicle/s	Number of Vehicles	Average Cost per liter	Ave. weekly consumption in liters	Number of weeks in one year	Annual Cost of fuel for the vehicle	Percentage of use for inspection per week	Annual cost for Fuel for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
					-		-

If the LGU does not provide vehicles for inspection, but only allows the reimbursement of actual transportation expenses, the annual cost should be computed by determining the monthly reimbursements multiplied by 12

Table 7:

Variable Cost - Allowance/Reimbursement for Fuel

Name and Position	Transportation Cost based on Allowance/Reimbursements		% Time assigned in the delivery of the	Annual Cost of the Service
	Average Monthly	Annual Allowance		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)
Aileen Rose A. Tantoy - LRCO I/BPLO	300	1,200	6%	72.00
Maximo D. Guarte- Sanitary Inspector	300	1,200	6%	72.00
Joegie E. Cabotuan-Admin. Aide VI	300	1,200	5%	60.00
Kathleen Jay U. Orozco-Admin Aide IV	300	1,200	5%	60.00
Anthony Rengel-Agri'l Technologist	300	1,200	5%	60.00
Rachel Ontolan-Envi.Mgt. Specialist	300	1,200	5%	60.00
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-

STEP 4.C OTHER VARIABLE COSTS

Instructions in Filling the Form

Column 1. List down the supplies, materials and other resources which are issued to each applicant or varies directly with the number of applicants.

Column 2. Count all filled application forms, schedule slips, results forms, etc., and those issued with official receipts. Consider if applicants were successfully processed a approved, and provided with new business plate, stickers and/or certificates.

Column 3. Secure the unit cost for each and every item identified as other variable cost from the City Accounting Office.

Column 4. Compute for the annual other variable cost by multiplying column 2 and column 3

Table 8:

Variable Cost - Other variable cost

Particulars	Annual Number of Applications	Cost/Measuring unit (Php)	Annual cost (Php)
(col 1)	(col 2)	(col 3)	(col 4)
	11		
Bond paper	33	0.50	16.50
Official Receipts	22	3.40	74.80
Linen Paper A4	11	2.00	22.00
			-
			-
			-
			-
		TOTAL	113.30

Instructions for Filling Up the Form

Column 1 - List all identified variable costs.

Column 2 - Fill up the variable costs for the "Subject Service" and reflect the sum of all entries of each cell to total

Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Variable Cost Per Application.

Table 9:

Summary Table- Variable Costs

	Total	Estimated Routine Variable Cost Per Application
Annual Number of Applications	11	
Variable Costs		
Routine Personnel	2,300.46	209.13
Travel Reimbursement	384.00	34.91
Other Supplies/Forms/Materials	113.30	10.30
TOTAL	2,797.76	254.34

STEP 5. ALLOCATE THE VARIABLE COST FOR SPECIAL ACTIVITIES

Name and position	SG/Step	Monthly Salary	Annual Salary	Other compensation	Total Annual Compensation	% time allocated for the service	Amount of time for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Aileen Rose A. Fantay - BPLO Designate	SG11/S1	22,731.00	272,772.00	93,062.00	292,987.20	0.15%	439.48
Maximo D. Guerre - Sanitary Inspector	SG6/S8	19,963.00	239,556.00	87,926.00	261,985.60	0.15%	392.98
Jongie E. Cabutaan - Admin Aide IV	SG6/S3	14,537.00	174,444.00	77,074.00	201,214.80	0.10%	201.21
Kathleen Joy U. Orteco - Admin Aide IV	SG4/S2	12,719.00	152,628.00	73,438.00	180,857.80	0.10%	180.85
Anthony Bengot - Agric I Technologist	SG10/S1	19,190.00	230,280.00	86,380.00	253,328.00	0.10%	253.33
Rachel Ontolan - Envl.Mgt. Specialist	SG15/S1	30,453.00	365,436.00	109,906.00	379,473.80	0.10%	379.47

Instructions in Filling the Form

Column 1- List the staff assigned to the Special Activity.

Column 2 - State the salary grade for each staff

Column 3 - State the salary rate/month for each staff

Column 4 - Compute for the annual salary of the staff by multiplying Col 3 by 12 months

Column 5- Identify all other compensation being received by the staff. Other benefits or like RATA, PERA, uniform benefits and other commercial use

Column 6 - Sum up columns 4 and 5

Column 7 - Estimate the percentage of time of staff performing activity for the issuance of the Business Permit. For instance, if employee is only 10% of his time engaged in the activity, write 10%

Column 8 - Get the total cost for the Special Activity by adding the cost for each staff involved in the activity.

Basis (2) Simple and Complex

CATEGORIES	No. of Personnel	Weight	Allocation
Simple		#DIV/0!	#DIV/0!
Complex		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!

Basis (1) Per Business Classification

CLASSIFICATION	Weight	Allocation
Manufacturer		#DIV/0!
Wholesalers		#DIV/0!
Exporters		#DIV/0!
Retailers		#DIV/0!
Contractors		#DIV/0!
Banks and other institutions		#DIV/0!
Peddlers		#DIV/0!
Others		#DIV/0!
	0	#DIV/0!

Weight Allocation According to Complexity and Business Classification

BUSINESS CLASSIFICATION			Simple Weight	Complex Weight	Total	Simple	Complex
With Complex	Manufacturer	#DIV/0!				#DIV/0!	#DIV/0!
	Wholesalers	#DIV/0!				#DIV/0!	
	Exporters	#DIV/0!				#DIV/0!	
	Retailers	#DIV/0!				#DIV/0!	
With Complex	Contractors	#DIV/0!				#DIV/0!	#DIV/0!
	Banks and other inst	#DIV/0!				#DIV/0!	
	Peddlers	#DIV/0!				#DIV/0!	
	Others	#DIV/0!				#DIV/0!	
						#DIV/0!	#DIV/0!

Note: Other basis may be used (e. g. the DTI classification as to Cottage, Small, etc)

STEP 6. ESTIMATE AND DISTRIBUTE THE FIXED COSTS

STEP 6.A COST OF OFFICE SPACE

Instruction in Filling Up the Form

Column 1 - Describes the cost formula for determining share of office cost for delivering "Subject Service". Determine the cost of construction per square meter (approximately P20,000/sq.m.) and the floor area of the entire City Hall. The building construction cost is the product of the two values. Knowing the floor area occupied by the different offices delivering the "Subject Service", its proportionate share in the total floor area of the city hall multiplied by cost of constructing the building will be the cost of office space occupied. The annual depreciation rate is 4% since the normal economic life of reinforced concrete structures is 25 years. We can compute for the annual depreciation expense by multiplying the cost of office space occupied by depreciation rate and approximately the annual maintenance cost by apportioning 20% of the annual depreciation expenses. The 20% is used whenever actual data from the Accounting Office is unavailable. The share of cost for delivering "Subject Service" can be computed by adding annual depreciation expense and annual maintenance cost multiplied by the percent of work by the Office utilized for delivering the "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 10:

Fixed Cost - Office Space (Owned by the LGU)

Particulars (col 1)	Offices involved in the delivery of " " Fee (col 2)
Construction Cost (per sq m)	14,751.85
Floor area of City Hall (sq m)	1,080.00
Building Construction Cost (Php)	15,913,000.00
Office Area Occupied (sq. m)	72.00
Cost of Office Area Occupied (Php)	1,060,866.67
Depreciation Rate (%)	3%
Annual Depreciation Expense (Php)	503,911.66
Annual Maintenance Cost (Php)	100,782.33
Percent of Work for " " (%)	0.63%
Share of Cost attributable to delivering the service (Php)	3,809.57

Instructions for Filling Up the Form

Column 1 - Determine the monthly rental rate and multiply by the number of months the office space was rented to know the annual cost for rental. Add actual cost for maintaining the Office space. If the actual data is not available add 20% of the annual cost of rental to determine the annual cost for rented office space. The annual fixed cost for rented office space attributable to rendering the service is the annual cost of rented office space multiplied by the proportion of time used for "Subject Service" services in relation to the total responsibility of the Office delivering the service

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 11:

Fixed Cost - Office Space (Rented by the LGU)

Particulars (col 1)	Offices involved in the delivery of "Subject Service" Fee (col 2)
Rental rate per month	
Number of months use	
Annual cost of rental	-
Maintenance Cost	-
Annual cost of rented office space	-
Percentage of time used for the delivery of the service in relation to the responsibility of the Office	
Annual fixed cost (rented office space) attributable to delivering the service	

STEP 6.B UTILITIES

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of electricity cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the cost of electricity rate per kilowatt hour and the kilowati consumption/hour of the Office delivering the service. The regular operations of a City Office is 7:30am-5:30pm or 10 hrs and there are approximately 260 days per year. The annual cost of electricity for the ofices delivering the service is the product of the electricity rate per kwh, the kilowatt consumption per hour of the office, the number of operating hours per days, and the number of operating days per year. The percent of work to be considered is an approximation by the head of unit delivering the service in relation to its total responsibilities. When known, the net cost of electricity attributed to delivery of service shall be the annual cost of electricity for the office multiplied by the percent of work devoted by the office for "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of water cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the number of people directly related to the processing and issuance of "Subject Service". The estimated water bill per person per month is P100. The net cost of water attributed to the delivery of "Subject Service" can be computed by the estimated water bill of the office per year multiplied by the percent of "Subject Service" work performed by the office in relation to the total responsibilities assigned to the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Instructions for Filling Up the Form

Column 1. The cost of telephone can be computed by knowing the number of telephone lines available in the Office and the monthly subscription rate per month. The annual cost of telephone services is the number of telephone lines multiplied by the monthly subscription rate over a period of twelve months. The net cost of telephone services attributed to processing and issuance of mayors permit is the annual cost of telephone services multiplied by the percent of work performed by the Office in processing and issuance of "Subject Service" in as a percentage of the total responsibilities of the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 12

Cost of Electricity	
Particulars	Offices involved in the delivery of " " Fee
(col 1)	(col 2)
Electricity rate per kilowatt hour (Php)	17.07
Kilowatt consumption/hour for the unit delivering the service	5.63
Number of operating hours per day	8.00
Number of days per year	264.00
Electricity cost per year	202,971.86
Percent of work for the service rendered	0.63%
Net electricity cost attributed to "Subject Service" service	

Table 13

Cost of Water	
Particulars	Offices involved in the delivery of " " Fee
(col 1)	(col 2)
Number of People	10
Water bill per person per month	77.50
Estimated water bill of the office per year	9,300.00
Percent of work for the service rendered	0.63%
Net cost of water attributed to delivery of "Subject Service"	

Table 14

Cost for Communication	
Particulars	Offices involved in the delivery of " " Fee
(col 1)	(col 2)
Number of telephone/cellphone lines in the Office delivering the	
Rate of subscription per month	
Annual cost of telephone/mobile services	
Percent of work for the service rendered	
telephone/mobile services attributed to processing and issuance of "Subject	

STEP 6.C COST OF EQUIPMENT AND FURNITURE

Instructions in Filling the Form

Column 1. Identify all the equipment, and other facilities used for the delivery of the subject service.
Column 2. Count the number of each type of equipment or facility.
Column 3. Verify acquisition cost from the Accounting Unit.
Column 4. Compute for the total cost of acquisition by multiplying columns 2 and 3.
Column 5. Compute for the annual depreciation rate by dividing 100% with the estimated economic life in years.
Column 6. Compute the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Secure from the City Accounting Office the actual amount spent for maintenance of equipment/furniture used delivery of the subject service. In the absence of actual data, the amount can be computed by multiplying column 6 by 20%.
Column 8. Add Columns 6 and 7 to determine the annual cost of equipment/facility.
Column 9. Determine the % of time used for delivering the specific service in relation to responsibilities of the office involved in delivering the subject service.
Column 10. Compute for the annual cost share for equipment and furniture by multiplying columns 8 & 9.

Table 15:

Fixed Cost - Equipment and Furniture

Particulars	Number of Units	Acquisition Cost	Total Cost	Depreciation Rate	Annual Depreciation Cost	Maintenance Cost	Total Annual Cost	% Used for delivering the Service	Annual Cost Share for Equipment and Furniture
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)	(col 10)
A. Equipment									
Air Condition	3	35,000	105,000.00	20%	21,000	4,200	25,200	2%	504.00
Computers	3	50,000	150,000.00	20%	30,000	6,000	36,000	2%	720.00
Photocopier			-		-	-	-		-
								Sub-Total	1,224.00
B. Furniture									
Filing Cabinets	2	5,000	10,000.00	10%	1,000	200	1,200	2%	24.00
Tables and Chairs	4	2,000	8,000.00	10%	800	160	960	2%	19.20
								Sub-Total	43.20

STEP 6.D OTHER FIXED COST

Instructions in Filling the Form

Column 1. Identify Offices delivering the "Subject Service" fee and the type of other fixed costs significant for their operation. in the particular example, these are cost for internet subscription and regular office supplies for the offices involved in delivering the "Subject Service".

Column 2. Verify actual office expenses from the LGU Accounting Office. If data are hard to get, reflect the budget allocation of each office (c/o LGU Budget Office).

Column 3. Determine the percentage of time used by the Office in delivering the specific service in relation to its total responsibilities.

Column 4. Compute for the other variable cost by multiplying column 2 and column 3.

NOTE: Note: The LGU may have other major fixed costs not mentioned in this illustration. When costs are significant, those fixed cost must be identified and added in the template. Conversely, costs that are negligible may be dropped from the calculations.

Table 16:

Other Fixed Cost

Particulars	Annual Rate	Percent of Use for "[illegible]" Fees	Annual Cost
(col 1)	(col 2)	(col 3)	(col 4)
Internet Services	**18000**	**1%**	**180.00**
Regular Office Supplies			-
Information Tech Team			-
Security Team			
Janitorial Team			
Reception Services			
		Total	180.00

Instructions for Filling Up the Form

Column 1 - List all identified fixed costs.

Column 2 - Fill up the fixed costs for the "Subject Service" and reflect the sum of all entries of each cell under "Total".

Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Fixed Cost Per Application.

Table 17:

Summary Table - Fixed Costs

Fixed Cost	Total	Estimated Routine Fixed Cost Per Application
(col 1)	(col 2)	(col 3)
Annual Number of Applications	11	
Office Space	3,809.57	346.32
Utilities	1,337.31	121.57
Electricity	1,278.72	116.25
Water	58.59	5.33
Communication	-	-
Equipment and Furniture	1,267.20	115.20
Other Fixed Cost	180.00	16.36
TOTAL	6,594.08	599.46

STEP 7. COMPARE FEE WITH COST OF DELIVERING SERVICES

Name of Fee/Charge:

Fee Rate Estimation Using Costs of Issuing Permits Plus Cost of Surveillance		Comparison with Current Fee Rates		Difference	% Variance (-/+)	Remaks:Reasonable/Not Reasonable
Total Cost		Total Collection on Fees and/or Charges		(5,739.18)	(0.51)	Reasonable
Number of Applications Processed		Number of Applications Processed				
Average Fee Rate		Average Fee Rates		(521.74)	(0.51)	

Instructions for Filling

(1) For every fee or charge, compare Total Revenue with Total Cost of delivering the subject service based on the results of the forgoing procedures.
(2) Compute the difference and determine the corresponding variance. If it yields a variance (-/+) of more than 10%, the LGU is either subsidizing (-) or generating revenues (+) in relation to the subject Service.

(3) Input the results in a summary form using Table 23 for ease in reference and appreciation during the review and deliberation of the results of the Toolkit.
(4) If so, then the LGU must submit, along with the report of the results, a proposed Rationalization of Fees and Charges using the options.

Compare Fee with Cost of Delivering Services

Fee Rate Estimation using Costs of issuing permits plus cost of surveillance		Comparison with Current Fee Rates		
Total Cost		Total Revenue		5,739.18
Total Number of Applicants		Number of Applications Processed		
Average Fee Rate		Average Fee Rates		(521.74)

10,794.00 Total

Scenario 1	% of Applicants	Number of Applicants	Cost (with weight)	SPCI-PERSONNEL	STD-VAR	STD-FXD	Cost per Application			
Simple	#DIV/0!		#DIV/0!	#DIV/0!	754.34	599.46	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Complex	#DIV/0!		#DIV/0!	#DIV/0!	754.34	599.46	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!	-	#DIV/0!							

Classification	Allocation	% of Applicants	Number	SPCI-PERSONNEL	STD-VAR	STD-FXD	Cost per Application			
Manufacturer	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Wholesaler	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Importers	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Retailers	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Contractors	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Banks and other institutions	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Peddlers	#DIV/0!									
Others	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!
	Total	0%								

	213,201.42			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	234,561.43			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#REF!									
				#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
				#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
										#DIV/0!

Summary of Rationalized Local Fees and Charges

Local Fee/Charge	Current Rate	Rationalized Rate	% Variance	Remarks/Recommended Rate
[illegible]	500.00	1,021.74	-0.51	Propose: 1,000.00

STEP 1: MAP YOUR PROCESS FLOW

Note:
- A flowchart is a picture of the separate steps involved in a given process, presented in sequential order.
- Particularly helpful in analyzing and identifying areas for improvement by showing inefficiencies in the system.
- Also, it is useful in costing analysis.
- For this template, it is not necessary to use the various diagrams and boxes normally used in process flowcharts.

Instructions in Filling the Form

1 Discuss and decide on the boundaries of your process.
  * Where or when does the process start? Where or when does it end?
2 Arrange and document the activities in proper sequence.

Table 1:

	LIST OF ACTIVITIES
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for [illegible], and verify the completeness of the requirements.
2	Encode the application in the system and check the correctness of the entries.
3	Prepare and print the Tax Order of Payment.
4	Receive payment and issue Official Receipt.
5	Sign and approve the application by the Municipal Treasurer and BPLO.
6	Prepare and approve Mayor's Permit.
7	Record and release the Mayor's Permit to the applicant.
8	Conduct actual inspection of the business establishment.

STEP 2: IDENTIFY THE RESOURCES FOR EACH ACTIVITY

Instructions in Filling the Form

1 Identify the offices and all key people involved with each activity. Identify official position.
  * This includes those who do the work in the process: suppliers, customers and supervisors.
2 List down the materials and resources utilized in each stage.

Table 2:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for [illegible], and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jhelan Richelle Lipao/Admin Aide I	Linen Paper A4
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form

STEP 3: CLASSIFY ACTIVITIES INTO "ROUTINE" AND "SPECIAL"

Instructions in Filling the Form

1 Classify the activities into whether they are:

It is highly suggested to identify one (1) special step.
- **However, it can be two (2) or more. In that case, it will have an impact on the weight of the Special Variable Component.**
- **It may also yield that there is no special step in the whole process. In that case, the normal costing procedure is applicable and the computation will not involve a Special Variable Component.**

Table 3:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL	TYPE OF ACTIVITY
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for [illegible], and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen	Routine
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-	Routine
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink	Routine
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt	Routine
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-	Routine
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jhelan Richelle Lipao/Admin Aide I	Linen Paper A4	Routine
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook	Routine
8	Conduct actual inspection of the business establishment.	BPLO, MHO, M	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form	Special

STEP 4. QUANTIFY THE VARIABLE COST FOR ROUTINE ACTIVITIES

STEP 4.A PERSONNEL COSTS

Instructions in Filling Up the Form

Column 1- Base it on the staff identified as directly involved in the Routine activities of the subject service. The actual number may be obtained from the Citizen's Charter or authorized office process flow, including the list of contractual positions for the particular service/s being rendered.

Column 2. Match the salary grade for each staff. The salary grade data will be available at the Citizen's Charter, HR, Accounting, or Budget Office of the City

Column 3 - Fill out the salary rate per month for each staff. The salary rates per month may be obtained from HR, Accounting, or Budget offices of the LGU.

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months

Column 5. Identify all other remunerations regularly received by the staff. Data will be available at the City Budget or Accounting Department. In case data will not be readily available, other benefits can be represented by computing 20% of the annual salary.

Column 6. Sum up columns 4 and 5, and multiply it by 80%. The 20% covers lag time usually allotted to attendance in seminars/trainings, leaves, and other admin activities not related to the service. LGUs may also devise other method to determine the annual % of time assigned in the delivery of subject service, exclusive of lag time.

Column 7. Approximate the annual percentage of time each staff performs the task directly related to the activity. Data shall be provided by the head of units performing the service, e.g., if exclusively doing such task, then put 100%.

Column 8.Get the total personnel cost attributable to Routine Activities by adding the cost for each staff involved in delivering the service.

Table 4: Personnel Cost

Name and Position	Compensation					% Time assigned in the delivery of	Annual Cost of the Service
	SG-Step	Monthly Salary	Annual Salary	Other Benefits	Annual Compensation		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Carmelita M. Palma - Acting MT	SG14/S1	27,768.00	333,216.00	253,536.00	469,401.60	0.03%	140.82
Aileen Rose A. Tantoy - LACO I/BPLO	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.20	0.06%	175.79
Luzviminda A. Detoy - RCC III	SG9/S1	17,420.00	209,040.00	82,840.00	233,504.00	0.04%	93.40
Nora D. Ogdoc - Admin Aide	SG1/S1	10,623.00	127,476.00	69,246.00	157,377.60	0.02%	31.48
Nestor S. Valeroso - Mayor	SG27/S3	106,997.00	1,283,964.00	441,994.00	1,380,766.40	0.01%	138.08
Jhelan Richelle Lipao - Admin Aide	SG1/S1	10,546.00	126,552.00	69,097.00	156,515.20	0.02%	31.30
							-
							-
							-
							-
							-
			-		-		-
			-		-		-
			-		-		-

STEP 4.B COST OF TRANSPORTATION

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection.
Column 3. Verify unit cost of vehicle
Column 4. Determine the total cost by multiplying columns 2 and 3
Column 5. Apply the depreciation rate (Note: Economic life of a vehicle is 10 years)
Column 6. Compute for the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Verify from the City Accounting Office the actual amount spent for maintenance of the vehicle used for inspection. In the absence of actual data, the amount can be computed by multiplying column 5 by 20%.

Column 8. Determine the frequency of use of the vehicle. In the specific case sample, half day use from February to November is 44/52 weeks x 5 days. Note that the LGUs may devise other method to determine the actual frequency of use of vehicle.
Column 9. Compute the cost of vehicle for inspection by adding columns 6 and 7 then multiply the frequency of use in column 8.

Table 5:

Variable Cost - Vehicle

List of Vehicle/s	Number of Vehicles	Unit Cost	Total Cost	Depreciation Rate/Year	Annual Depreciation Cost	Maintenance cost	Percentage of use for inspection per week	Annual cost of vehicle for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)
					-			-

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection
Column 3. Verify the average cost of fuel per liter
Column 4. Check the average weekly consumption in liters
Column 5. There are 52 weeks in one year. Identify the number of weeks the vehicles(s) has been used in a year.
Column 6. Compute for annual cost of fuel for 1 year by multiplying columns 2, 3, 4 and 5.
Column 7. Determine the percentage for the frequency of use of the vehicle for inspection. In the specific case sample, half day use from February to November is 44/52 weeks x 5 days. Note that the LGUs may devise other method to determine the actual percentage for the frequency of use of the vehicle.
Column 8. Compute the cost of fuel for inspection activities by multiplying columns 6 and 7.

Table 6:

Variable Cost - Fuel

List of vehicle/s	Number of Vehicles	Average Cost per liter	Ave. weekly consumption in liters	Number of weeks in one year	Annual Cost of fuel for the vehicle	Percentage of use for inspection per week	Annual cost for Fuel for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
					-		-

If the LGU does not provide vehicles for inspection, but only allows the reimbursement of actual transportation expenses, the annual cost should be computed by determining the monthly reimbursements multiplied by 12

Table 7:

Variable Cost - Allowance/Reimbursement for Fuel

Name and Position	Transportation Cost based on Allowance/Reimbursements		% Time assigned in the delivery of the	Annual Cost of the Service
	Average Monthly	Annual Allowance	(col 4)	
(col 1)	(col 2)	(col 3)		(col 5)
Aileen Rose A. Tantoy - LRCO I/BPLO	300	1,200	6%	72.00
Maximo D. Guarte- Sanitary Inspector	300	1,200	6%	72.00
Joegie E. Cabatuan-Admin. Aide VI	300	1,200	5%	60.00
Kathleen Jay U. Orozco-Admin Aide IV	300	1,200	5%	60.00
Anthony Rengel-Agri'l Technologist	300	1,200	5%	60.00
Rachel Ontolan-Envi.Mgt. Specialist	300	1,200	5%	60.00
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-

STEP 4.C OTHER VARIABLE COSTS

Instructions in Filling the Form

Column 1. List down the supplies, materials and other resources which are issued to each applicant or varies directly with the number of applicants.

Column 2. Count all filled application forms, schedule slips, results forms, etc., and those issued with official receipts. Consider if applicants were successfully processed a approved, and provided with new business plate, stickers and/or certificates.

Column 3. Secure the unit cost for each and every item identified as other variable cost from the City Accounting Office.

Column 4. Compute for the annual other variable cost by multiplying column 2 and column 3

Table 8:

Variable Cost - Other variable cost

Particulars	Annual Number of Applications	Cost/Measuring unit (Php)	Annual cost (Php)
(col 1)	(col 2)	(col 3)	(col 4)
	3		
Bond paper	9	0.50	4.50
Official Receipts	6	3.40	20.40
Linen Paper A4	3	2.00	6.00
			-
			-
			-
			-

Instructions for Filling Up the Form

Column 1 - List all identified variable costs.

Column 2 - Fill up the variable costs for the "Subject Service" and reflect the sum of all entries of each cell to total

Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Variable Cost Per Application.

Table 9:

Summary Table- Variable Costs

	Total	Estimated Routine Variable Cost Per Application
Annual Number of Applications	3	
Variable Costs		
Routine Personnel	610.87	203.62
Travel Reimbursement	384.00	128.00
Other Supplies/Forms/Materials	30.90	10.30

STEP 5. ALLOCATE THE VARIABLE COST FOR SPECIAL ACTIVITIES

Name and position	Sg/Step	Monthly Salary	Annual Salary	Other compensation	Total Annual Compensation	% Applicable to the activity	Amount of compensation Applicable
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Aileen Rose A. Tawoy - BPLO Designate	SG11/S1	27,731.00	332,772.00	93,662.00	792,987.20	0.05%	146.99
Rizalino D. Guarne - Sanitary Inspector	SG6/S8	19,065.00	228,956.00	87,926.80	261,985.60	0.05%	130.99
Joegie E. Cabotaje - Admin Aide IV	SG6/S1	14,537.00	174,444.00	77,074.00	291,214.40	0.05%	108.61
Kathleen Jay U. Orsaco - Admin Aide IV	SG4/S2	12,719.00	152,628.00	73,438.00	180,852.80	0.05%	90.43
Anthony Ferrgal - Agric'l Technologist	SG10/S1	19,190.00	230,280.00	86,580.00	753,328.00	0.05%	126.66
Rachel Cenzon Envl.Mgt. Specialist	SG15/S1	30,453.00	365,436.00	108,906.00	379,473.60	0.05%	199.74

Instructions in Filling the Form

Column 1 - List the staff assigned to the Business Activities

Column 2 - Match the salary grade for each staff

Column 3 - [illegible]

Column 4 - [illegible]

Column 5 - [illegible]

Column 6 - [illegible]

Column 7 - [illegible]

Column 8 - [illegible]

Basis (2) Simple and Complex

CATEGORIES	No. of Personnel	Weight	Allocation
Simple		#DIV/0!	#DIV/0!
Complex		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!

Basis (1) Per Business Classification

CLASSIFICATION	Weight	Allocation
Manufacturer		#DIV/0!
Wholesalers		#DIV/0!
Exporters		#DIV/0!
Retailers		#DIV/0!
Contractors		#DIV/0!
Banks and other institutions		#DIV/0!
Peddlers		#DIV/0!
Others		#DIV/0!
	0	#DIV/0!

Weight Allocation According to Complexity and Business Classification

BUSINESS CLASSIFICATION			Simple Weight	Complex Weight	Total	Simple	Complex
With Complex	Manufacturer	#DIV/0!				#DIV/0!	#DIV/0!
	Wholesalers	#DIV/0!				#DIV/0!	
	Exporters	#DIV/0!				#DIV/0!	
	Retailers	#DIV/0!				#DIV/0!	
With Complex	Contractors	#DIV/0!				#DIV/0!	#DIV/0!
	Banks and other institutions	#DIV/0!				#DIV/0!	
	Peddlers	#DIV/0!				#DIV/0!	
	Others	#DIV/0!				#DIV/0!	
						#DIV/0!	#DIV/0!

NOTE: Other basis may be used (e.g. the DTI classification as to Cottage, Small, etc)

STEP 6. ESTIMATE AND DISTRIBUTE THE FIXED COSTS

STEP 6.A COST OF OFFICE SPACE

Instruction in Filling Up the Form

Column 1 - Describes the cost formula for determining share of office cost for delivering "Subject Service". Determine the cost of construction per square meter (approximately P20,000/sq.m.) and the floor area of the entire City Hall. The building construction cost is the product of the two values. Knowing the floor area occupied by the different offices delivering the "Subject Service", its proportionate share in the total floor area of the city hall multiplied by cost of constructing the building will be the cost of office space occupied. The annual depreciation rate is 4% since the normal economic life of reinforced concrete structures is 25 years. We can compute for the annual depreciation expense by multiplying the cost of office space occupied by depreciation rate and approximately the annual maintenance cost by apportioning 20% of the annual depreciation expenses. The 20% is used whenever actual data from the Accounting Office is unavailable. The share of cost for delivering "Subject Service" can be computed by adding annual depreciation expense and annual maintenance cost multiplied by the percent of work by the Office utilized for delivering the "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 10:

Fixed Cost - Office Space (Owned by the LGU)

Particulars	Offices Involved in the delivery of "[redacted]" Fee
(col 1)	(col 2)
Construction Cost (per sq m)	14,751.85
Floor area of City Hall (sq m)	1,080.00
Building Construction Cost (Php)	15,913,000.00
Office Area Occupied (sq. m)	72.00
Cost of Office Area Occupied (Php)	1,060,866.67
Depreciation Rate (%)	3%
Annual Depreciation Expense (Php)	503,911.66
Annual Maintenance Cost (Php)	100,782.33
Percent of Work for "[redacted]" (%)	0.18%
Share of Cost attributable to delivering the service (Php)	[redacted]

Instructions for Filling Up the Form

Column 1 - Determine the monthly rental rate and multiply by the number of months the office space was rented to know the annual cost for rental. Add actual cost for maintaining the Office space. If the actual data is not available add 20% of the annual cost of rental to determine the annual cost for rented office space. The annual fixed cost for rented office space attributable to rendering the service is the annual cost of rented office space multiplied by the proportion of time used for "Subject Service" services in relation to the total responsibility of the Office delivering the service

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 11:

Fixed Cost - Office Space (Rented by the LGU)

Particulars	Offices Involved in the delivery of "Subject Service" Fee
(col 1)	(col 2)
Rental rate per month	
Number of months use	
Annual cost of rental	-
Maintenance Cost	-
Annual cost of rented office space	-
Percentage of time used for the delivery of the service in relation to the responsibility of the Office	
Annual fixed cost (rented office space) attributable to delivering the service	

STEP 6.B UTILITIES

Instructions for Filling Up the Form

Column 1, Describes the formula for computing the proportion of electricity cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the cost of electricity rate per kilowatt hour and the kilowatt consumption/hour of the Office delivering the service. The regular operations of a City Office is 7:30am - 5:30pm or 10 hrs and there are approximately 260 days per year. The annual cost of electricity for the ofices delivering the service is the product of the electricity rate per kwh, the kilowatt consumption per hour of the office, the number of operating hours per days, and the number of operating days per year. The percent of work to be considered is an approximation by the head of unit delivering the service in relation to its total responsibilities. When known, the net cost of electricity attributed to delivery of service shall be the annual cost of electricity for the office multiplied by the percent of work devoted by the office for "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 13

Cost of Electricity	
Particulars	Offices involved in the delivery of " " Fee
(col 1)	(col 2)
Electricity rate per kilowatt hour (Php)	17.07
Kilowatt consumption/hour for the unit delivering the service	5.63
Number of operating hours per day	8.00
Number of days per year	264.00
Electricity cost per year	202,971.86
Percent of work for the service rendered	0.18%
Net electricity cost attributed to "Subject Service" service	

Instructions for Filling Up the Form

Column 1, Describes the formula for computing the proportion of water cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the number of people directly related to the processing and issuance of "Subject Service". The estimated water bill per person per month is P 100. The net cost of water attributed to the delivery of "Subject Service" can be computed by the estimated water bill of the office per year multiplied by the percent of "Subject Service" work performed by the office in relation to the total responsibilities assigned to the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 13

Cost of Water	
Particulars	Offices involved in the delivery of " " Fee
(col 1)	(col 2)
Number of People	10
Water bill per person per month	77.50
Estimated water bill of the office per year	9,300.00
Percent of work for the service rendered	0.18%
Net cost of water attributed to delivery of "Subject Service".	

Instructions for Filling Up the Form

Column 1, The cost of telephone can be computed by knowing the number of telephone lines available in the Office and the monthly subscription rate per month. The annual cost of telephone services is the number of telephone lines multiplied by the monthly subscription rate over a period of twelve months. The net cost of telephone services attributed to processing and issuance of mayors permit is the annual cost of telephone services multiplied by the percent of work performed by the Office in processing and issuance of "Subject Service" in as a percentage of the total responsibilities of the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 14

Cost for Communication	
Particulars	Offices involved in the delivery of " " Fee
(col 1)	(col 2)
Number of telephone/cellphone lines in the Office delivering the	
Rate of subscription per month	
Annual cost of telephone/mobile services	
Percent of work for the service rendered	
Net cost of telephone/mobile services attributed to processing and issuance of "Subject Service"	

STEP 6.C COST OF EQUIPMENT AND FURNITURE

Instructions in Filling the Form

Column 1. Identify all the equipment, and other facilities used for the delivery of the subject service.
Column 2. Count the number of each type of equipment or facility.
Column 3. Verify acquisition cost from the Accounting Unit
Column 4. Compute for the total cost of acquisition by multiplying columns 2 and 3.
Column 5. Compute for the annual depreciation rate by dividing 100% with the estimated economic life in years.
Column 6. Compute the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Secure from the City Accounting Office the actual amount spent for maintenance of equipment/furniture used delivery of the subject service. In the absence of actual data, the amount can be computed by multiplying column 6 by 20%.
Column 8. Add Columns 6 and 7 to determine the annual cost of equipment/facility.
Column 9. Determine the % of time used for delivering the specific service in relation to responsibilities of the office involved in delivering the subject service.
Column 10. Compute for the annual cost share for equipment and furniture by multiplying columns 8 & 9.

Table 15:

Fixed Cost - Equipment and Furniture

Particulars	Number of Units	Acquisition Cost	Total Cost	Depreciation Rate	Annual Depreciation Cost	Maintenance Cost	Total Annual Cost	% Used for delivering the Service	Annual Cost Share for Equipment and Furniture
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)	(col 10)
A. Equipment									
Air Condition	3	35,000	105,000.00	20%	21,000	4,200	25,200	0.5%	126.00
Computers	3	50,000	150,000.00	20%	30,000	6,000	36,000	0.5%	180.00
Photocopier			-		-	-	-		-
								Sub-Total	306.00
B. Furniture									
Filing Cabinets	2	5,000	10,000.00	10%	1,000	200	1,200	0.5%	6.00
Tables and Chairs	4	2,000	8,000.00	10%	800	160	960	0.5%	4.80
								Sub-Total	10.80
									316.80

STEP 6.D OTHER FIXED COST

Instructions in Filling the Form

Column 1. Identify Offices delivering the "Subject Service" fee and the type of other fixed costs significant for their operation. In the particular example, these are cost for internet subscription and regular office supplies for the offices involved in delivering the "Subject Service".

Column 2. Verify actual office expenses from the LGU Accounting Office. If data are hard to get, reflect the budget allocation of each office (c/o LGU Budget Office).

Column 3. Determine the percentage of time used by the Office in delivering the specific service in relation to its total responsibilities.

Column 4. Compute for the other variable cost by multiplying column 2 and column 3.

NOTE: Note: The LGU may have other major fixed costs not mentioned in this illustration. When costs are significant, those fixed cost must be identified and added in the template. Conversely, costs that are negligible may be dropped from the calculations.

Table 16:

Other Fixed Cost

Particulars	Annual Rate	Percent of Use for "[illegible] Fees"	Annual Cost
(col 1)	(col 2)	(col 3)	(col 4)
Internet Services	**18000**	**1.00%**	**180.00**
Regular Office Supplies			-
Information Tech Team			-
Security Team			
Janitorial Team			
Reception Services			
		Total	180.00

Instructions for Filling Up the Form

Column 1 - List all identified fixed costs.
Column 2 - Fill up the fixed costs for the "Subject Service" and reflect the sum of all entries of each cell under "Total".
Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Fixed Cost Per Application.

Table 17:

Summary Table - Fixed Costs		
Fixed Cost	Total	Estimated Routine Fixed Cost Per Application
(col 1)	(col 2)	(col 3)
Annual Number of Applications	3	
Office Space	1,088.45	362.82
Utilities	382.09	127.36
Electricity	365.35	121.78
Water	16.74	5.58
Communication	-	-
Equipment and Furniture	316.80	105.60
Other Fixed Cost	180.00	60.00
TOTAL	1,967.34	655.78

STEP 7. COMPARE FEE WITH COST OF DELIVERING SERVICES

Name of Fee/Charge:

Fee Rate Estimation Using Costs of Issuing Permits Plus Cost of Surveillance		Comparison with Current Fee Rates		Difference	% Variance (-/+)	Remaks:Reasonable/Not Reasonable
Total Cost		Total Collection on Fees and/or Charges		(1,378.03)	(0.36)	Reasonable
Number of Applications Processed		Number of Applications Processed				
Average Fee Rate		Average Fee Rates		(459.34)	(0.36)	

Instructions for Filling

(1) For every fee or charge, compare Total Revenue with Total Cost of delivering the subject service based on the results of the foregoing procedures.
(2) Compute the difference and determine the corresponding variance. If it yields a variance (-/+) of more than 10%, the LGU is either subsidizing (-) or generating revenues (+) in relation to the subject service.

(3) Input the results in a summary form using Table 23 for ease in reference and appreciation during the review and deliberation of the results of the Toolkit.
(4) If so, then the LGU must submit, along with the report of the results, a proposed Rationalization of Fees and Charges using the options.

Compare Fee with Cost of Delivering Services			
Fee Rate Estimation Using Costs of Issuing permits plus cost of surveillance		Comparison with Current Fee Rates	
Total Cost		Total Revenue	(1,378.03)
Total Number of Applicants		Number of Applications Processed	
Average Fee Rate		Average Fee Rates	(459.34)

Scenario 1	% of Applicants	Number of Applicants	Cost (with weight)	SPEC-PERSONNEL	STD-VAR	STD-FXD	Cost per Application
Simple	#DIV/0!		#DIV/0!	#DIV/0!	341.92	655.78	#DIV/0!
Complex	#DIV/0!		#DIV/0!	#DIV/0!	341.92	655.78	#DIV/0!
	#DIV/0!		#DIV/0!				

Classification	Allocation	% of Applicants	Number	SPEC-PERSONNEL	STD-VAR	STD-FXD	Cost per Application
Manufacturers	#DIV/0!			#DIV/0!			#DIV/0!
Wholesalers	#DIV/0!			#DIV/0!			#DIV/0!
Importers	#DIV/0!			#DIV/0!			#DIV/0!
Retailers	#DIV/0!			#DIV/0!			#DIV/0!
Contractors	#DIV/0!			#DIV/0!			#DIV/0!
Banks and other institutions	#DIV/0!			#DIV/0!			#DIV/0!
Peddlers	#DIV/0!						
Others	#DIV/0!			#DIV/0!			#DIV/0!
	#DIV/0!			#DIV/0!			
	Total	0%					

235891.42
235631.42
#REF!

Summary of Rationalized Local Fees and Charges

Local Fee/Charge	Current Rate	Rationalized Rate	% Variance	Remarks/Recommended Rate
[illegible]	800.00	1,259.34	-0.36	Propose: 1,250.00

STEP 1: MAP YOUR PROCESS FLOW

Note:
- A flowchart is a picture of the separate steps involved in a given process, presented in sequential order.
- Particularly helpful in analyzing and identifying areas for improvement by showing inefficiencies in the system.
- Also, it is useful in costing analysis.
- For this template, it is not necessary to use the various diagrams and boxes normally used in process flowcharts.
- Suggested Source: Citizen's Charter or the duly authorized process flow of the concerned office (for standard procedure)

Instructions in Filling the Form

1 Discuss and decide on the boundaries of your process.
  * Where or when does the process start? Where or when does it end?
2 Arrange and document the activities in proper sequence.

Table 1:

	LIST OF ACTIVITIES
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Service Establishments - Large, and verify the completeness of the requirements.
2	Encode the application in the system and check the correctness of the entries.
3	Prepare and print the Tax Order of Payment.
4	Receive payment and issue Official Receipt.
5	Sign and approve the application by the Municipal Treasurer and BPLO.
6	Prepare and approve Mayor's Permit.
7	Record and release the Mayor's Permit to the applicant.
8	Conduct actual inspection of the business establishment.

STEP 2: IDENTIFY THE RESOURCES FOR EACH ACTIVITY

Instructions in Filling the Form

1 Identify the offices and all key people involved with each activity. Identify official position.
  * For standardization, base the information on the Citizen's Charter or the duly authorized process flow for standard procedure.
  * This includes those who do the work in the process: suppliers, customers and supervisors.
2 List down the materials and resources utilized in each stage.

Table 2:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Service Establishments - Large, and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jheian Richelle Lipao/Admin Aide I	Linen Paper A4
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form

STEP 3: CLASSIFY ACTIVITIES INTO "ROUTINE" AND "SPECIAL"

Instructions in Filling the Form

1 Classify the activities into whether they are:
  * Routine(same procedure and effort for each applicant)
  * Special (usually the vital part of the process and varies according to the type and/or complexity of the business of the applicant)

Note: **It is highly suggested to identify one (1) special step.**
- **However, it can be two (2) or more. In that case, it will have an impact on the weight of the Special Variable Component.**
- **It may also yield that there is no special step in the whole process. In that case, the normal costing procedure is applicable and the computation will not involve a Special Variable Component.**

Table 3:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL	TYPE OF ACTIVITY
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Service Establishments - Large, and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen	Routine
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-	Routine
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink	Routine
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt	Routine
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-	Routine
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jheian Richelle Lipao/Admin Aide I	Linen Paper A4	Routine
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook	Routine
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form	Special

STEP 4. QUANTIFY THE VARIABLE COST FOR ROUTINE ACTIVITIES

STEP 4.A PERSONNEL COSTS

Instructions in Filling Up the Form

Column 1- Base it on the staff identified as directly involved in the Routine Activities of the subject service. The actual number may be obtained from the Citizen's Charter or authorized office process flow, including the list of contractual positions for the particular service/s being rendered.

Column 2 - Match the salary grade for each staff. The salary grade data will be available at the Citizen's Charter, HR, Accounting, or Budget Office of the City.

Column 3 - Fill out the salary rate per month for each staff. The salary rates per month may be obtained from HR, Accounting, or Budget offices of the LGU.

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months

Column 5. Identify all other remunerations regularly received by the staff. Data will be available at the City Budget or Accounting Department. In case data will not be readily available, other benefits can be represented by computing 20% of the annual salary.

Column 6. Sum up columns 4 and 5, and multiply it by 80%. The 20% covers lag time usually allotted to attendance in seminars/trainings, leaves, and other admin activities not related to the service. LGUs may also devise other method to determine the annual % of time assigned in the delivery of subject service, exclusive of lag time.

Column 7. Approximate the annual percentage of time each staff performs the task directly related to the activity. Data shall be provided by the head of units performing the service, e.g., if exclusively doing such task, then put 100%.

Column 8. Get the total personnel cost attributable to Routine Activities by adding the cost for each staff involved in delivering the service.

Table 4: Personnel Cost

Name and Position	Compensation					% Time assigned in the delivery of Mayor's Permit/Service Establishment Large Fee	Annual Cost of the Service
	SG-Step	Monthly Salary	Annual Salary	Other Benefits	Annual Compensation		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Carmelita M. Palma - Acting MT	SG14/S1	27,768.00	333,216.00	253,536.00	469,401.60	0.04%	187.76
Aileen Rose A. Tantoy - LRCO I/BPLO	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.20	0.06%	175.79
Luzviminda A. Datoy - RCC III	SG9/S1	17,420.00	209,040.00	82,840.00	233,504.00	0.05%	116.75
Nora D. Ogdoc - Admin Aide	SG1/S1	10,623.00	127,476.00	69,246.00	157,377.60	0.03%	47.21
Nestor S. Valeroso - Mayor	SG27/S3	106,997.00	1,283,964.00	441,994.00	1,380,766.40	0.01%	128.08
Jhelan Richelle Lipao - Admin Aide	SG1/S1	10,546.00	126,552.00	69,092.00	156,515.20	0.03%	46.95
							-
							-
							-
							-
							-
			-		-		-
			-		-		-
			-		-		-
						TOTAL	712.55

STEP 4.B COST OF TRANSPORTATION

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection.
Column 3. Verify unit cost of vehicle
Column 4. Determine the total cost by multiplying columns 2 and 3
Column 5. Apply the depreciation rate (Note: Economic life of a vehicle is 10 years)
Column 6. Compute for the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Verify from the City Accounting Office the actual amount spent for maintenance of the vehicle used for inspection. In the absence of actual data, the amount can be computed by multiplying column 5 by 20%.

Column 8. Determine the frequency of use of the vehicle. In the specific case sample, half day use from February to November is 44/52 weeks x .5 days. Note that the LGUs may devise other method to determine the actual frequency of use of vehicle.
Column 9. Compute the cost of vehicle for inspection by adding columns 6 and 7 thenmultiply the frequency of use in column 8.

Table 5:

Variable Cost - Vehicle

List of Vehicle/s	Number of Vehicles	Unit Cost	Total Cost	Depreciation Rate/Year	Annual Depreciation Cost	Maintenance cost	Percentage of use for inspection per week	Annual cost of vehicle for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)
					-			-
							TOTAL	-

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection
Column 3. Verify the average cost of fuel per liter
Column 4. Check the average weekly consumption in liters
Column 5. There are 52 weeks in one year. Identify the number of weeks the vehicles(s) has been used in a year.
Column 6. Compute for annual cost of fuel for 1 year by multiplying columns 2, 3, 4 and 5.
Column 7. Determine the percentage for the frequency of use of the vehicle for inspection. In the specific case sample, half day use from February to November is 44/52 weeks X .5 days. Note that the LGUs may devise other method to determine the actual percentage for the frequency of use of the vehicle.
Column 8. Compute the cost of fuel for inspection activities by multiplying columns 6 and 7.

Table 6:

Variable Cost - Fuel

List of vehicle/s	Number of Vehicles	Average Cost per liter	Ave. weekly consumption in liters	Number of weeks in one year	Annual Cost of fuel for the vehicle	Percentage of use for inspection per week	Annual cost for Fuel for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
					-		-
						TOTAL	-

If the LGU does not provide vehicles for inspection, but only allows the reimbursement of actual transportation expenses, the annual cost should be computed by determining the monthly reimbursements multiplied by 12

Table 7:

Variable Cost - Allowance/Reimbursement for Fuel

Name and Position	Transportation Cost based on Allowance/Reimbursements		% Time assigned in the delivery of the "Mayor's Permit: Service Establishments-Large Fee"	Annual Cost of the Service
	Average Monthly	Annual Allowance	(col 4)	
(col 1)	(col 2)	(col 3)		(col 5)
Aileen Rose A. Tantoy - LRCO I/BPLO	300	1,200	6%	72.00
Maximo D. Guarte- Sanitary Inspector	300	1,200	5%	60.00
Joegie E. Cabatuan-Admin. Aide VI	300	1,200	5%	60.00
Kathleen Jay U. Orozco-Admin Aide IV	300	1,200	5%	60.00
Anthony Rengel-Agri'l Technologist	300	1,200	5%	60.00
Rachel Ontolan-Envi.Mgt. Specialist	300	1,200	5%	60.00
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
			TOTAL	372.00

TOTAL OF VEHICLE AND FUEL:	-

STEP 4.C OTHER VARIABLE COSTS

Instructions in Filling the Form

Column 1. List down the supplies, materials and other resources which are issued to each applicant or varies directly with the number of applicants.

Column 2. Count all filled application forms, schedule slips, results forms, etc., and those issued with official receipts. Consider if applicants were successfully processed a approved, and provided with new business plate, stickers and/or certificates.

Column 3. Secure the unit cost for each and every item identified as other variable cost from the City Accounting Office.

Column 4. Compute for the annual other variable cost by multiplying column 2 and column 3

Table 8:

Variable Cost - Other variable cost

Particulars (col 1)	Annual Number of Applications (col 2)	Cost/Measuring unit (Php) (col 3)	Annual cost (Php) (col 4)
	3		
Bond paper	9	0.50	4.50
Official Receipts	6	3.40	20.40
Linen Paper A4	3	2.00	6.00
			-
			-
			-
			-
		TOTAL	30.90

Instructions for Filling Up the Form

Column 1 - List all identified variable costs.

Column 2 - Fill up the variable costs for the "Subject Service" and reflect the sum of all entries of each cell to total

Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Variable Cost Per Application.

Table 9:

Summary Table- Variable Costs

	Total	Estimated Routine Variable Cost Per Application
Annual Number of Applications	3	
Variable Costs		
Routine Personnel	712.55	237.52
Travel Reimbursement	372.00	124.00
Other Supplies/Forms/Materials	30.90	10.30
TOTAL	1,115.45	371.82

STEP 5. ALLOCATE THE VARIABLE COST FOR SPECIAL ACTIVITIES

Name and position	SG/Step	Monthly Salary	Annual Salary	Other compensation	Total Annual Compensation	% time allocated for the service	Annual cost of service for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Aileen Rose A. Tentoy - BPLO Designate	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.20	0.08%	175.79
Maximo D. Guarte - Sanitary Inspector	SG6/S8	19,963.00	239,556.00	87,926.00	261,985.60	0.06%	157.19
Joegie E. Cabatuan - Admin Aide IV	SG6/S3	14,537.00	174,444.00	77,074.00	201,214.40	0.05%	100.61
Kathleen Joy U. Orozco - Admin Aide IV	SG4/S2	12,719.00	152,628.00	73,488.00	180,852.80	0.05%	90.43
Anthony Rengel - Agric'l Technologist	SG18/S1	19,190.00	230,280.00	86,360.00	253,328.00	0.05%	126.66
Rachel Ontolan - Envt.Mgt. Specialist	SG15/S1	30,453.00	365,436.00	108,986.00	379,473.60	0.05%	189.74
			-		-		-
						TOTAL	840.42

Instructions in Filling the Form

Column 1- List the staff assigned to the "Special" Activity/ies
Column 2 - Match the salary grade for each staff
Column 3 - Fill out the salary rate/month for each staff.
Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months
Column 5, Identify all other remunerations regularly received by the staff. Other benefits include RATA, PERA, year end benefits and other remunerations
Column 6, Sum up columns 4 and 5
Column 7,Estimate the annual % of time each staff performs directly to the issuance of the subject service. The rate shall be provided by the concerned unit
Column 8,Get the total cost for the Special Activity by adding the cost for each staff involved in delivering the service.
Proceed to the weight allocation. (The weight allocation may vary depending on the appropriate basis in the scenario within an LGU)

Basis (2) Simple and Complex

CATEGORIES	No. of Personnel	Weight	Allocation
Simple		#DIV/0!	#DIV/0!
Complex		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!

*Here, they have to analyze the weight allocation based on the combination of the previous two options

** In here, Manufacturers and Producers were treated to be both simple and complex business structures

*** Here, the further classification in simple and complex will remain the same based on Manufacturers and Contractors

Basis (1) Per Business Classification

CLASSIFICATION	Weight	Allocation
Manufacturer		#DIV/0!
Wholesalers		#DIV/0!
Exporters		#DIV/0!
Retailers		#DIV/0!
Contractors		#DIV/0!
Banks and other institutions		#DIV/0!
Peddlers		#DIV/0!
Others		#DIV/0!
	0	#DIV/0!

Weight Allocation According to Complexity and Business Classification

			Simple Weight	Complex Weight	Total	Simple	Complex
	BUSINESS CLASSIFICATION						
With Complex	Manufacturer	#DIV/0!				#DIV/0!	#DIV/0!
	Wholesalers	#DIV/0!				#DIV/0!	
	Exporters	#DIV/0!				#DIV/0!	
	Retailers	#DIV/0!				#DIV/0!	
With Complex	Contractors	#DIV/0!				#DIV/0!	#DIV/0!
	Banks and other inst	#DIV/0!				#DIV/0!	
	Peddlers	#DIV/0!				#DIV/0!	
	Others	#DIV/0!				#DIV/0!	
						#DIV/0!	#DIV/0!

Note: Other basis may be used (e. g. the DTI classification as to Cottage, Small, etc)

STEP 6. ESTIMATE AND DISTRIBUTE THE FIXED COSTS

STEP 6.A COST OF OFFICE SPACE

Instruction in Filling Up the Form

Column 1 - Describes the cost formula for determining share of office cost for delivering "Subject Service". Determine the cost of construction per square meter (approximately P20,000/sq.m.) and the floor area of the entire City Hall. The building construction cost is the product of the two values. Knowing the floor area occupied by the different offices delivering the "Subject Service", its proportionate share in the total floor area of the city hall multiplied by cost of constructing the building will be the cost of office space occupied. The annual depreciation rate is 4% since the normal economic life of reinforced concrete structures is 25 years. We can compute for the annual depreciation expense by multiplying the cost of office space occupied by depreciation rate and approximately the annual maintenance cost by apportioning 20% of the annual depreciation expenses. The 20% is used whenever actual data from the Accounting Office is unavailable. The share of cost for delivering "Subject Service" can be computed by adding annual depreciation expense and annual maintenance cost multiplied by the percent of work by the Office utilized for delivering the "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 10:

Fixed Cost - Office Space (Owned by the LGU)

Particulars (col 1)	Offices Involved in the delivery of "Mayor's Permit: Service Establishments-Large" Fee (col 2)
Construction Cost (per sq m)	14,751.85
Floor area of City Hall (sq m)	1,080.00
Building Construction Cost (Php)	15,913,000.00
Office Area Occupied (sq. m)	72.00
Cost of Office Area Occupied (Php)	1,060,866.67
Depreciation Rate (%)	3%
Annual Depreciation Expense (Php)	503,911.66
Annual Maintenance Cost (Php)	100,782.33
Percent of Work for "Mayor's Permit: Service Establishments-Large" (%)	0.22%
Share of Cost attributable to delivering the service (Php)	1,330.33

Instructions for Filling Up the Form

Column 1 - Determine the monthly rental rate and multiply by the number of months the office space was rented to know the annual cost for rental. Add actual cost for maintaining the Office space. If the actual data is not available add 20% of the annual cost of rental to determine the annual cost for rented office space. The annual fixed cost for rented office space attributable to rendering the service is the annual cost of rented office space multiplied by the proportion of time used for "Subject Service" services in relation to the total responsibility of the Office delivering the service

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 11:

Fixed Cost - Office Space (Rented by the LGU)

Particulars (col 1)	Offices Involved in the delivery of "Subject Service" Fee (col 2)
Rental rate per month	
Number of months use	
Annual cost of rental	-
Maintenance Cost	-
Annual cost of rented office space	-
Percentage of time used for the delivery of the service in relation to the responsibility of the Office	
Annual fixed cost (rented office space) attributable to delivering the service	-

STEP 6.C COST OF EQUIPMENT AND FURNITURE

Instructions in Filling the Form

Column 1. Identify all the equipment, and other facilities used for the delivery of the subject service.
Column 2. Count the number of each type of equipment or facility.
Column 3. Verify acquisition cost from the Accounting Unit.
Column 4. Compute for the total cost of acquisition by multiplying columns 2 and 3.
Column 5. Compute for the annual depreciation rate by dividing 100% with the estimated economic life in years.
Column 6. Compute the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Secure from the City Accounting Office the actual amount spent for maintenance of equipment/furniture used delivery of the subject service. In the absence of actual data, the amount can be computed by multiplying column 6 by 20%.
Column 8. Add Columns 6 and 7 to determine the annual cost of equipment/facility.
Column 9. Determine the % of time used for delivering the specific service in relation to responsibilities of the office involved in delivering the subject service.
Column 10. Compute for the annual cost share for equipment and funiture by multiplying columns 8 & 9.

Table 15:

Fixed Cost - Equipment and Furniture

Particulars	Number of Units	Acquisition Cost	Total Cost	Depreciation Rate	Annual Depreciation Cost	Maintenance Cost	Total Annual Cost	% Used for delivering the Service	Annual Cost Share for Equipment and Furniture
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)	(col 10)
A. Equipment									
Air Condition	3	35,000	105,000.00	20%	21,000	4,200	25,200	0.5%	126.00
Computers	3	50,000	150,000.00	20%	30,000	6,000	36,000	0.5%	180.00
Photocopier			-		-	-	-		-
								Sub-Total	306.00
B. Furniture									
Filing Cabinets	2	5,000	10,000.00	10%	1,000	200	1,200	0.5%	6.00
Tables and Chairs	4	2,000	8,000.00	10%	800	160	960	0.5%	4.80
								Sub-Total	10.80
								TOTAL	316.80

STEP 6.B UTILITIES

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of electricity cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the cost of electricity rate per kilowatt hour and the kilowatt consumption/hour of the Office delivering the service. The regular operations of a City Office is 7:30am-5:30pm or 10 hrs and there are approximately 260 days per year. The annual cost of electricity for the ofices delivering the service is the product of the electricity rate per kwh, the kilowatt consumption per hour of the office, the number of operating hours per days, and the number of operating days per year. The percent of work to be considered is an approximation by the head of unit delivering the service in relation to its total responsibilities. When known, the net cost of electricity attributed to delivery of service shall be the annual cost of electricity for the office multiplied by the percent of work devoted by the office for "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 12:

Cost of Electricity	
Particulars	**Offices involved in the delivery of** "Mayor's Permit: Service Establishments-Large" **Fee**
(col 1)	(col 2)
Electricity rate per kilowatt hour (Php)	17.07
Kilowatt consumption/hour for the unit delivering the service	5.63
Number of operating hours per day	8.00
Number of days per year	264.00
Electricity cost per year	202,971.86
Percent of work for the service rendered	0.22%
Net electricity cost attributed to "Subject Service" service	446.54

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of water cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the number of people directly related to the processing and issuance of "Subject Service". The estimated water bill per person per month is P100. The net cost of water attributed to the delivery of "Subject Service" can be computed by the estimated water bill of the office per year multiplied by the percent of "Subject Service" work performed by the office in relation to the total responsibilities assigned to the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 13:

Cost of Water	
Particulars	**Offices involved in the delivery of** "Mayor's Permit: Service Establishments-Large" **Fee**
(col 1)	(col 2)
Number of People	10
Water bill per person per month	77.50
Estimated water bill of the office per year	9,300.00
Percent of work for the service rendered	0.22%
Net cost of water attributed to delivery of "Subject Service".	20.46

Instructions for Filling Up the Form

Column 1. The cost of telephone can be computed by knowing the number of telephone lines available in the Office and the monthly subscription rate per month. The annual cost of telephone services is the number of telephone lines multiplied by the monthly subscription rate over a period of twelve months. The net cost of telephone services attributed to processing and issuance of mayors permit is the annual cost of telephone services multiplied by the percent of work performed by the Office in processing and issuance of "Subject Service" in as a percentage of the total responsibilities of the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 14:

Cost for Communication	
Particulars	**Offices involved in the delivery of** "Mayor's Permit: Service Establishments-Large" **Fee**
(col 1)	(col 2)
Number of telephone/cellphone lines in the Office delivering the	1
Rate of subscription per month	599
Annual cost of telephone/mobile services	7,188.00
Percent of work for the service rendered	5%
Net cost of telephone/mobile services attributed to processing and issuance of "Subject Service"	359.40

STEP 6.D OTHER FIXED COST

Instructions in Filling the Form

Column 1. Identify Offices delivering the "Subject Service" fee and the type of other fixed costs significant for their operation. In the particular example, these are cost for internet subscription and regular office supplies for the offices involved in delivering the "Subject Service".

Column 2. Verify actual office expenses from the LGU Accounting Office. If data are hard to get, reflect the budget allocation of each office (c/o LGU Budget Office).

Column 3. Determine the percentage of time used by the Office in delivering the specific service in relation to its total responsibilities.

Column 4. Compute for the other variable cost by multiplying column 2 and column 3.

NOTE: Note: The LGU may have other major fixed costs not mentioned in this illustration. When costs are significant, those fixed cost must be identified and added in the template. Conversely, costs that are negligible may be dropped from the calculations.

Table 16:

Other Fixed Cost

Particulars	Annual Rate	Percent of Use for "Mayor's Permit: Service Establishments-Large" Fees	Annual Cost
(col 1)	(col 2)	(col 3)	(col 4)
Internet Services	**18000**	**1%**	**180.00**
Regular Office Supplies			-
Information Tech Team			-
Security Team			
Janitorial Team			
Reception Services			
		Total	**180.00**

Instructions for Filling Up the Form

Column 1 - List all identified fixed costs.
Column 2 - Fill up the fixed costs for the "Subject Service" and reflect the sum of all entries of each cell under "Total".
Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Fixed Cost Per Application.

Table 17:

Summary Table - Fixed Costs

Fixed Cost	Total	Estimated Routine Fixed Cost Per Application
(col 1)	(col 2)	(col 3)
Annual Number of Applications	3	
Office Space	1,330.33	443.44
Utilities	826.40	275.47
Electricity	446.54	148.85
Water	20.46	6.82
Communication	359.40	119.80
Equipment and Furniture	316.80	105.60
Other Fixed Cost	180.00	60.00
TOTAL	2,653.52	884.51

STEP 7. COMPARE FEE WITH COST OF DELIVERING SERVICES

Name of Fee/Charge: Mayor's Permit: Service Establishments - Large

Fee Rate Estimation Using Costs of Issuing Permits Plus Cost of Surveillance		Comparison with Current Fee Rates		Difference	% Variance (-/+)	Remaks:Reasonable/Not Reasonable
Total Cost	4,609.39	Total Collection on Fees and/or Charges	3,000.00	(1,609.39)	(0.35)	Reasonable
Number of Applications Processed	3	Number of Applications Processed	3			
Average Fee Rate	1,536.46	Average Fee Rates	1,000.00	(536.46)	(0.35)	

Instructions for Filling

(1) For every fee or charge, compare Total Revenue with Total Cost of delivering the subject service based on the results of the foregoing procedures.
(2) Compute the difference and determine the corresponding variance. If it yields a variance (-/+) of more than 10%, the LGU is either subsidizing (-) or generating revenues (+) in relation to the subject service. 8

(3) Input the results in a summary form using Table 23 for ease in reference and appreciation during the review and deliberation of the results of the Toolkit.
(4) If so, then the LGU must submit, along with the report of the results, a proposed Rationalization of Fees and Charges using the options.

EXAMPLE:

Compare Fee with Cost of Delivering Services					
Fee Rate Estimation using Costs of Issuing permits plus cost of surveillance		Comparison with Current Fee Rates			
Total Cost	4,609.39	Total Revenue	3,000.00	(1,609.39)	-35%
Total Number of Applicants	3	Number of Applications Processed	3		
Average Fee Rate	1,536.46	Average Fee Rates	1,000.00	(536.46)	-35%

10,594.00 Total

Scenario 1	% of Applicants	Number of Applicants	Cost (with weight)	[illegible]	STD-VAR	STD-FXD	Cost per Application			
Simple	#DIV/0!		#DIV/0!	[illegible]	371.82	884.51	[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Complex	#DIV/0!		#DIV/0!	[illegible]	371.82	884.51	[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!	-	#DIV/0!					#DIV/0!		#DIV/0!

Classification	Allocation	% of Applicants	Number	[illegible]	STD-VAR	STD-FXD	Cost per Application			
Manufacturer	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Wholesalers	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Exporters	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Retailers	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Contractors	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Banks and other institutions	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Peddlers	#DIV/0!									
Others	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!	-		#DIV/0!				#DIV/0!		#DIV/0!
Total	0%									
	100%									

Ok ok

235801.42	-	-	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
235801.42	-	-	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
#REF!		-							
			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
									#DIV/0!

Summary of Rationalized Local Fees and Charges

Local Fee/Charge	Current Rate	Rationalized Rate	% Variance	Remarks/Recommended Rate
Mayor's Permit Service Establishments-Large	1,000.00	1,536.46	-0.35	Propose: 1,500.00

STEP 1: MAP YOUR PROCESS FLOW

Note:
- A flowchart is a picture of the separate steps involved in a given process, presented in sequential order.
- Particularly helpful in analyzing and identifying areas for improvement by showing inefficiencies in the system.
- Also, it is useful in costing analysis.
- For this template, it is not necessary to use the various diagrams and boxes normally used in process flowcharts.
- Suggested Source: Citizen's Charter or the duly authorized process flow of the concerned office (for standard procedure)

Instructions in Filling the Form

1 Discuss and decide on the boundaries of your process.
   * Where or when does the process start? Where or when does it end?
2 Arrange and document the activities in proper sequence.

Table 1:

	LIST OF ACTIVITIES
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Wholesaler- Micro, and verify the completeness of the requirements.
2	Encode the application in the system and check the correctness of the entries.
3	Prepare and print the Tax Order of Payment.
4	Receive payment and issue Official Receipt.
5	Sign and approve the application by the Municipal Treasurer and BPLO.
6	Prepare and approve Mayor's Permit.
7	Record and release the Mayor's Permit to the applicant.
8	Conduct actual inspection of the business establishment.

STEP 2: IDENTIFY THE RESOURCES FOR EACH ACTIVITY

Instructions in Filling the Form

1 Identify the offices and all key people involved with each activity. Identify official position.
   * For standardization, base the information on the Citizen's Charter or the duly authorized process flow for standard procedure.
   * This includes those who do the work in the process: suppliers, customers and supervisors.
2 List down the materials and resources utilized in each stage.

Table 2:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Wholesaler- Micro, and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jheian Richelle Lipao/Admin Aide I	Linen Paper A4
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form

STEP 3: CLASSIFY ACTIVITIES INTO "ROUTINE" AND "SPECIAL"

Instructions in Filling the Form

1 Classify the activities into whether they are:
   * Routine(same procedure and effort for each applicant)
   * Special (usually the vital part of the process and varies according to the type and/or complexity of the business of the applicant)

Note: **It is highly suggested to identify one (1) special step.**
- **However, it can be two (2) or more. In that case, it will have an impact on the weight of the Special Variable Component.**
- **It may also yield that there is no special step in the whole process. In that case, the normal costing procedure is applicable and the computation will not involve a Special Variable Component.**

Table 3:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL	TYPE OF ACTIVITY
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Wholesaler- Micro, and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen	Routine
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-	Routine
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink	Routine
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt	Routine
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-	Routine
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jheian Richelle Lipao/Admin Aide I	Linen Paper A4	Routine
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook	Routine
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form	Special

STEP 4. QUANTIFY THE VARIABLE COST FOR ROUTINE ACTIVITIES

STEP 4.A PERSONNEL COSTS

Instructions in Filling Up the Form

Column 1- Base it on the staff identified as directly involved in the Routine Activities of the subject service. The actual number may be obtained from the Citizen's Charter or authorized office process flow, including the list of contractual positions for the particular service/s being rendered.

Column 2 - Match the salary grade for each staff. The salary grade data will be available at the Citizen's Charter, HR, Accounting, or Budget Office of the City.

Column 3 - Fill out the salary rate per month for each staff. The salary rates per month may be obtained from HR, Accounting, or Budget offices of the LGU.

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months

Column 5. Identify all other remunerations regularly received by the staff. Data will be available at the City Budget or Accounting Department. In case data will not be readily available, other benefits can be represented by computing 20% of the annual salary.

Column 6. Sum up columns 4 and 5, and multiply it by 80%. The 20% covers lag time usually allotted to attendance in seminars/trainings, leaves, and other admin activities not related to the service. LGUs may also devise other method to determine the annual % of time assigned in the delivery of subject service, exclusive of lag time.

Column 7. Approximate the annual percentage of time each staff performs the task directly related to the activity. Data shall be provided by the head of units performing the service, e.g., if exclusively doing such task, then put 100%.

Column 8. Get the total personnel cost attributable to Routine Activities by adding the cost for each staff involved in delivering the service.

Table 4: Personnel Cost

Name and Position	Compensation					% Time assigned in the delivery of Mayor's Permit-Wholesaler Micro	Annual Cost of the Service
	SG-Step	Monthly Salary	Annual Salary	Other Benefits	Annual Compensation		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Carmelita M. Palma - Acting MT	SG14/S1	27,768.00	333,216.00	253,536.00	469,401.60	0.30%	1,408.20
Aileen Rose A. Tantoy - LRCO I/BPLO	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.20	0.34%	996.16
Luzviminda A. Datoy - RCC III	SG9/S1	17,420.00	209,040.00	82,840.00	233,504.00	0.32%	747.21
Nora D. Ogdoc - Admin Aide	SG1/S1	10,623.00	127,476.00	69,246.00	157,377.60	0.26%	409.18
Nestor S. Valeroso - Mayor	SG27/S3	106,997.00	1,283,964.00	441,994.00	1,380,766.40	0.20%	2,761.53
Jhelan Richelle Lipao - Admin Aide	SG1/S1	10,546.00	126,552.00	69,092.00	156,515.20	0.26%	406.94
							-
							-
							-
							-
							-
			-		-		-
			-		-		-
			-		-		-
						TOTAL	6,729.23

STEP 4.B COST OF TRANSPORTATION

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection.
Column 3. Verify unit cost of vehicle
Column 4. Determine the total cost by multiplying columns 2 and 3
Column 5. Apply the depreciation rate (Note: Economic life of a vehicle is 10 years)
Column 6. Compute for the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Verify from the City Accounting Office the actual amount spent for maintenance of the vehicle used for inspection. In the absence of actual data, the amount can be computed by multiplying column 5 by 20%.

Column 8. Determine the frequency of use of the vehicle. In the specific case sample, half day use from February to November is 44/52 weeks x .5 days. Note that the LGUs may devise other method to determine the actual frequency of use of vehicle.
Column 9. Compute the cost of vehicle for inspection by adding columns 6 and 7 thenmultiply the frequency of use in column 8.

Table 5:

Variable Cost - Vehicle

List of Vehicle/s	Number of Vehicles	Unit Cost	Total Cost	Depreciation Rate/Year	Annual Depreciation Cost	Maintenance cost	Percentage of use for inspection per week	Annual cost of vehicle for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)
					-			-
							TOTAL	-

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection
Column 3. Verify the average cost of fuel per liter
Column 4. Check the average weekly consumption in liters
Column 5. There are 52 weeks in one year. Identify the number of weeks the vehicles(s) has been used in a year.
Column 6. Compute for annual cost of fuel for 1 year by multiplying columns 2, 3, 4 and 5.
Column 7. Determine the percentage for the frequency of use of the vehicle for inspection. In the specific case sample, half day use from February to November is 44/52 weeks X .5 days. Note that the LGUs may devise other method to determine the actual percentage for the frequency of use of the vehicle.
Column 8. Compute the cost of fuel for inspection activities by multiplying columns 6 and 7.

Table 6:

Variable Cost - Fuel

List of vehicle/s	Number of Vehicles	Average Cost per liter	Ave. weekly consumption in liters	Number of weeks in one year	Annual Cost of fuel for the vehicle	Percentage of use for inspection per week	Annual cost for Fuel for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
					-		-
						TOTAL	-

If the LGU does not provide vehicles for inspection, but only allows the reimbursement of actual transportation expenses, the annual cost should be computed by determining the monthly reimbursements multiplied by 12

Table 7:

Variable Cost - Allowance/Reimbursement for Fuel

Name and Position	Transportation Cost based on Allowance/Reimbursements		% Time assigned in the delivery of the "Mayor's Permit:Wholesaler-Micro"	Annual Cost of the Service
	Average Monthly	Annual Allowance		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)
Aileen Rose A. Tantoy - LRCO I/BPLO	300	1,200	6%	72.00
Maximo D. Guarte- Sanitary Inspector	300	1,200	6%	72.00
Joegie E. Cabetuan-Admin. Aide VI	300	1,200	5%	60.00
Kathleen Jay U. Orozco-Admin Aide IV	300	1,200	5%	60.00
Anthony Rengel-Agri'l Technologist	300	1,200	5%	60.00
Rachel Ontolan-Envi.Mgt. Specialist	300	1,200	5%	60.00
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
			TOTAL	384.00

TOTAL OF VEHICLE AND FUEL:	-

STEP 4.C OTHER VARIABLE COSTS

Instructions in Filling the Form

Column 1. List down the supplies, materials and other resources which are issued to each applicant or varies directly with the number of applicants.

Column 2. Count all filled application forms, schedule slips, results forms, etc., and those issued with official receipts. Consider if applicants were successfully processed a approved, and provided with new business plate, stickers and/or certificates.

Column 3. Secure the unit cost for each and every item identified as other variable cost from the City Accounting Office.

Column 4. Compute for the annual other variable cost by multiplying column 2 and column 3

Table 8:

Variable Cost - Other variable cost

Particulars	Annual Number of Applications	Cost/Measuring unit (Php)	Annual cost (Php)
(col 1)	(col 2)	(col 3)	(col 4)
	36		
Bond paper	108	0.50	54.00
Official Receipts	72	3.40	244.80
Linen Paper A4	36	2.00	72.00
			-
			-
			-
			-
		TOTAL	370.80

Instructions for Filling Up the Form

Column 1 - List all identified variable costs.

Column 2 - Fill up the variable costs for the "Subject Service" and reflect the sum of all entries of each cell to total

Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Variable Cost Per Application.

Table 9:

Summary Table- Variable Costs

	Total	Estimated Routine Variable Cost Per Application
Annual Number of Applications	36	
Variable Costs		
Routine Personnel	6,729.23	186.92
Travel Reimbursement	384.00	10.67
Other Supplies/Forms/Materials	370.80	10.30
TOTAL	7,484.03	207.89

STEP 5. ALLOCATE THE VARIABLE COST FOR SPECIAL ACTIVITIES

Name and position	SG/Step	Monthly Salary	Annual Salary	Other compensation	Total Annual Compensation	% time allocated for the service	Annual cost of service for Inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Aileen Rose A. Tanboy - BPLO Designate	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.20	0.25%	732.47
Marlino O. Gaurie - Sanitary Inspector	SG6/S8	19,963.00	239,556.00	87,926.00	261,885.60	0.25%	654.96
Joegie E. Cabotaje - Admin Aide IV	SG5/S3	14,537.00	174,444.00	77,874.00	201,214.48	0.24%	482.91
Kathleen Jay U. Orozco - Admin Aide IV	SG4/S2	12,719.00	152,628.80	73,438.00	180,852.80	0.24%	434.05
Anthony Reagel - Agric'l Technologist	SG10/S1	19,190.00	230,280.00	86,388.00	253,528.00	0.24%	607.99
Rachel Ontolan - Envl.Mgt. Specialist	SG15/S1	30,453.89	365,436.00	189,906.00	379,473.60	0.24%	910.74
			-		-		-
						TOTAL	3,823.12

Instructions in Filling the Form

Column 1 - List the staff assigned to the "Special" Activity/ies.
Column 2 - Match the salary grade for each staff
Column 3 - Fill out the salary rate/month for each staff.
Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months
Column 5, Identify all other remunerations regularly received by the staff. Other benefits include RATA, PERA, year end benefits and other remunerations
Column 6, Sum up columns 4 and 5
Column 7, Estimate the annual % of time each staff performs directly to the issuance of the subject service. The rate shall be provided by the concerned unit
Column 8 Get the total cost for the Special Activity by adding the cost for each staff involved in delivering the service.
Proceed to the weight allocation. (The weight allocation may vary depending on the appropriate basis to the scenario within an LGU)

Basis (2) Simple and Complex

CATEGORIES	No. of Personnel	Weight	Allocation
Simple		#DIV/0!	#DIV/0!
Complex		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!

*Note: they have to analyze the weight allocation based on the combinations of the previous two options.

** It is true, Manufacturers and contractors were viewed to have both simple and complex business structures

*** Hence, the further classification in simple and complex within the classification of Manufacturers and Contractors

Basis (1) Per Business Classification

CLASSIFICATION	Weight	Allocation
Manufacturer		#DIV/0!
Wholesalers		#DIV/0!
Exporters		#DIV/0!
Retailers		#DIV/0!
Contractors		#DIV/0!
Banks and other institutions		#DIV/0!
Peddlers		#DIV/0!
Others		#DIV/0!
	0	#DIV/0!

Weight Allocation According to Complexity and Business Classification

BUSINESS CLASSIFICATION			Simple Weight	Complex Weight	Total	Simple	Complex
With Complex	Manufacturer	#DIV/0!				#DIV/0!	#DIV/0!
	Wholesalers	#DIV/0!				#DIV/0!	
	Exporters	#DIV/0!				#DIV/0!	
	Retailers	#DIV/0!				#DIV/0!	
With Complex	Contractors	#DIV/0!				#DIV/0!	#DIV/0!
	Banks and other inst	#DIV/0!				#DIV/0!	
	Peddlers	#DIV/0!				#DIV/0!	
	Others	#DIV/0!				#DIV/0!	
						#DIV/0!	#DIV/0!

Note: Other basis may be used (e. g. the DTI classification as to Cottage, Small, etc)

STEP 6. ESTIMATE AND DISTRIBUTE THE FIXED COSTS

STEP 6.A COST OF OFFICE SPACE

Instruction in Filling Up the Form

Column 1 - Describes the cost formula for determining share of office cost for delivering "Subject Service". Determine the cost of construction per square meter (approximately P20,000/sq.m.) and the floor area of the entire City Hall. The building construction cost is the product of the two values. Knowing the floor area occupied by the different offices delivering the "Subject Service", its proportionate share in the total floor area of the city hall multiplied by cost of constructing the building will be the cost of office space occupied. The annual depreciation rate is 4% since the normal economic life of reinforced concrete structures is 25 years. We can compute for the annual depreciation expense by multiplying the cost of office space occupied by depreciation rate and approximately the annual maintenance cost by apportioning 20% of the annual depreciation expenses. The 20% is used whenever actual data from the Accounting Office is unavailable. The share of cost for delivering "Subject Service" can be computed by adding annual depreciation expense and annual maintenance cost multiplied by the percent of work by the Office utilized for delivering the "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 10:

Fixed Cost - Office Space (Owned by the LGU)

Particulars	Offices Involved in the delivery of "Mayor's Permit: Wholesaler-Small" Fee
(col 1)	(col 2)
Construction Cost (per sq m)	14,751.85
Floor area of City Hall (sq m)	1,080.00
Building Construction Cost (Php)	15,913,000.00
Office Area Occupied (sq. m)	72.00
Cost of Office Area Occupied (Php)	1,060,866.67
Depreciation Rate (%)	3%
Annual Depreciation Expense (Php)	503,911.66
Annual Maintenance Cost (Php)	100,782.33
Percent of Work for "Mayor's Permit: Wholesaler-Micro" (%)	1.68%
Share of Cost attributable to delivering the service (Php)	10,158.86

Instructions for Filling Up the Form

Column 1 - Determine the monthly rental rate and multiply by the number of months the office space was rented to know the annual cost for rental. Add actual cost for maintaining the Office space. If the actual data is not available add 20% of the annual cost of rental to determine the annual cost for rented office space. The annual fixed cost for rented office space attributable to rendering the service is the annual cost of rented office space multiplied by the proportion of time used for "Subject Service" services in relation to the total responsibility of the Office delivering the service

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 11:

Fixed Cost - Office Space (Rented by the LGU)

Particulars	Offices Involved in the delivery of "Subject Service" Fee
(col 1)	(col 2)
Rental rate per month	
Number of months use	
Annual cost of rental	-
Maintenance Cost	-
Annual cost of rented office space	-
Percentage of time used for the delivery of the service in relation to the responsibility of the Office	
Annual fixed cost (rented office space) attributable to delivering the service	-

STEP 6.B UTILITIES

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of electricity cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the cost of electricity rate per kilowatt hour and the kilowatt consumption/hour of the Office delivering the service. The regular operations of a City Office is 7:30am-5:30pm or 10 hrs and there are approximately 260 days per year. The annual cost of electricity for the ofices delivering the service is the product of the electricity rate per kwh, the kilowatt consumption per hour of the office, the number of operating hours per days, and the number of operating days per year. The percent of work to be considered is an approximation by the head of unit delivering the service in relation to its total responsibilities. When known, the net cost of electricity attributed to delivery of service shall be the annual cost of electricity for the office multiplied by the percent of work devoted by the office for "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 12:

Cost of Electricity	
Particulars	**Offices involved in the delivery of "Mayor's Permit:Wholesaler Micro" Fee**
(col 1)	(col 2)
Electricity rate per kilowatt hour (Php)	17.07
Kilowatt consumption/hour for the unit delivering the service	5.63
Number of operating hours per day	8.00
Number of days per year	264.00
Electricity cost per year	202,971.86
Percent of work for the service rendered	1.68%
Net electricity cost attributed to "Subject Service" service	3,409.93

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of water cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the number of people directly related to the processing and issuance of "Subject Service". The estimated water bill per person per month is P100. The net cost of water attributed to the delivery of "Subject Service" can be computed by the estimated water bill of the office per year multiplied by the percent of "Subject Service" work performed by the office in relation to the total responsibilities assigned to the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 13:

Cost of Water	
Particulars	**Offices involved in the delivery of "Mayor's Permit:Wholesaler Micro" Fee**
(col 1)	(col 2)
Number of People	10
Water bill per person per month	77.50
Estimated water bill of the office per year	9,300.00
Percent of work for the service rendered	1.68%
Net cost of water attributed to delivery of "Subject Service".	156.24

Instructions for Filling Up the Form

Column 1. The cost of telephone can be computed by knowing the number of telephone lines available in the Office and the monthly subscription rate per month. The annual cost of telephone services is the number of telephone lines multiplied by the monthly subscription rate over a period of twelve months. The net cost of telephone services attributed to processing and issuance of mayors permit is the annual cost of telephone services multiplied by the percent of work performed by the Office in processing and issuance of "Subject Service" in as a percentage of the total responsibilities of the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 14:

Cost for Communication	
Particulars	**Offices involved in the delivery of "Mayor's Permit:Wholesaler Micro" Fee**
(col 1)	(col 2)
Number of telephone/cellphone lines in the Office delivering the	
Rate of subscription per month	
Annual cost of telephone/mobile services	
Percent of work for the service rendered	
Net cost of telephone/mobile services attributed to processing and issuance of "Subject Service"	

STEP 6.C COST OF EQUIPMENT AND FURNITURE

Instructions in Filling the Form

Column 1. Identify all the equipment, and other facilities used for the delivery of the subject service.
Column 2. Count the number of each type of equipment or facility.
Column 3. Verify acquisition cost from the Accounting Unit.
Column 4. Compute for the total cost of acquisition by multiplying columns 2 and 3.
Column 5. Compute for the annual depreciation rate by dividing 100% with the estimated economic life in years.
Column 6. Compute the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Secure from the City Accounting Office the actual amount spent for maintenance of equipment/furniture used delivery of the subject service. In the absence of actual data, the amount can be computed by multiplying column 6 by 20%.
Column 8. Add Columns 6 and 7 to determine the annual cost of equipment/facility.
Column 9. Determine the % of time used for delivering the specific service in relation to responsibilities of the office involved in delivering the subject service.
Column 10. Compute for the annual cost share for equipment and funiture by multiplying columns 8 & 9.

Table 15:

Fixed Cost - Equipment and Furniture

Particulars	Number of Units	Acquisition Cost	Total Cost	Depreciation Rate	Annual Depreciation Cost	Maintenance Cost	Total Annual Cost	% Used for delivering the Service	Annual Cost Share for Equipment and Furniture
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)	(col 10)
A. Equipment									
Air Condition	3	35,000	105,000.00	20%	21,000	4,200	25,200	3%	756.00
Computers	3	50,000	150,000.00	20%	30,000	6,000	36,000	3%	1,080.00
Photocopier			-		-	-	-		-
								Sub-Total	1,836.00
B. Furniture									
Filing Cabinets	2	5,000	10,000.00	10%	1,000	200	1,200	3%	36.00
Tables and Chairs	4	2,000	8,000.00	10%	800	160	960	3%	28.80
								Sub-Total	64.80
								TOTAL	1,900.80

STEP 6.D OTHER FIXED COST

Instructions in Filling the Form

Column 1. Identify Offices delivering the "Subject Service" fee and the type of other fixed costs significant for their operation. In the particular example, these are cost for internet subscription and regular office supplies for the offices involved in delivering the "Subject Service".

Column 2. Verify actual office expenses from the LGU Accounting Office. If data are hard to get, reflect the budget allocation of each office (c/o LGU Budget Office).

Column 3. Determine the percentage of time used by the Office in delivering the specific service in relation to its total responsibilities.

Column 4. Compute for the other variable cost by multiplying column 2 and column 3.

NOTE: Note: The LGU may have other major fixed costs not mentioned in this illustration. When costs are significant, those fixed cost must be identified and added in the template. Conversely, costs that are negligible may be dropped from the calculations.

Table 16:

Other Fixed Cost

Particulars	Annual Rate	Percent of Use for "Subject Service" Fees	Annual Cost
(col 1)	(col 2)	(col 3)	(col 4)
Internet Services	18000	1%	180.00
Regular Office Supplies			-
Information Tech Team			-
Security Team			
Janitorial Team			
Reception Services			
		Total	180.00

Instructions for Filling Up the Form

Column 1 - List all identified fixed costs.
Column 2 - Fill up the fixed costs for the "Subject Service" and reflect the sum of all entries of each cell under "Total".
Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Fixed Cost Per Application.

Table 17:

Summary Table - Fixed Costs		
Fixed Cost	Total	Estimated Routine Fixed Cost Per Application
(col 1)	(col 2)	(col 3)
Annual Number of Applications	36	
Office Space	10,158.86	282.19
Utilities	3,566.17	99.06
Electricity	3,409.93	94.72
Water	156.24	4.34
Communication	-	-
Equipment and Furniture	1,900.80	52.80
Other Fixed Cost	180.00	5.00
TOTAL	15,805.83	439.05

STEP 7. COMPARE FEE WITH COST OF DELIVERING SERVICES

Name of Fee/Charge: Mayor's Permit: Wholesaler - Micro

Fee Rate Estimation Using Costs of Issuing Permits Plus Cost of Surveillance		Comparison with Current Fee Rates		Difference	% Variance (-/+)	Remaks:Reasonable/Not Reasonable
Total Cost	27,112.97	Total Collection on Fees and/or Charges	-	(27,112.97)	(1.00)	Reasonable
Number of Applications Processed	36	Number of Applications Processed	36			
Average Fee Rate	753.14	Average Fee Rates	-	(753.14)	(1.00)	

Instructions for Filling

(1) For every fee or charge, compare Total Revenue with Total Cost of delivering the subject service based on the results of the foregoing procedures.
(2) Compute the difference and determine the corresponding variance. If it yields a variance (-/+) of more than 10%, the LGU is either subsidizing (-) or generating revenues (+) in relation to the subject Service. 8

(3) Input the results in a summary form using Table 23 for ease in reference and appreciation during the review and deliberation of the results of the Toolkit.
(4) If so, then the LGU must submit, along with the report of the results, a proposed Rationalization of Fees and Charges using the options.

EXAMPLE:

Compare Fee with Cost of Delivering Services					
Fee Rate Estimation using Costs of issuing permits plus cost of surveillance		Comparison with Current Fee Rates			
Total Cost	27,112.97	Total Revenue	-	(27,112.97)	
Total Number of Applicants	36	Number of Applications Processed	36		
Average Fee Rate	753.14	Average Fee Rates	-	(753.14)	

Scenario 1	% of Applicants	Number of Applicants	10,594.00 Cost (with weight)	Total [illegible]	STD-VAR	STD-FXD	Cost per Application			
Simple	#DIV/0!		#DIV/0!	[illegible]	207.89	439.05	[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Complex	#DIV/0!		#DIV/0!	[illegible]	207.89	439.05	[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!	-	#DIV/0!					#DIV/0!		#DIV/0!

Classification	Allocation	% of Applicants	Number	[illegible]	STD-VAR	STD-FXD	Cost per Application			
Manufacturer	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Wholesalers	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Exporters	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Retailers	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Contractors	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Banks and other institutions	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Peddlers	#DIV/0!									
Others	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!		-	#DIV/0!				#DIV/0!		#DIV/0!
Total	0%									
	100%									

Ok ok

235801.42	-	-	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
235801.42	-	-	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
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			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
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									#DIV/0!

Summary of Rationalized Local Fees and Charges

Local Fee/Charge	Current Rate	Rationalized Rate	% Variance	Remarks/Recommended Rate
Mayor's Permit Wholesaler Micro	-	753.14	-1.00	Propose: 750.00

STEP 1: MAP YOUR PROCESS FLOW

Note:
- A flowchart is a picture of the separate steps involved in a given process, presented in sequential order.
- Particularly helpful in analyzing and identifying areas for improvement by showing inefficiencies in the system.
- Also, it is useful in costing analysis.
- For this template, it is not necessary to use the various diagrams and boxes normally used in process flowcharts.
- Suggested Source: Citizen's Charter or the duly authorized process flow of the concerned office (for standard procedure)

Instructions in Filling the Form

1 Discuss and decide on the boundaries of your process.
   * Where or when does the process start? Where or when does it end?
2 Arrange and document the activities in proper sequence.

Table 1:

	LIST OF ACTIVITIES
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Wholesaler- Small, and verify the completeness of the requirements.
2	Encode the application in the system and check the correctness of the entries.
3	Prepare and print the Tax Order of Payment.
4	Receive payment and issue Official Receipt.
5	Sign and approve the application by the Municipal Treasurer and BPLO.
6	Prepare and approve Mayor's Permit.
7	Record and release the Mayor's Permit to the applicant.
8	Conduct actual inspection of the business establishment.

STEP 2: IDENTIFY THE RESOURCES FOR EACH ACTIVITY

Instructions in Filling the Form

1 Identify the offices and all key people involved with each activity. Identify official position.
   * For standardization, base the information on the Citizen's Charter or the duly authorized process flow for standard procedure.
   * This includes those who do the work in the process: suppliers, customers and supervisors.
2 List down the materials and resources utilized in each stage.

Table 2:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Wholesaler- Small, and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jheian Richelle Lipao/Admin Aide I	Linen Paper A4
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form

STEP 3: CLASSIFY ACTIVITIES INTO "ROUTINE" AND "SPECIAL"

Instructions in Filling the Form

1 Classify the activities into whether they are:
   * Routine(same procedure and effort for each applicant)
   * Special (usually the vital part of the process and varies according to the type and/or complexity of the business of the applicant)

Note: **It is highly suggested to identify one (1) special step.**
- **However, it can be two (2) or more. In that case, it will have an impact on the weight of the Special Variable Component.**
- **It may also yield that there is no special step in the whole process. In that case, the normal costing procedure is applicable and the computation will not involve a Special Variable Component.**

Table 3:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL	TYPE OF ACTIVITY
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Wholesaler- Small, and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen	Routine
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-	Routine
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink	Routine
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt	Routine
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-	Routine
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jheian Richelle Lipao/Admin Aide I	Linen Paper A4	Routine
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook	Routine
8	Conduct actual inspection of the business establishment.	BPLO, MHO, M	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form	Special

STEP 4. QUANTIFY THE VARIABLE COST FOR ROUTINE ACTIVITIES

STEP 4.A PERSONNEL COSTS

Instructions in Filling Up the Form

Column 1- Base it on the staff identified as directly involved in the Routine Activities of the subject service. The actual number may be obtained from the Citizen's Charter or authorized office process flow, including the list of contractual positions for the particular service/s being rendered.

Column 2 - Match the salary grade for each staff. The salary grade data will be available at the Citizen's Charter, HR, Accounting, or Budget Office of the City.

Column 3 - Fill out the salary rate per month for each staff. The salary rates per month may be obtained from HR, Accounting, or Budget offices of the LGU.

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months

Column 5. Identify all other remunerations regularly received by the staff. Data will be available at the City Budget or Accounting Department. In case data will not be readily available, other benefits can be represented by computing 20% of the annual salary.

Column 6. Sum up columns 4 and 5, and multiply it by 80%. The 20% covers lag time usually allotted to attendance in seminars/trainings, leaves, and other admin activities not related to the service. LGUs may also devise other method to determine the annual % of time assigned in the delivery of subject service, exclusive of lag time.

Column 7. Approximate the annual percentage of time each staff performs the task directly related to the activity. Data shall be provided by the head of units performing the service, e.g., if exclusively doing such task, then put 100%.

Column 8. Get the total personnel cost attributable to Routine Activities by adding the cost for each staff involved in delivering the service.

Table 4: Personnel Cost

Name and Position	Compensation					% Time assigned in the delivery of Mayor's Permit:Wholesaler-Small	Annual Cost of the Service
	SG-Step	Monthly Salary	Annual Salary	Other Benefits	Annual Compensation		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Carmelita M. Palma - Acting MT	SG14/S1	27,768.00	333,216.00	253,536.00	469,401.60	0.08%	375.52
Aileen Rose A. Tantoy - LRCO I/BPLO	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.20	0.12%	351.58
Luzviminda A. Datoy - RCC III	SG9/S1	17,420.00	209,040.00	82,840.00	233,504.00	0.10%	233.50
Nora D. Ogdoc - Admin Aide	SG1/S1	10,623.00	127,476.00	69,246.00	157,377.60	0.06%	94.43
Nestor S. Valerosa - Mayor	SG27/S3	106,997.00	1,283,964.00	441,994.00	1,380,766.40	0.02%	276.15
Rhelan Richelle Lipao - Admin Aide	SG1/S1	10,546.00	126,552.00	69,092.00	156,515.20	0.06%	92.91
							-
							-
							-
							-
							-
			-		-		-
			-		-		-
			-		-		-
						TOTAL	1,425.10

STEP 4.B COST OF TRANSPORTATION

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection.
Column 3. Verify unit cost of vehicle
Column 4. Determine the total cost by multiplying columns 2 and 3
Column 5. Apply the depreciation rate (Note: Economic life of a vehicle is 10 years)
Column 6. Compute for the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Verify from the City Accounting Office the actual amount spent for maintenance of the vehicle used for inspection. In the absence of actual data, the amount can be computed by multiplying column 5 by 20%.

Column 8. Determine the frequency of use of the vehicle. In the specific case sample, half day use from February to November is 44/52 weeks x .5 days. Note that the LGUs may devise other method to determine the actual frequency of use of vehicle.
Column 9. Compute the cost of vehicle for inspection by adding columns 6 and 7 thenmultiply the frequency of use in column 8.

Table 5:

Variable Cost - Vehicle

List of Vehicle/s	Number of Vehicles	Unit Cost	Total Cost	Depreciation Rate/Year	Annual Depreciation Cost	Maintenance cost	Percentage of use for inspection per week	Annual cost of vehicle for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)
					-			-
							TOTAL	-

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection
Column 3. Verify the average cost of fuel per liter
Column 4. Check the average weekly consumption in liters
Column 5. There are 52 weeks in one year. Identify the number of weeks the vehicles(s) has been used in a year.
Column 6. Compute for annual cost of fuel for 1 year by multiplying columns 2, 3, 4 and 5.
Column 7. Determine the percentage for the frequency of use of the vehicle for inspection. In the specific case sample, half day use from February to November is 44/52 weeks X .5 days. Note that the LGUs may devise other method to determine the actual percentage for the frequency of use of the vehicle.
Column 8. Compute the cost of fuel for inspection activities by multiplying columns 6 and 7.

Table 6:

Variable Cost - Fuel

List of vehicle/s	Number of Vehicles	Average Cost per liter	Ave. weekly consumption in liters	Number of weeks in one year	Annual Cost of fuel for the vehicle	Percentage of use for inspection per week	Annual cost for Fuel for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
					-		-
						TOTAL	-

If the LGU does not provide vehicles for inspection, but only allows the reimbursement of actual transportation expenses, the annual cost should be computed by determining the monthly reimbursements multiplied by 12

Table 7:

Variable Cost - Allowance/Reimbursement for Fuel

Name and Position	Transportation Cost based on Allowance/Reimbursements		% Time assigned in the delivery of the "Mayor's Permit: Wholesaler - Small"	Annual Cost of the Service
	Average Monthly	Annual Allowance		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)
Aileen Rose A. Tantoy - LRCO I/BPLO	300	1,200	6%	72.00
Maximo D. Guarte- Sanitary Inspector	300	1,200	6%	72.00
Joegie E. Cabatuan-Admin. Aide VI	300	1,200	5%	60.00
Kathleen Jay U. Orozco-Admin Aide IV	300	1,200	5%	60.00
Anthony Rengel-Agri'l Technologist	300	1,200	5%	60.00
Rachel Ontolan-Envi.Mgt. Specialist	300	1,200	5%	60.00
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
			TOTAL	384.00

TOTAL OF VEHICLE AND FUEL:	-

STEP 4.C OTHER VARIABLE COSTS

Instructions in Filling the Form

Column 1. List down the supplies, materials and other resources which are issued to each applicant or varies directly with the number of applicants.

Column 2. Count all filled application forms, schedule slips, results forms, etc., and those issued with official receipts. Consider if applicants were successfully processed a approved, and provided with new business plate, stickers and/or certificates.

Column 3. Secure the unit cost for each and every item identified as other variable cost from the City Accounting Office.

Column 4. Compute for the annual other variable cost by multiplying column 2 and column 3

Table 8:

Variable Cost - Other variable cost

Particulars	Annual Number of Applications	Cost/Measuring unit (Php)	Annual cost (Php)
(col 1)	(col 2)	(col 3)	(col 4)
	8		
Bond paper	24	0.50	12.00
Official Receipts	16	3.40	54.40
Linen Paper A4	8	2.00	16.00
			-
			-
			-
			-
		TOTAL	82.40

Instructions for Filling Up the Form

Column 1 - List all identified variable costs.

Column 2 - Fill up the variable costs for the "Subject Service" and reflect the sum of all entries of each cell to total

Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Variable Cost Per Application.

Table 9:

Summary Table- Variable Costs

	Total	Estimated Routine Variable Cost Per Application
Annual Number of Applications	8	
Variable Costs		
Routine Personnel	1,425.10	178.14
Travel Reimbursement	384.00	48.00
Other Supplies/Forms/Materials	82.40	10.30
TOTAL	1,891.50	236.44

STEP 5. ALLOCATE THE VARIABLE COST FOR SPECIAL ACTIVITIES

Name and position	SG/Step	Monthly Salary	Annual Salary	Other compensation	Total Annual Compensation	% Time allocated for the service	Annual cost of service for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Aileen Rose A. Tantay - BPLO Designate	**SG11/S1**	**22,731.00**	**272,772.00**	**99,462.00**	**292,987.20**	**0.15%**	**439.48**
Almimo O. Guarte - Sanitary Inspector	**SG6/S8**	**19,963.00**	**239,556.00**	**87,926.00**	**261,985.60**	**0.15%**	**392.98**
Joegie E. Cabotaan - Admin Aide IV	**SG6/S3**	**14,537.00**	**174,444.00**	**77,874.00**	**201,214.40**	**0.12%**	**241.46**
Kathleen Joy U. Orocco - Admin Aide IV	**SG4/S2**	**12,719.00**	**152,628.00**	**73,438.00**	**180,852.80**	**0.12%**	**217.02**
Anthony Rengel - Agric'l Technologist	**SG10/S1**	**19,190.00**	**230,280.00**	**86,398.00**	**253,828.00**	**0.12%**	**303.99**
Rachel Cinco - Env.Mgt. Specialist	**SG15/S1**	**30,453.00**	**365,436.00**	**108,906.00**	**379,473.60**	**0.12%**	**455.37**
			-		-		-
						TOTAL	2,050.30

Instructions in Filling the Form

Column 1 - List the staff assigned to the "Special" Activity/ies.
Column 2 - Match the salary grade for each staff
Column 3 - Fill out the salary rate/month for each staff.
Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months
Column 5. Identify all other remunerations regularly received by the staff. Other benefits include RATA, PERA, year end benefits and other remunerations
Column 6. Sum up columns 4 and 5
Column 7. Estimate the annual % of time each staff performs directly to the issuance of the subject service. The rate shall be provided by the concerned unit
Column 8 Get the total cost for the Special Activity by adding the cost for each staff involved in delivering the service.
Proceed to the weight allocation. (The weight allocation may vary depending on the appropriate basis to the scenario within an LGU)

Basis (2) Simple and Complex

CATEGORIES	No. of Personnel	Weight	Allocation
Simple		#DIV/0!	#DIV/0!
Complex		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!

*Note: they have to make the weight allocation based on the combination of the previous two options

** Is here, Manufacturers and Contractors were placed to have both simple and complex business structures

*** Hence, the further classification as to simple and complex within the classification of Manufacturers and Contractors

Basis (1) Per Business Classification

CLASSIFICATION	Weight	Allocation
Manufacturer		#DIV/0!
Wholesalers		#DIV/0!
Exporters		#DIV/0!
Retailers		#DIV/0!
Contractors		#DIV/0!
Banks and other institutions		#DIV/0!
Peddlers		#DIV/0!
Others		#DIV/0!
	0	#DIV/0!

Weight Allocation According to Complexity and Business Classification

BUSINESS CLASSIFICATION			Simple Weight	Complex Weight	Total	Simple	Complex
With Complex	Manufacturer	#DIV/0!				#DIV/0!	#DIV/0!
	Wholesalers	#DIV/0!				#DIV/0!	
	Exporters	#DIV/0!				#DIV/0!	
	Retailers	#DIV/0!				#DIV/0!	
With Complex	Contractors	#DIV/0!				#DIV/0!	#DIV/0!
	Banks and other insi	#DIV/0!				#DIV/0!	
	Peddlers	#DIV/0!				#DIV/0!	
	Others	#DIV/0!				#DIV/0!	
						#DIV/0!	#DIV/0!

Note: Other basis may be used (e. g. the DTI classification as to Cottage, Small, etc)

STEP 6. ESTIMATE AND DISTRIBUTE THE FIXED COSTS

STEP 6.A COST OF OFFICE SPACE

Instruction in Filling Up the Form

Column 1 - Describes the cost formula for determining share of office cost for delivering "Subject Service". Determine the cost of construction per square meter (approximately P20,000/sq.m.) and the floor area of the entire City Hall. The building construction cost is the product of the two values. Knowing the floor area occupied by the different offices delivering the "Subject Service", its proportionate share in the total floor area of the city hall multiplied by cost of constructing the building will be the cost of office space occupied. The annual depreciation rate is 4% since the normal economic life of reinforced concrete structures is 25 years. We can compute for the annual depreciation expense by multiplying the cost of office space occupied by depreciation rate and approximately the annual maintenance cost by apportioning 20% of the annual depreciation expenses. The 20% is used whenever actual data from the Accounting Office is unavailable. The share of cost for delivering "Subject Service" can be computed by adding annual depreciation expense and annual maintenance cost multiplied by the percent of work by the Office utilized for delivering the "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 10:

Fixed Cost - Office Space (Owned by the LGU)

Particulars	Offices Involved in the delivery of "Mayor's Permit: Wholesaler-Small" Fee
(col 1)	(col 2)
Construction Cost (per sq m)	14,751.85
Floor area of City Hall (sq m)	1,080.00
Building Construction Cost (Php)	15,913,000.00
Office Area Occupied (sq. m)	72.00
Cost of Office Area Occupied (Php)	1,060,866.67
Depreciation Rate (%)	3%
Annual Depreciation Expense (Php)	503,911.66
Annual Maintenance Cost (Php)	100,782.33
Percent of Work for "Mayor's Permit: Wholesaler-Small" (%)	0.44%
Share of Cost attributable to delivering the service (Php)	2,660.65

Instructions for Filling Up the Form

Column 1 - Determine the monthly rental rate and multiply by the number of months the office space was rented to know the annual cost for rental. Add actual cost for maintaining the Office space. If the actual data is not available add 20% of the annual cost of rental to determine the annual cost for rented office space. The annual fixed cost for rented office space attributable to rendering the service is the annual cost of rented office space multiplied by the proportion of time used for "Subject Service" services in relation to the total responsibility of the Office delivering the service

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 11:

Fixed Cost - Office Space (Rented by the LGU)

Particulars	Offices Involved in the delivery of "Subject Service" Fee
(col 1)	(col 2)
Rental rate per month	
Number of months use	
Annual cost of rental	-
Maintenance Cost	-
Annual cost of rented office space	-
Percentage of time used for the delivery of the service in relation to the responsibility of the Office	
Annual fixed cost (rented office space) attributable to delivering the service	-

STEP 6.B UTILITIES

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of electricity cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the cost of electricity rate per kilowatt hour and the kilowatt consumption/hour of the Office delivering the service. The regular operations of a City Office is 7:30am-5:30pm or 10 hrs and there are approximately 260 days per year. The annual cost of electricity for the ofices delivering the service is the product of the electricity rate per kwh, the kilowatt consumption per hour of the office, the number of operating hours per days, and the number of operating days per year. The percent of work to be considered is an approximation by the head of unit delivering the service in relation to its total responsibilities. When known, the net cost of electricity attributed to delivery of service shall be the annual cost of electricity for the office multiplied by the percent of work devoted by the office for "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 12:

Cost of Electricity	
Particulars	**Offices involved in the delivery of "Mayor's Permit:Wholesaler-Small" Fee**
(col 1)	(col 2)
Electricity rate per kilowatt hour (Php)	17.07
Kilowatt consumption/hour for the unit delivering the service	5.63
Number of operating hours per day	8.00
Number of days per year	264.00
Electricity cost per year	202,971.86
Percent of work for the service rendered	0.44%
Net electricity cost attributed to "Subject Service" service	893.08

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of water cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the number of people directly related to the processing and issuance of "Subject Service". The estimated water bill per person per month is ₱100. The net cost of water attributed to the delivery of "Subject Service" can be computed by the estimated water bill of the office per year multiplied by the percent of "Subject Service" work performed by the office in relation to the total responsibilities assigned to the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 13:

Cost of Water	
Particulars	**Offices involved in the delivery of "Mayor's Permit:Wholesaler-Small" Fee**
(col 1)	(col 2)
Number of People	10
Water bill per person per month	77.50
Estimated water bill of the office per year	9,300.00
Percent of work for the service rendered	0.44%
Net cost of water attributed to delivery of "Subject Service".	40.92

Instructions for Filling Up the Form

Column 1. The cost of telephone can be computed by knowing the number of telephone lines available in the Office and the monthly subscription rate per month. The annual cost of telephone services is the number of telephone lines multiplied by the monthly subscription rate over a period of twelve months. The net cost of telephone services attributed to processing and issuance of mayors permit is the annual cost of telephone services multiplied by the percent of work performed by the Office in processing and issuance of "Subject Service" in as a percentage of the total responsibilities of the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 14:

Cost for Communication	
Particulars	**Offices involved in the delivery of "Mayor's Permit:Wholesaler-Small" Fee**
(col 1)	(col 2)
Number of telephone/cellphone lines in the Office delivering the	
Rate of subscription per month	
Annual cost of telephone/mobile services	
Percent of work for the service rendered	
Net cost of telephone/mobile services attributed to processing and issuance of "Subject Service"	

STEP 6.C COST OF EQUIPMENT AND FURNITURE

Instructions in Filling the Form

Column 1. Identify all the equipment, and other facilities used for the delivery of the subject service.
Column 2. Count the number of each type of equipment or facility.
Column 3. Verify acquisition cost from the Accounting Unit.
Column 4. Compute for the total cost of acquisition by multiplying columns 2 and 3.
Column 5. Compute for the annual depreciation rate by dividing 100% with the estimated economic life in years.
Column 6. Compute the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Secure from the City Accounting Office the actual amount spent for maintenance of equipment/furniture used delivery of the subject service. In the absence of actual data, the amount can be computed by multiplying column 6 by 20%.
Column 8. Add Columns 6 and 7 to determine the annual cost of equipment/facility.
Column 9. Determine the % of time used for delivering the specific service in relation to responsibilities of the office involved in delivering the subject service.
Column 10. Compute for the annual cost share for equipment and funiture by multiplying columns 8 & 9.

Table 15:

Fixed Cost - Equipment and Furniture

Particulars	Number of Units	Acquisition Cost	Total Cost	Depreciation Rate	Annual Depreciation Cost	Maintenance Cost	Total Annual Cost	% Used for delivering the Service	Annual Cost Share for Equipment and Furniture
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)	(col 10)
A. Equipment									
Air Condition	3	35,000	105,000.00	20%	21,000	4,200	25,200	1%	252.00
Computers	3	50,000	150,000.00	20%	30,000	6,000	36,000	1%	360.00
Photocopier			-		-	-	-		-
								Sub-Total	612.00
B. Furniture									
Filing Cabinets	2	5,000	10,000.00	10%	1,000	200	1,200	1%	12.00
Tables and Chairs	4	2,000	8,000.00	10%	800	160	960	1%	9.60
								Sub-Total	21.60
								TOTAL	633.60

STEP 6.D OTHER FIXED COST

Instructions in Filling the Form

Column 1. Identify Offices delivering the "Subject Service" fee and the type of other fixed costs significant for their operation. In the particular example, these are cost for internet subscription and regular office supplies for the offices involved in delivering the "Subject Service".

Column 2. Verify actual office expenses from the LGU Accounting Office. If data are hard to get, reflect the budget allocation of each office (c/o LGU Budget Office).

Column 3. Determine the percentage of time used by the Office in delivering the specific service in relation to its total responsibilities.

Column 4. Compute for the other variable cost by multiplying column 2 and column 3.

NOTE: Note: The LGU may have other major fixed costs not mentioned in this illustration. When costs are significant, those fixed cost must be identified and added in the template. Conversely, costs that are negligible may be dropped from the calculations.

Table 16:

Other Fixed Cost

Particulars	Annual Rate	Percent of Use for "Subject Service" Fees	Annual Cost
(col 1)	(col 2)	(col 3)	(col 4)
Internet Services	18,000.00	1%	180.00
Regular Office Supplies			-
Information Tech Team			-
Security Team			
Janitorial Team			
Reception Services			
		Total	**180.00**

Instructions for Filling Up the Form

Column 1 - List all identified fixed costs.
Column 2 - Fill up the fixed costs for the "Subject Service" and reflect the sum of all entries of each cell under "Total".
Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Fixed Cost Per Application.

Table 17:

Summary Table - Fixed Costs		
Fixed Cost	Total	Estimated Routine Fixed Cost Per Application
(col 1)	(col 2)	(col 3)
Annual Number of Applications	8	
Office Space	2,660.65	332.58
Utilities	934.00	116.75
Electricity	893.08	111.63
Water	40.92	5.12
Communication	-	-
Equipment and Furniture	633.60	79.20
Other Fixed Cost	180.00	22.50
TOTAL	4,408.25	551.03

STEP 7. COMPARE FEE WITH COST OF DELIVERING SERVICES

Name of Fee/Charge: Mayor's Permit: Wholesaler - Small

Fee Rate Estimation Using Costs of Issuing Permits Plus Cost of Surveillance		Comparison with Current Fee Rates		Difference	% Variance (-/+)	Remaks:Reasonable/Not Reasonable
Total Cost	8,350.05	Total Collection on Fees and/or Charges	4,000.00	(4,350.05)	(0.52)	Reasonable
Number of Applications Processed	8	Number of Applications Processed	8			
Average Fee Rate	1,043.76	Average Fee Rates	500.00	(543.76)	(0.52)	

Instructions for Filling

(1) For every fee or charge, compare Total Revenue with Total Cost of delivering the subject service based on the results of the foregoing procedures.
(2) Compute the difference and determine the corresponding variance. If it yields a variance (-/+) of more than 10%, the LGU is either subsidizing (-) or generating revenues (+) in relation to the subject Service. 8

(3) Input the results in a summary form using Table 23 for ease in reference and appreciation during the review and deliberation of the results of the Toolkit.
(4) If so, then the LGU must submit, along with the report of the results, a proposed Rationalization of Fees and Charges using the options.

EXAMPLE:

Compare Fee with Cost of Delivering Services					
Fee Rate Estimation using Costs of issuing permits plus cost of surveillance		Comparison with Current Fee Rates			
Total Cost	8,350.05	Total Revenue	4,000.00	(4,350.05)	52%
Total Number of Applicants	248	Number of Applications Processed	248		
Average Fee Rate	33.67	Average Fee Rates	16.13	(17.54)	52%

		10,594.00		Total			Cost per Application			
Scenario 1	% of Applicants	Number of Applicants	Cost (with weight)	SPCI-PRESCRIBED	STD-VAR	STD-FXD		#DIV/0!	#DIV/0!	#DIV/0!
Simple	#DIV/0!		#DIV/0!	[redacted]	236.44	551.03	[redacted]	#DIV/0!	#DIV/0!	#DIV/0!
Complex	#DIV/0!		#DIV/0!	[redacted]	236.44	551.03	[redacted]	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!	-	#DIV/0!					#DIV/0!		#DIV/0!

Classification	Allocation	% of Applicants	Number	SPCI-PRESCRIBED	STD-VAR	STD-FXD	Cost per Application			
Manufacturer	#DIV/0!			[redacted]			[redacted]	#DIV/0!	#DIV/0!	#DIV/0!
Wholesalers	#DIV/0!			[redacted]			[redacted]	#DIV/0!	#DIV/0!	#DIV/0!
Exporters	#DIV/0!			[redacted]			[redacted]	#DIV/0!	#DIV/0!	#DIV/0!
Retailers	#DIV/0!			[redacted]			[redacted]	#DIV/0!	#DIV/0!	#DIV/0!
Contractors	#DIV/0!			[redacted]			[redacted]	#DIV/0!	#DIV/0!	#DIV/0!
Banks and other institutions	#DIV/0!			[redacted]			[redacted]	#DIV/0!	#DIV/0!	#DIV/0!
Peddlers	#DIV/0!									
Others	#DIV/0!			[redacted]			[redacted]	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!		-	#DIV/0!				#DIV/0!		#DIV/0!
Total	0%									
	100%									

0% ok

235801.42	-	-	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
235801.42	-	-	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
#REF!		-							
			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
									#DIV/0!

Summary of Rationalized Local Fees and Charges

Local Fee/Charge	Current Rate	Rationalized Rate	% Variance	Remarks/Recommended Rate
Mayor's Permit Wholesaler Small	500.00	1,043.76	-0.52	Propose: 1,000.00

STEP 1: MAP YOUR PROCESS FLOW

Note:
- A flowchart is a picture of the separate steps involved in a given process, presented in sequential order.
- Particularly helpful in analyzing and identifying areas for improvement by showing inefficiencies in the system.
- Also, it is useful in costing analysis.
- For this template, it is not necessary to use the various diagrams and boxes normally used in process flowcharts.
- Suggested Source: Citizen's Charter or the duly authorized process flow of the concerned office (for standard procedure)

Instructions in Filling the Form

1 Discuss and decide on the boundaries of your process.
   * Where or when does the process start? Where or when does it end?
2 Arrange and document the activities in proper sequence.

Table 1:

	LIST OF ACTIVITIES
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Wholesaler- Medium, and verify the completeness of the requirements.
2	Encode the application in the system and check the correctness of the entries.
3	Prepare and print the Tax Order of Payment.
4	Receive payment and issue Official Receipt.
5	Sign and approve the application by the Municipal Treasurer and BPLO.
6	Prepare and approve Mayor's Permit.
7	Record and release the Mayor's Permit to the applicant.
8	Conduct actual inspection of the business establishment.

STEP 2: IDENTIFY THE RESOURCES FOR EACH ACTIVITY

Instructions in Filling the Form

1 Identify the offices and all key people involved with each activity. Identify official position.
   * For standardization, base the information on the Citizen's Charter or the duly authorized process flow for standard procedure.
   * This includes those who do the work in the process: suppliers, customers and supervisors.
2 List down the materials and resources utilized in each stage.

Table 2:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Wholesaler- Medium, and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jhelan Richelle Lipao/Admin Aide I	Linen Paper A4
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form

STEP 3: CLASSIFY ACTIVITIES INTO "ROUTINE" AND "SPECIAL"

Instructions in Filling the Form

1 Classify the activities into whether they are:
   * Routine(same procedure and effort for each applicant)
   * Special (usually the vital part of the process and varies according to the type and/or complexity of the business of the applicant)

Note: **It is highly suggested to identify one (1) special step.**
- **However, it can be two (2) or more. In that case, it will have an impact on the weight of the Special Variable Component.**
- **It may also yield that there is no special step in the whole process. In that case, the normal costing procedure is applicable and the computation will not involve a Special Variable Component.**

Table 3:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL	TYPE OF ACTIVITY
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Wholesaler- Medium, and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen	Routine
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-	Routine
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink	Routine
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt	Routine
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-	Routine
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jhelan Richelle Lipao/Admin Aide I	Linen Paper A4	Routine
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook	Routine
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form	Special

STEP 4. QUANTIFY THE VARIABLE COST FOR ROUTINE ACTIVITIES

STEP 4.A PERSONNEL COSTS

Instructions in Filling Up the Form

Column 1- Base it on the staff identified as directly involved in the Routine Activities of the subject service. The actual number may be obtained from the Citizen's Charter or authorized office process flow, including the list of contractual positions for the particular service/s being rendered.

Column 2 - Match the salary grade for each staff. The salary grade data will be available at the Citizen's Charter, HR, Accounting, or Budget Office of the City.

Column 3 - Fill out the salary rate per month for each staff. The salary rates per month may be obtained from HR, Accounting, or Budget offices of the LGU.

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months

Column 5. Identify all other remunerations regularly received by the staff. Data will be available at the City Budget or Accounting Department. In case data will not be readily available, other benefits can be represented by computing 20% of the annual salary.

Column 6. Sum up columns 4 and 5, and multiply it by 80%. The 20% covers lag time usually allotted to attendance in seminars/trainings, leaves, and other admin activities not related to the service. LGUs may also devise other method to determine the annual % of time assigned in the delivery of subject service, exclusive of lag time.

Column 7. Approximate the annual percentage of time each staff performs the task directly related to the activity. Data shall be provided by the head of units performing the service, e.g., if exclusively doing such task, then put 100%.

Column 8. Get the total personnel cost attributable to Routine Activities by adding the cost for each staff involved in delivering the service.

Table 4: Personnel Cost

Name and Position	Compensation					% Time assigned in the delivery of Mayor's Permit Wholesaler Medium	Annual Cost of the Service
	SG-Step	Monthly Salary	Annual Salary	Other Benefits	Annual Compensation		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Carmelita M. Palma - Acting MT	SG14/S1	27,768.00	333,216.00	253,536.00	469,401.60	0.06%	281.64
Aileen Rose A. Tantoy - LRCO I/BPLO	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.20	0.10%	292.99
Luzviminda A. Datoy - RCC III	SG9/S1	17,420.00	209,040.00	82,840.00	233,504.00	0.08%	186.80
Nora D. Ogdoc - Admin Aide	SG1/S1	10,623.00	127,476.00	69,246.00	157,377.60	0.02%	31.48
Nestor S. Valeroso - Mayor	SG27/S3	106,997.00	1,283,964.00	441,994.00	1,380,766.40	0.01%	138.08
Jhelan Richelle Lipao - Admin Aide	SG1/S1	10,546.00	126,552.00	69,092.00	156,515.20	0.02%	31.30
							-
							-
							-
							-
							-
			-		-		-
			-		-		-
			-		-		-
						TOTAL	962.29

STEP 4.B COST OF TRANSPORTATION

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection.
Column 3. Verify unit cost of vehicle
Column 4. Determine the total cost by multiplying columns 2 and 3
Column 5. Apply the depreciation rate (Note: Economic life of a vehicle is 10 years)
Column 6. Compute for the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Verify from the City Accounting Office the actual amount spent for maintenance of the vehicle used for inspection. In the absence of actual data, the amount can be computed by multiplying column 5 by 20%.

Column 8. Determine the frequency of use of the vehicle. In the specific case sample, half day use from February to November is 44/52 weeks x .5 days. Note that the LGUs may devise other method to determine the actual frequency of use of vehicle.
Column 9. Compute the cost of vehicle for inspection by adding columns 6 and 7 thenmultiply the frequency of use in column 8.

Table 5:

Variable Cost - Vehicle

List of Vehicle/s	Number of Vehicles	Unit Cost	Total Cost	Depreciation Rate/Year	Annual Depreciation Cost	Maintenance cost	Percentage of use for inspection per week	Annual cost of vehicle for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)
					-			-
							TOTAL	-

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection
Column 3. Verify the average cost of fuel per liter
Column 4. Check the average weekly consumption in liters
Column 5. There are 52 weeks in one year. Identify the number of weeks the vehicles(s) has been used in a year.
Column 6. Compute for annual cost of fuel for 1 year by multiplying columns 2, 3, 4 and 5.
Column 7. Determine the percentage for the frequency of use of the vehicle for inspection. In the specific case sample, half day use from February to November is 44/52 weeks X .5 days. Note that the LGUs may devise other method to determine the actual percentage for the frequency of use of the vehicle.
Column 8. Compute the cost of fuel for inspection activities by multiplying columns 6 and 7.

Table 6:

Variable Cost - Fuel

List of vehicle/s	Number of Vehicles	Average Cost per liter	Ave. weekly consumption in liters	Number of weeks in one year	Annual Cost of fuel for the vehicle	Percentage of use for inspection per week	Annual cost for Fuel for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
					-		-
						TOTAL	-

If the LGU does not provide vehicles for inspection, but only allows the reimbursement of actual transportation expenses, the annual cost should be computed by determining the monthly reimbursements multiplied by 12

Table 7:

Variable Cost - Allowance/Reimbursement for Fuel

Name and Position	Transportation Cost based on Allowance/Reimbursements		% Time assigned in the delivery of the "Mayor's Permit:Wholesaler-Medium"	Annual Cost of the Service
	Average Monthly	Annual Allowance		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)
Aileen Rose A. Tantoy - LRCO I/BPLO	300	1,200	6%	72.00
Maximo D. Guarte- Sanitary Inspector	300	1,200	6%	72.00
Joegie E. Cabatuan-Admin. Aide VI	300	1,200	5%	60.00
Kathleen Jay U. Orozco-Admin Aide IV	300	1,200	5%	60.00
Anthony Rengel-Agri'l Technologist	300	1,200	5%	60.00
Rachel Ontolan-Envi.Mgt. Specialist	300	1,200	5%	60.00
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
			TOTAL	384.00

TOTAL OF VEHICLE AND FUEL:	-

STEP 4.C OTHER VARIABLE COSTS

Instructions in Filling the Form

Column 1. List down the supplies, materials and other resources which are issued to each applicant or varies directly with the number of applicants.

Column 2. Count all filled application forms, schedule slips, results forms, etc., and those issued with official receipts. Consider if applicants were successfully processed a approved, and provided with new business plate, stickers and/or certificates.

Column 3. Secure the unit cost for each and every item identified as other variable cost from the City Accounting Office.

Column 4. Compute for the annual other variable cost by multiplying column 2 and column 3

Table 8:

Variable Cost - Other variable cost

Particulars	Annual Number of Applications	Cost/Measuring unit (Php)	Annual cost (Php)
(col 1)	(col 2)	(col 3)	(col 4)
	3		
Bond paper	9	0.50	4.50
Official Receipts	6	3.40	20.40
Linen Paper A4	3	2.00	6.00
			-
			-
			-
			-
		TOTAL	30.90

Instructions for Filling Up the Form

Column 1 - List all identified variable costs.

Column 2 - Fill up the variable costs for the "Subject Service" and reflect the sum of all entries of each cell to total

Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Variable Cost Per Application.

Table 9:

Summary Table- Variable Costs

	Total	Estimated Routine Variable Cost Per Application
Annual Number of Applications	3	
Variable Costs		
Routine Personnel	962.29	320.76
Travel Reimbursement	384.00	128.00
Other Supplies/Forms/Materials	30.90	10.30
TOTAL	1,377.19	459.06

STEP 5. ALLOCATE THE VARIABLE COST FOR SPECIAL ACTIVITIES

Name and position	SG/Step	Monthly Salary	Annual Salary	Other compensation	Total Annual Compensation	% Time allocated for the service	Annual cost of service for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Aileen Rose A. Tantoy - BPLO Designate	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.20	0.10%	292.99
Mardeno D. Guarte - Sanitary Inspector	SG6/S8	19,963.00	239,556.00	87,926.00	261,985.60	0.10%	261.99
Joegie E. Cabatuan - Admin Aide IV	SG6/S3	14,537.00	174,444.00	77,074.00	201,214.40	0.08%	160.97
Kathleen Joy U. Orozco - Admin Aide IV	SG4/S2	12,719.00	152,628.00	73,438.00	180,852.80	0.08%	144.68
Anthony Rengel - Agric'l Technologist	SG10/S1	19,190.00	230,280.00	86,380.00	253,328.00	0.08%	202.66
Rachel Ontolan - Env.Mgt. Specialist	SG15/S1	30,453.00	365,436.00	108,906.00	379,473.60	0.08%	303.58
			-		-		-
						TOTAL	1,366.87

Instructions in Filling the Form

Column 1 - List the staff assigned to the "Special" Activity/ies.
Column 2 - Match the salary grade for each staff
Column 3 - Fill out the salary rate/month for each staff.
Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months
Column 5. Identify all other remunerations regularly received by the staff. Other benefits include RATA, PERA, year end benefits and other remunerations
Column 6. Sum up columns 4 and 5
Column 7. Estimate the annual % of time each staff performs directly to the issuance of the subject service. The rate shall be provided by the concerned unit
Column 8. Get the total cost for the Special Activity by adding the cost for each staff involved in delivering the service.
Proceed to the weight allocation. (The weight allocation may vary depending on the appropriate basis to the scenario within an LGU)

Basis (2) Simple and Complex

CATEGORIES	No. of Personnel	Weight	Allocation
Simple		#DIV/0!	#DIV/0!
Complex		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!

*Here, they chose to analyze the weight allocation based on the combination of the previous two options.

** as here, Manufacturers and Contractors were viewed to have both simple and complex business structures

*** Hence, the further categorization as simple and complex within the classification of Manufacturers and Contractors.

Basis (1) Per Business Classification

CLASSIFICATION	Weight	Allocation
Manufacturer		#DIV/0!
Wholesalers		#DIV/0!
Exporters		#DIV/0!
Retailers		#DIV/0!
Contractors		#DIV/0!
Banks and other institutions		#DIV/0!
Peddlers		#DIV/0!
Others		#DIV/0!
	0	#DIV/0!

Weight Allocation According to Complexity and Business Classification

BUSINESS CLASSIFICATION			Simple Weight	Complex Weight	Total	Simple	Complex
With Complex	Manufacturer	#DIV/0!				#DIV/0!	#DIV/0!
	Wholesalers	#DIV/0!				#DIV/0!	
	Exporters	#DIV/0!				#DIV/0!	
	Retailers	#DIV/0!				#DIV/0!	
With Complex	Contractors	#DIV/0!				#DIV/0!	#DIV/0!
	Banks and other inst	#DIV/0!				#DIV/0!	
	Peddlers	#DIV/0!				#DIV/0!	
	Others	#DIV/0!				#DIV/0!	
						#DIV/0!	#DIV/0!

Note: Other basis may be used (e. g. the DTI classification as to Cottage, Small, etc)

STEP 6. ESTIMATE AND DISTRIBUTE THE FIXED COSTS

STEP 6.A COST OF OFFICE SPACE

Instruction in Filling Up the Form

Column 1 - Describes the cost formula for determining share of office cost for delivering "Subject Service". Determine the cost of construction per square meter (approximately P20,000/sq.m.) and the floor area of the entire City Hall. The building construction cost is the product of the two values. Knowing the floor area occupied by the different offices delivering the "Subject Service", its proportionate share in the total floor area of the city hall multiplied by cost of constructing the building will be the cost of office space occupied. The annual depreciation rate is 4% since the normal economic life of reinforced concrete structures is 25 years. We can compute for the annual depreciation expense by multiplying the cost of office space occupied by depreciation rate and approximately the annual maintenance cost by apportioning 20% of the annual depreciation expenses. The 20% is used whenever actual data from the Accounting Office is unavailable. The share of cost for delivering "Subject Service" can be computed by adding annual depreciation expense and annual maintenance cost multiplied by the percent of work by the Office utilized for delivering the "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 10:

Fixed Cost - Office Space (Owned by the LGU)

Particulars	Offices Involved in the delivery of "Mayor's Permit: Wholesaler-Medium" Fee
(col 1)	(col 2)
Construction Cost (per sq m)	14,751.85
Floor area of City Hall (sq m)	1,080.00
Building Construction Cost (Php)	15,913,000.00
Office Area Occupied (sq. m)	72.00
Cost of Office Area Occupied (Php)	1,060,866.67
Depreciation Rate (%)	3%
Annual Depreciation Expense (Php)	503,911.66
Annual Maintenance Cost (Php)	100,782.33
Percent of Work for "Mayor's Permit: Wholesaler-Medium" (%)	0.29%
Share of Cost attributable to delivering the service (Php)	1,753.61

Instructions for Filling Up the Form

Column 1 - Determine the monthly rental rate and multiply by the number of months the office space was rented to know the annual cost for rental. Add actual cost for maintaining the Office space. If the actual data is not available add 20% of the annual cost of rental to determine the annual cost for rented office space. The annual fixed cost for rented office space attributable to rendering the service is the annual cost of rented office space multiplied by the proportion of time used for "Subject Service" services in relation to the total responsibility of the Office delivering the service

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 11:

Fixed Cost - Office Space (Rented by the LGU)

Particulars	Offices Involved in the delivery of "Subject Service" Fee
(col 1)	(col 2)
Rental rate per month	
Number of months use	
Annual cost of rental	-
Maintenance Cost	-
Annual cost of rented office space	-
Percentage of time used for the delivery of the service in relation to the responsibility of the Office	
Annual fixed cost (rented office space) attributable to delivering the service	-

STEP 6.B UTILITIES

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of electricity cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the cost of electricity rate per kilowatt hour and the kilowatt consumption/hour of the Office delivering the service. The regular operations of a City Office is 7:30am-5:30pm or 10 hrs and there are approximately 260 days per year. The annual cost of electricity for the ofices delivering the service is the product of the electricity rate per kwh, the kilowatt consumption per hour of the office, the number of operating hours per days, and the number of operating days per year. The percent of work to be considered is an approximation by the head of unit delivering the service in relation to its total responsibilities. When known, the net cost of electricity attributed to delivery of service shall be the annual cost of electricity for the office multiplied by the percent of work devoted by the office for "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 12:

Cost of Electricity

Particulars	Offices involved in the delivery of "Mayor's Permit:Wholesaler-Medium" Fee
(col 1)	(col 2)
Electricity rate per kilowatt hour (Php)	17.07
Kilowatt consumption/hour for the unit delivering the service	5.63
Number of operating hours per day	8.00
Number of days per year	264.00
Electricity cost per year	202,971.86
Percent of work for the service rendered	0.29%
Net electricity cost attributed to "Subject Service" service	588.62

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of water cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the number of people directly related to the processing and issuance of "Subject Service". The estimated water bill per person per month is P100. The net cost of water attributed to the delivery of "Subject Service" can be computed by the estimated water bill of the office per year multiplied by the percent of "Subject Service" work performed by the office in relation to the total responsibilities assigned to the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 13:

Cost of Water

Particulars	Offices involved in the delivery of "Mayor's Permit:Wholesaler-Medium" Fee
(col 1)	(col 2)
Number of People	10
Water bill per person per month	77.50
Estimated water bill of the office per year	9,300.00
Percent of work for the service rendered	0.29%
Net cost of water attributed to delivery of "Subject Service".	26.97

Instructions for Filling Up the Form

Column 1. The cost of telephone can be computed by knowing the number of telephone lines available in the Office and the monthly subscription rate per month. The annual cost of telephone services is the number of telephone lines multiplied by the monthly subscription rate over a period of twelve months. The net cost of telephone services attributed to processing and issuance of mayors permit is the annual cost of telephone services multiplied by the percent of work performed by the Office in processing and issuance of "Subject Service" in as a percentage of the total responsibilities of the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 14:

Cost for Communication

Particulars	Offices involved in the delivery of "Mayor's Permit:Wholesaler-Medium" Fee
(col 1)	(col 2)
Number of telephone/cellphone lines in the Office delivering the	
Rate of subscription per month	
Annual cost of telephone/mobile services	
Percent of work for the service rendered	
Net cost of telephone/mobile services attributed to processing and issuance of "Subject Service"	

STEP 6.C COST OF EQUIPMENT AND FURNITURE

Instructions in Filling the Form

Column 1. Identify all the equipment, and other facilities used for the delivery of the subject service.
Column 2. Count the number of each type of equipment or facility.
Column 3. Verify acquisition cost from the Accounting Unit.
Column 4. Compute for the total cost of acquisition by multiplying columns 2 and 3.
Column 5. Compute for the annual depreciation rate by dividing 100% with the estimated economic life in years.
Column 6. Compute the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Secure from the City Accounting Office the actual amount spent for maintenance of equipment/furniture used delivery of the subject service. In the absence of actual data, the amount can be computed by multiplying column 6 by 20%.
Column 8. Add Columns 6 and 7 to determine the annual cost of equipment/facility.
Column 9. Determine the % of time used for delivering the specific service in relation to responsibilities of the office involved in delivering the subject service.
Column 10. Compute for the annual cost share for equipment and funiture by multiplying columns 8 & 9.

Table 15:

Fixed Cost - Equipment and Furniture

Particulars	Number of Units	Acquisition Cost	Total Cost	Depreciation Rate	Annual Depreciation Cost	Maintenance Cost	Total Annual Cost	% Used for delivering the Service	Annual Cost Share for Equipment and Furniture
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)	(col 10)
A. Equipment									
Air Condition	3	35,000	105,000.00	20%	21,000	4,200	25,200	1.2%	302.40
Computers	3	50,000	150,000.00	20%	30,000	6,000	36,000	1.2%	432.00
Photocopier			-		-	-	-		-
								Sub-Total	734.40
B. Furniture									
Filing Cabinets	2	5,000	10,000.00	10%	1,000	200	1,200	1.2%	14.40
Tables and Chairs	4	2,000	8,000.00	10%	800	160	960	1.2%	11.52
								Sub-Total	25.92
								TOTAL	760.32

STEP 6.D OTHER FIXED COST

Instructions in Filling the Form

Column 1. Identify Offices delivering the "Subject Service" fee and the type of other fixed costs significant for their operation. In the particular example, these are cost for internet subscription and regular office supplies for the offices involved in delivering the "Subject Service".

Column 2. Verify actual office expenses from the LGU Accounting Office. If data are hard to get, reflect the budget allocation of each office (c/o LGU Budget Office).

Column 3. Determine the percentage of time used by the Office in delivering the specific service in relation to its total responsibilities.

Column 4. Compute for the other variable cost by multiplying column 2 and column 3.

NOTE: Note: The LGU may have other major fixed costs not mentioned in this illustration. When costs are significant, those fixed cost must be identified and added in the template. Conversely, costs that are negligible may be dropped from the calculations.

Table 16:

Other Fixed Cost

Particulars	Annual Rate	Percent of Use for "Mayor's Permit: Wholesaler-Medium"	Annual Cost
(col 1)	(col 2)	(col 3)	(col 4)
Internet Services	**18000**	**1.00%**	**180.00**
Regular Office Supplies			-
Information Tech Team			-
Security Team			
Janitorial Team			
Reception Services			
		Total	**180.00**

Instructions for Filling Up the Form

Column 1 - List all identified fixed costs.
Column 2 - Fill up the fixed costs for the "Subject Service" and reflect the sum of all entries of each cell under "Total".
Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Fixed Cost Per Application.

Table 17:

Summary Table - Fixed Costs		
Fixed Cost	Total	Estimated Routine Fixed Cost Per Application
(col 1)	(col 2)	(col 3)
Annual Number of Applications	3	
Office Space	1,753.61	584.54
Utilities	615.59	205.20
Electricity	588.62	196.21
Water	26.97	8.99
Communication	-	-
Equipment and Furniture	760.32	253.44
Other Fixed Cost	180.00	60.00
TOTAL	3,309.52	1,103.17

STEP 7. COMPARE FEE WITH COST OF DELIVERING SERVICES

Name of Fee/Charge: Mayor's Permit: Wholesaler - Medium

Fee Rate Estimation Using Costs of Issuing Permits Plus Cost of Surveillance		Comparison with Current Fee Rates		Difference	% Variance (-/+)	Remaks:Reasonable/Not Reasonable
Total Cost	6,053.58	Total Collection on Fees and/or Charges	4,500.00	(1,553.58)	(0.26)	Reasonable
Number of Applications Processed	3	Number of Applications Processed	3			
Average Fee Rate	2,017.86	Average Fee Rates	1,500.00	(517.86)	(0.26)	

Instructions for Filling

(1) For every fee or charge, compare Total Revenue with Total Cost of delivering the subject service based on the results of the foregoing procedures.
(2) Compute the difference and determine the corresponding variance. If it yields a variance (-/+) of more than 10%, the LGU is either subsidizing (-) or generating revenues (+) in relation to the subject Service.

(3) Input the results in a summary form using Table 23 for ease in reference and appreciation during the review and deliberation of the results of the Toolkit.
(4) If so, then the LGU must submit, along with the report of the results, a proposed Rationalization of Fees and Charges using the options.

EXAMPLE:

Compare Fee with Cost of Delivering Services					
Fee Rate Estimation using Costs of Issuing permits plus cost of surveillance		Comparison with Current Fee Rates			
Total Cost	6,053.58	Total Revenue	4,500.00	(1,553.58)	-26%
Total Number of Applicants	3	Number of Applications Processed	3		
Average Fee Rate	2,017.86	Average Fee Rates	1,500.00	(517.86)	-26%

		10,594.00		Total			Cost per Application			
Scenario 1	% of Applicants	Number of Applicants	Cost (with weight)	[illegible]	STD-VAR	STD-FXD	[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Simple	#DIV/0!		#DIV/0!	[illegible]	459.06	1,109.17	[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Complex	#DIV/0!		#DIV/0!	[illegible]	459.06	1,103.17	[illegible]	#DIV/0!		#DIV/0!
	#DIV/0!	-	#DIV/0!							

Classification	Allocation	% of Applicants	Number	[illegible]	STD-VAR	STD-FXD	Cost per Application			
Manufacturer	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Wholesalers	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Exporters	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Retailers	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Contractors	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Banks and other institutions	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Peddlers	#DIV/0!									
Others	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!			#DIV/0!				#DIV/0!		#DIV/0!
Total	0%									
	100%									

Ok ok

235801.42	-	-	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
235801.42	-	-	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
#REF!		-							
			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
									#DIV/0!

Summary of Rationalized Local Fees and Charges

Local Fee/Charge	Current Rate	Rationalized Rate	% Variance	Remarks/Recommended Rate
Mayor's Permit Wholesaler-Medium	1,500.00	2,017.86	-0.26	Propose: 2,000.00

STEP 1: MAP YOUR PROCESS FLOW

Note:
- A flowchart is a picture of the separate steps involved in a given process, presented in sequential order.
- Particularly helpful in analyzing and identifying areas for improvement by showing inefficiencies in the system.
- Also, it is useful in costing analysis.
- For this template, it is not necessary to use the various diagrams and boxes normally used in process flowcharts.
- Suggested Source: Citizen's Charter or the duly authorized process flow of the concerned office (for standard procedure)

Instructions in Filling the Form

1 Discuss and decide on the boundaries of your process.
   * Where or when does the process start? Where or when does it end?
2 Arrange and document the activities in proper sequence.

Table 1:

	LIST OF ACTIVITIES
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Wholesaler- Large, and verify the completeness of the requirements.
2	Encode the application in the system and check the correctness of the entries.
3	Prepare and print the Tax Order of Payment.
4	Receive payment and issue Official Receipt.
5	Sign and approve the application by the Municipal Treasurer and BPLO.
6	Prepare and approve Mayor's Permit.
7	Record and release the Mayor's Permit to the applicant.
8	Conduct actual inspection of the business establishment.

STEP 2: IDENTIFY THE RESOURCES FOR EACH ACTIVITY

Instructions in Filling the Form

1 Identify the offices and all key people involved with each activity. Identify official position.
   * For standardization, base the information on the Citizen's Charter or the duly authorized process flow for standard procedure.
   * This includes those who do the work in the process: suppliers, customers and supervisors.
2 List down the materials and resources utilized in each stage.

Table 2:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Wholesaler- Large, and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jheian Richelle Lipao/Admin Aide I	Linen Paper A4
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form

STEP 3: CLASSIFY ACTIVITIES INTO "ROUTINE" AND "SPECIAL"

Instructions in Filling the Form

1 Classify the activities into whether they are:
   * Routine(same procedure and effort for each applicant)
   * Special (usually the vital part of the process and varies according to the type and/or complexity of the business of the applicant)

Note: **It is highly suggested to identify one (1) special step.**
- **However, it can be two (2) or more. In that case, it will have an impact on the weight of the Special Variable Component.**
- **It may also yield that there is no special step in the whole process. In that case, the normal costing procedure is applicable and the computation will not involve a Special Variable Component.**

Table 3:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL	TYPE OF ACTIVITY
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Wholesaler- Large, and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen	Routine
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-	Routine
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink	Routine
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt	Routine
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-	Routine
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jheian Richelle Lipao/Admin Aide I	Linen Paper A4	Routine
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook	Routine
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form	Special

STEP 4. QUANTIFY THE VARIABLE COST FOR ROUTINE ACTIVITIES

STEP 4.A PERSONNEL COSTS

Instructions in Filling Up the Form

Column 1- Base it on the staff identified as directly involved in the Routine Activities of the subject service. The actual number may be obtained from the Citizen's Charter or authorized office process flow, including the list of contractual positions for the particular service/s being rendered.

Column 2 - Match the salary grade for each staff. The salary grade data will be available at the Citizen's Charter, HR, Accounting, or Budget Office of the City.

Column 3 - Fill out the salary rate per month for each staff. The salary rates per month may be obtained from HR, Accounting, or Budget offices of the LGU.

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months

Column 5. Identify all other remunerations regularly received by the staff. Data will be available at the City Budget or Accounting Department. In case data will not be readily available, other benefits can be represented by computing 20% of the annual salary.

Column 6. Sum up columns 4 and 5, and multiply it by 80%. The 20% covers lag time usually allotted to attendance in seminars/trainings, leaves, and other admin activities not related to the service. LGUs may also devise other method to determine the annual % of time assigned in the delivery of subject service, exclusive of lag time.

Column 7. Approximate the annual percentage of time each staff performs the task directly related to the activity. Data shall be provided by the head of units performing the service, e.g., if exclusively doing such task, then put 100%.

Column 8.Get the total personnel cost attributable to Routine Activities by adding the cost for each staff involved in delivering the service.

Table 4: Personnel Cost

Name and Position	Compensation					% Time assigned in the delivery of Mayor's Permit:Wholesaler-Large	Annual Cost of the Service
	SG-Step	Monthly Salary	Annual Salary	Other Benefits	Annual Compensation		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Carmelita M. Palma - Acting MT	SG14/S1	27,768.00	333,216.00	253,536.00	469,401.60	0.06%	281.64
Aileen Rose A. Tantoy - LRCO I/BPLO	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.20	0.10%	292.99
Luzviminda A. Datoy - ROC III	SG9/S1	17,420.00	209,040.00	82,840.00	233,504.00	0.08%	186.80
Nora D. Ogdoc - Admin Aide	SG1/S1	10,623.00	127,476.00	69,246.00	157,377.60	0.04%	62.95
Nestor S. Valeroso - Mayor	SG27/S3	106,997.00	1,283,964.00	441,994.00	1,380,766.40	0.02%	276.15
Jhelen Richelle Lipao - Admin Aide	SG1/S1	10,546.00	126,552.00	69,092.00	156,515.20	0.04%	62.61
							-
							-
							-
							-
							-
			-		-		-
			-		-		-
			-		-		-
						TOTAL	1,163.14

STEP 4.B COST OF TRANSPORTATION

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection.
Column 3. Verify unit cost of vehicle
Column 4. Determine the total cost by multiplying columns 2 and 3
Column 5. Apply the depreciation rate (Note: Economic life of a vehicle is 10 years)
Column 6. Compute for the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Verify from the City Accounting Office the actual amount spent for maintenance of the vehicle used for inspection. In the absence of actual data, the amount can be computed by multiplying column 5 by 20%.
Column 8. Determine the frequency of use of the vehicle. In the specific case sample, half day use from February to November is 44/52 weeks x .5 days. Note that the LGUs may devise other method to determine the actual frequency of use of vehicle.
Column 9. Compute the cost of vehicle for inspection by adding columns 6 and 7 thenmultiply the frequency of use in column 8.

Table 5:

Variable Cost - Vehicle

List of Vehicle/s	Number of Vehicles	Unit Cost	Total Cost	Depreciation Rate/Year	Annual Depreciation Cost	Maintenance cost	Percentage of use for inspection per week	Annual cost of vehicle for insnection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)
					-			-
							TOTAL	-

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection
Column 3. Verify the average cost of fuel per liter
Column 4. Check the average weekly consumption in liters
Column 5. There are 52 weeks in one year. Identify the number of weeks the vehicles(s) has been used in a year.
Column 6. Compute for annual cost of fuel for 1 year by multiplying columns 2, 3, 4 and 5.
Column 7. Determine the percentage for the frequency of use of the vehicle for inspection. In the specific case sample, half day use from February to November is 44/52 weeks X .5 days. Note that the LGUs may devise other method to determine the actual percentage for the frequency of use of the vehicle.
Column 8. Compute the cost of fuel for inspection activities by multiplying columns 6 and 7.

Table 6:

Variable Cost - Fuel

List of vehicle/s	Number of Vehicles	Average Cost per liter	Ave. weekly consumption in liters	Number of weeks in one year	Annual Cost of fuel for the vehicle	Percentage of use for inspection per week	Annual cost for Fuel for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
					-		-
							-
						TOTAL	-

If the LGU does not provide vehicles for inspection, but only allows the reimbursement of actual transportation expenses, the annual cost should be computed by determining the monthly reimbursements multiplied by 12

Table 7:

Variable Cost - Allowance/Reimbursement for Fuel

Name and Position	Transportation Cost based on Allowance/Reimbursements		% Time assigned in the delivery of the "Mayor's Permit:Wholesaler-Large"	Annual Cost of the Service
	Average Monthly	Annual Allowance	(col 4)	
(col 1)	(col 2)	(col 3)		(col 5)
Aileen Rose A. Tantoy - LRCO I/BPLO	300	1,200	6%	72.00
Maximo D. Guarte- Sanitary Inspector	300	1,200	6%	72.00
Joegie E. Cabatuan-Admin. Aide VI	300	1,200	5%	60.00
Kathleen Jay U. Orozco-Admin Aide IV	300	1,200	5%	60.00
Anthony Rengel-Agri'l Technologist	300	1,200	5%	60.00
Rachel Ontolan-Envi.Mgt. Specialist	300	1,200	5%	60.00
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
			TOTAL	384.00

TOTAL OF VEHICLE AND FUEL:	-

STEP 4.C OTHER VARIABLE COSTS

Instructions in Filling the Form

Column 1. List down the supplies, materials and other resources which are issued to each applicant or varies directly with the number of applicants.

Column 2. Count all filled application forms, schedule slips, results forms, etc., and those issued with official receipts. Consider if applicants were successfully processed a approved, and provided with new business plate, stickers and/or certificates.

Column 3. Secure the unit cost for each and every item identified as other variable cost from the City Accounting Office.

Column 4. Compute for the annual other variable cost by multiplying column 2 and column 3

Table 8:

Variable Cost - Other variable cost

Particulars	Annual Number of Applications	Cost/Measuring unit (Php)	Annual cost (Php)
(col 1)	(col 2)	(col 3)	(col 4)
	3		
Bond paper	9	0.50	4.50
Official Receipts	6	3.40	20.40
Linen Paper A4	3	2.00	6.00
			-
			-
			-
			-
		TOTAL	30.90

Instructions for Filling Up the Form

Column 1 - List all identified variable costs.

Column 2 - Fill up the variable costs for the "Subject Service" and reflect the sum of all entries of each cell to total

Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Variable Cost Per Application.

Table 9:

Summary Table- Variable Costs

	Total	Estimated Routine Variable Cost Per Application
Annual Number of Applications	3	
Variable Costs		
Routine Personnel	1,163.14	387.71
Travel Reimbursement	384.00	128.00
Other Supplies/Forms/Materials	30.90	10.30
TOTAL	1,578.04	526.01

STEP 5. ALLOCATE THE VARIABLE COST FOR SPECIAL ACTIVITIES

Name and position	SG/Step	Monthly Salary	Annual Salary	Other compensation	Total Annual Compensation	% time allocated for the service	Annual cost of service for Inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Aileen Rose A. Tamoy - BPLO Designate	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.20	0.15%	439.48
Maximo D. Guarte - Sanitary Inspector	SG6/S8	19,963.00	239,556.00	87,926.00	261,985.60	0.15%	392.98
Jongie E. Cabatuan - Admin Aide IV	SG8/S5	14,537.00	174,444.00	77,074.00	201,214.40	0.12%	241.46
Kathleen Joy U. Orozco - Admin Aide IV	SG4/S2	12,719.00	152,628.00	73,438.00	180,852.80	0.12%	217.02
Anthony Bengel - Agric'l Technologist	SG18/S1	19,190.00	230,280.00	86,380.00	253,328.00	0.12%	303.99
Rachel Ontalan - Envl.Mgt. Specialist	SG15/S1	30,453.00	365,436.00	108,906.00	379,473.60	0.12%	455.37
			-		-		-
						TOTAL	2,050.30

Instructions in Filling the Form

Column 1 - List the staff assigned to the "Special" Activity/ies.
Column 2 - Match the salary grade for each staff
Column 3 - Fill out the salary rate/month for each staff
Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months
Column 5. Identify all other remunerations regularly received by the staff. Other benefits include RATA, PERA, year end benefits and other remunerations
Column 6. Sum up columns 4 and 5
Column 7. Estimate the annual % of time each staff performs directly to the issuance of the subject service. The rate shall be provided by the concerned unit
Column 8. Get the total cost for the Special Activity by adding the cost for each staff involved in delivering the service.
Proceed to the weight allocation. (The weight allocation may vary depending on the appropriate basis to the scenario within an LGU)

Basis (2) Simple and Complex

CATEGORIES	No. of Personnel	Weight	Allocation
Simple		#DIV/0!	#DIV/0!
Complex		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!

*Note: They chose to employ the weight allocation based on the combination of the previous two options

** In here, Manufacturing and Contractors were viewed to have both simple and complex business structures

*** Here, the further assignment as to simple and complex within the classification of Manufacturers and Contractors

Basis (1) Per Business Classification

CLASSIFICATION	Weight	Allocation
Manufacturer		#DIV/0!
Wholesalers		#DIV/0!
Exporters		#DIV/0!
Retailers		#DIV/0!
Contractors		#DIV/0!
Banks and other institutions		#DIV/0!
Peddlers		#DIV/0!
Others		#DIV/0!
	0	#DIV/0!

Weight Allocation According to Complexity and Business Classification

BUSINESS CLASSIFICATION			Simple Weight	Complex Weight	Total	Simple	Complex
With Complex	Manufacturer	#DIV/0!				#DIV/0!	#DIV/0!
	Wholesalers	#DIV/0!				#DIV/0!	
	Exporters	#DIV/0!				#DIV/0!	
	Retailers	#DIV/0!				#DIV/0!	
With Complex	Contractors	#DIV/0!				#DIV/0!	#DIV/0!
	Banks and other inst	#DIV/0!				#DIV/0!	
	Peddlers	#DIV/0!				#DIV/0!	
	Others	#DIV/0!				#DIV/0!	
						#DIV/0!	#DIV/0!

Note: Other basis may be used (e. g. the DTI classification as to Cottage, Small, etc)

STEP 6. ESTIMATE AND DISTRIBUTE THE FIXED COSTS

STEP 6.A COST OF OFFICE SPACE

Instruction in Filling Up the Form

Column 1 - Describes the cost formula for determining share of office cost for delivering "Subject Service". Determine the cost of construction per square meter (approximately P20,000/sq.m.) and the floor area of the entire City Hall. The building construction cost is the product of the two values. Knowing the floor area occupied by the different offices delivering the "Subject Service", its proportionate share in the total floor area of the city hall multiplied by cost of constructing the building will be the cost of office space occupied. The annual depreciation rate is 4% since the normal economic life of reinforced concrete structures is 25 years. We can compute for the annual depreciation expense by multiplying the cost of office space occupied by depreciation rate and approximately the annual maintenance cost by apportioning 20% of the annual depreciation expenses. The 20% is used whenever actual data from the Accounting Office is unavailable. The share of cost for delivering "Subject Service" can be computed by adding annual depreciation expense and annual maintenance cost multiplied by the percent of work by the Office utilized for delivering the "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 10:

Fixed Cost - Office Space (Owned by the LGU)

Particulars	Offices Involved in the delivery of "Mayor's Permit: Wholesaler-Large" Fee
(col 1)	(col 2)
Construction Cost (per sq m)	14,751.85
Floor area of City Hall (sq m)	1,080.00
Building Construction Cost (Php)	15,913,000.00
Office Area Occupied (sq. m)	72.00
Cost of Office Area Occupied (Php)	1,060,866.67
Depreciation Rate (%)	3%
Annual Depreciation Expense (Php)	503,911.66
Annual Maintenance Cost (Php)	100,782.33
Percent of Work for "Mayor's Permit: Wholesaler-Large" (%)	0.34%
Share of Cost attributable to delivering the service (Php)	2,055.96

Instructions for Filling Up the Form

Column 1 - Determine the monthly rental rate and multiply by the number of months the office space was rented to know the annual cost for rental. Add actual cost for maintaining the Office space. If the actual data is not available add 20% of the annual cost of rental to determine the annual cost for rented office space. The annual fixed cost for rented office space attributable to rendering the service is the annual cost of rented office space multiplied by the proportion of time used for "Subject Service" services in relation to the total responsibility of the Office delivering the service

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 11:

Fixed Cost - Office Space (Rented by the LGU)

Particulars	Offices Involved in the delivery of "Subject Service" Fee
(col 1)	(col 2)
Rental rate per month	
Number of months use	
Annual cost of rental	-
Maintenance Cost	-
Annual cost of rented office space	-
Percentage of time used for the delivery of the service in relation to the responsibility of the Office	
Annual fixed cost (rented office space) attributable to delivering the service	-

STEP 6.B UTILITIES

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of electricity cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the cost of electricity rate per kilowatt hour and the kilowatt consumption/hour of the Office delivering the service. The regular operations of a City Office is 7:30am-5:30pm or 10 hrs and there are approximately 260 days per year. The annual cost of electricity for the ofices delivering the service is the product of the electricity rate per kwh, the kilowatt consumption per hour of the office, the number of operating hours per days, and the number of operating days per year. The percent of work to be considered is an approximation by the head of unit delivering the service in relation to its total responsibilities. When known, the net cost of electricity attributed to delivery of service shall be the annual cost of electricity for the office multiplied by the percent of work devoted by the office for "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 12:

Cost of Electricity	
Particulars	**Offices involved in the delivery of** "Mayor's Permit: Wholesaler-Large" **Fee**
(col 1)	(col 2)
Electricity rate per kilowatt hour (Php)	**17.07**
Kilowatt consumption/hour for the unit delivering the service	**5.63**
Number of operating hours per day	**8.00**
Number of days per year	**264.00**
Electricity cost per year	**202,971.86**
Percent of work for the service rendered	**0.34%**
Net electricity cost attributed to "Subject Service" service	690.10

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of water cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the number of people directly related to the processing and issuance of "Subject Service". The estimated water bill per person per month is P100. The net cost of water attributed to the delivery of "Subject Service" can be computed by the estimated water bill of the office per year multiplied by the percent of "Subject Service" work performed by the office in relation to the total responsibilities assigned to the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 13:

Cost of Water	
Particulars	**Offices involved in the delivery of** "Mayor's Permit: Wholesaler-Large" **Fee**
(col 1)	(col 2)
Number of People	**10**
Water bill per person per month	**77.50**
Estimated water bill of the office per year	**9,300.00**
Percent of work for the service rendered	**0.34%**
Net cost of water attributed to delivery of "Subject Service".	31.62

Instructions for Filling Up the Form

Column 1. The cost of telephone can be computed by knowing the number of telephone lines available in the Office and the monthly subscription rate per month. The annual cost of telephone services is the number of telephone lines multiplied by the monthly subscription rate over a period of twelve months. The net cost of telephone services attributed to processing and issuance of mayors permit is the annual cost of telephone services multiplied by the percent of work performed by the Office in processing and issuance of "Subject Service" in as a percentage of the total responsibilities of the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 14:

Cost for Communication	
Particulars	**Offices involved in the delivery of** "Mayor's Permit: Wholesaler-Large" **Fee**
(col 1)	(col 2)
Number of telephone/cellphone lines in the Office delivering the	
Rate of subscription per month	
Annual cost of telephone/mobile services	
Percent of work for the service rendered	
Net cost of telephone/mobile services attributed to processing and issuance of "Subject Service"	

STEP 6.C COST OF EQUIPMENT AND FURNITURE

Instructions in Filling the Form

Column 1. Identify all the equipment, and other facilities used for the delivery of the subject service.
Column 2. Count the number of each type of equipment or facility.
Column 3. Verify acquisition cost from the Accounting Unit.
Column 4. Compute for the total cost of acquisition by multiplying columns 2 and 3.
Column 5. Compute for the annual depreciation rate by dividing 100% with the estimated economic life in years.
Column 6. Compute the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Secure from the City Accounting Office the actual amount spent for maintenance of equipment/furniture used delivery of the subject service. In the absence of actual data, the amount can be computed by multiplying column 6 by 20%.
Column 8. Add Columns 6 and 7 to determine the annual cost of equipment/facility.
Column 9. Determine the % of time used for delivering the specific service in relation to responsibilities of the office involved in delivering the subject service.
Column 10. Compute for the annual cost share for equipment and funiture by multiplying columns 8 & 9.

Table 15:

Fixed Cost - Equipment and Furniture

Particulars	Number of Units	Acquisition Cost	Total Cost	Depreciation Rate	Annual Depreciation Cost	Maintenance Cost	Total Annual Cost	% Used for delivering the Service	Annual Cost Share for Equipment and Furniture
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)	(col 10)
A. Equipment									
Air Condition	3	35,000	105,000.00	20%	21,000	4,200	25,200	1.5%	378.00
Computers	3	50,000	150,000.00	20%	30,000	6,000	36,000	1.5%	540.00
Photocopier			-		-	-	-		-
								Sub-Total	918.00
B. Furniture									
Filing Cabinets	2	5,000	10,000.00	10%	1,000	200	1,200	1.5%	18.00
Tables and Chairs	4	2,000	8,000.00	10%	800	160	960	1.5%	14.40
								Sub-Total	32.40
								TOTAL	950.40

STEP 6.D OTHER FIXED COST

Instructions in Filling the Form

Column 1. Identify Offices delivering the "Subject Service" fee and the type of other fixed costs significant for their operation. In the particular example, these are cost for internet subscription and regular office supplies for the offices involved in delivering the "Subject Service".

Column 2. Verify actual office expenses from the LGU Accounting Office. If data are hard to get, reflect the budget allocation of each office (c/o LGU Budget Office).

Column 3. Determine the percentage of time used by the Office in delivering the specific service in relation to its total responsibilities.

Column 4. Compute for the other variable cost by multiplying column 2 and column 3.

NOTE: Note: The LGU may have other major fixed costs not mentioned in this illustration. When costs are significant, those fixed cost must be identified and added in the template. Conversely, costs that are negligible may be dropped from the calculations.

Table 16:

Other Fixed Cost

Particulars	Annual Rate	Percent of Use for "Mayor's Permit: Wholesaler-Large" Fees	Annual Cost
(col 1)	(col 2)	(col 3)	(col 4)
Internet Services	18,000.00	1%	180.00
Regular Office Supplies			-
Information Tech Team			-
Security Team			
Janitorial Team			
Reception Services			
		Total	180.00

Instructions for Filling Up the Form

Column 1 - List all identified fixed costs.
Column 2 - Fill up the fixed costs for the "Subject Service" and reflect the sum of all entries of each cell under "Total".
Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Fixed Cost Per Application.

Table 17:

Summary Table - Fixed Costs

Fixed Cost	Total	Estimated Routine Fixed Cost Per Application
(col 1)	(col 2)	(col 3)
Annual Number of Applications	3	
Office Space	2,055.96	685.32
Utilities	721.72	240.57
Electricity	690.10	230.03
Water	31.62	10.54
Communication	-	-
Equipment and Furniture	950.40	316.80
Other Fixed Cost	180.00	60.00
TOTAL	3,908.08	1,302.69

STEP 7. COMPARE FEE WITH COST OF DELIVERING SERVICES

Name of Fee/Charge: Mayor's Permit: Wholesaler - Large

Fee Rate Estimation Using Costs of Issuing Permits Plus Cost of Surveillance		Comparison with Current Fee Rates		Difference	% Variance (-/+)	Remaks:Reasonable/Not Reasonable
Total Cost	7,536.43	Total Collection on Fees and/or Charges	6,000.00	(1,536.43)	(0.20)	Reasonable
Number of Applications Processed	3	Number of Applications Processed	3			
Average Fee Rate	2,512.14	Average Fee Rates	2,000.00	(512.14)	(0.20)	

Instructions for Filling

(1) For every fee or charge, compare Total Revenue with Total Cost of delivering the subject service based on the results of the foregoing procedures.
(2) Compute the difference and determine the corresponding variance. If it yields a variance (-/+) of more than 10%, the LGU is either subsidizing (-) or generating revenues (+) in relation to the subject Service. 8

(3) Input the results in a summary form using Table 23 for ease in reference and appreciation during the review and deliberation of the results of the Toolkit.
(4) If so, then the LGU must submit, along with the report of the results, a proposed Rationalization of Fees and Charges using the options.

EXAMPLE:

Compare Fee with Cost of Delivering Services					
Fee Rate Estimation using Costs of issuing permits plus cost of surveillance		Comparison with Current Fee Rates			
Total Cost	7,536.43	Total Revenue	6,000.00	(1,536.43)	-25%
Total Number of Applicants	3	Number of Applications Processed	3		
Average Fee Rate	2,512.14	Average Fee Rates	2,000.00	(512.14)	-25%

			10,594.00	Total			Cost per Application			
Scenario 1	% of Applicants	Number of Applicants	Cost (with weight)	[redacted]	STD-VAR	STD-FXD	[redacted]			
Simple	#DIV/0!		#DIV/0!	[redacted]	526.01	1,302.69	[redacted]	#DIV/0!	#DIV/0!	#DIV/0!
Complex	#DIV/0!		#DIV/0!	[redacted]	526.01	1,302.69	[redacted]	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!	-	#DIV/0!					#DIV/0!		#DIV/0!

Classification	Allocation	% of Applicants	Number	[redacted]	STD-VAR	STD-FXD	Cost per Application			
Manufacturer	#DIV/0!			[redacted]			[redacted]	#DIV/0!	#DIV/0!	#DIV/0!
Wholesalers	#DIV/0!			[redacted]			[redacted]	#DIV/0!	#DIV/0!	#DIV/0!
Exporters	#DIV/0!			[redacted]			[redacted]	#DIV/0!	#DIV/0!	#DIV/0!
Retailers	#DIV/0!			[redacted]			[redacted]	#DIV/0!	#DIV/0!	#DIV/0!
Contractors	#DIV/0!			[redacted]			[redacted]	#DIV/0!	#DIV/0!	#DIV/0!
Banks and other institutions	#DIV/0!			[redacted]			[redacted]	#DIV/0!	#DIV/0!	#DIV/0!
Peddlers	#DIV/0!									
Others	#DIV/0!			[redacted]			[redacted]	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!		-	#DIV/0!				#DIV/0!		#DIV/0!
	Total	0%								
		100%								
							Ok		Ok	
	235801.42		-	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	235801.42		-	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#REF!									
				#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
				#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
										#DIV/0!

Summary of Rationalized Local Fees and Charges

Local Fee/Charge	Current Rate	Rationalized Rate	% Variance	Remarks/Recommended Rate
Mayor's Permit: Wholesaler-Large	2,000.00	2,512.14	-0.20	Propose: 2,500.00

STEP 1: MAP YOUR PROCESS FLOW

Note:
- A flowchart is a picture of the separate steps involved in a given process, presented in sequential order.
- Particularly helpful in analyzing and identifying areas for improvement by showing inefficiencies in the system.
- Also, it is useful in costing analysis.
- For this template, it is not necessary to use the various diagrams and boxes normally used in process flowcharts.

Instructions in Filling the Form

1 Discuss and decide on the boundaries of your process.
  * Where or when does the process start? Where or when does it end?
2 Arrange and document the activities in proper sequence.

Table 1:

	LIST OF ACTIVITIES
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for [illegible], and verify the completeness of the requirements.
2	Encode the application in the system and check the correctness of the entries.
3	Prepare and print the Tax Order of Payment.
4	Receive payment and issue Official Receipt.
5	Sign and approve the application by the Municipal Treasurer and BPLO.
6	Prepare and approve Mayor's Permit.
7	Record and release the Mayor's Permit to the applicant.
8	Conduct actual inspection of the business establishment.

STEP 2: IDENTIFY THE RESOURCES FOR EACH ACTIVITY

Instructions in Filling the Form

1 Identify the offices and all key people involved with each activity. Identify official position.
  * This includes those who do the work in the process: suppliers, customers and supervisors.
2 List down the materials and resources utilized in each stage.

Table 2:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for [illegible], and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jhelan Richelle Lipao/Admin Aide I	Linen Paper A4
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie F. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form

STEP 3: CLASSIFY ACTIVITIES INTO "ROUTINE" AND "SPECIAL"

Instructions in Filling the Form

1 Classify the activities into whether they are:

It is highly suggested to identify one (1) special step.
- **However, it can be two (2) or more. In that case, it will have an impact on the weight of the Special Variable Component.**
- **It may also yield that there is no special step in the whole process. In that case, the normal costing procedure is applicable and the computation will not involve a Special Variable Component.**

Table 3:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL	TYPE OF ACTIVITY
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for [illegible], and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen	Routine
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-	Routine
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink	Routine
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt	Routine
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-	Routine
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jhelan Richelle Lipao/Admin Aide I	Linen Paper A4	Routine
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook	Routine
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form	Special

STEP 4. QUANTIFY THE VARIABLE COST FOR ROUTINE ACTIVITIES

STEP 4.A PERSONNEL COSTS

Instructions in Filling Up the Form

Column 1 - Base it on the staff identified as directly involved in the Routine Activities of the subject service. The actual number may be obtained from the Citizen's Charter or authorized office process flow, including the list of contractual positions for the particular service/s being rendered.

Column 2 - Match the salary grade for each staff. The salary grade data will be available at the Citizen's Charter, HR, Accounting, or Budget Office of the City

Column 3 - Fill out the salary rate per month for each staff. The salary rates per month may be obtained from HR, Accounting, or Budget offices of the LGU.

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months

Column 5. Identify all other remunerations regularly received by the staff. Data will be available at the City Budget or Accounting Department. In case data will not be readily available, other benefits can be represented by computing 20% of the annual salary.

Column 6. Sum up columns 4 and 5, and multiply it by 80%. The 20% covers lag time usually allotted to attendance in seminars/trainings, leaves, and other admin activities not related to the service. LGUs may also devise other method to determine the annual % of time assigned in the delivery of subject service, exclusive of lag time.

Column 7. Approximate the annual percentage of time each staff performs the task directly related to the activity. Data shall be provided by the head of units performing the service, e.g., if exclusively doing such task, then put 100%.

Column 8. Get the total personnel cost attributable to Routine Activities by adding the cost for each staff involved in delivering the service.

Table 4: Personnel Cost

Name and Position	Compensation					% Time assigned in the delivery of [illegible]	Annual Cost of the Service
	SG-Step	Monthly Salary	Annual Salary	Other Benefits	Annual Compensation		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Carmelita M. Palma - Acting MT	SG14/S1	27,766.00	333,216.00	253,536.00	469,401.60	2.95%	13,847.35
Aileen Rose A. Tantoy - LRCD I/BPLO	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.20	3.80%	8,788.62
Luzviminda A. Datoy - RCC III	SG9/S1	17,420.00	209,040.00	82,840.00	233,504.00	2.98%	6,958.42
Nora D. Ogdoc - Admin Aide	SG1/S1	10,623.00	127,476.00	69,246.00	157,377.60	2.70%	4,249.20
Nestor S. Valgoza - Mayor	SG27/S3	106,997.00	1,283,964.00	441,994.00	1,380,766.40	2.50%	34,519.16
Jhelan Richelle Lipao - Admin Aide	SG1/S1	10,546.00	126,552.00	69,092.00	156,515.20	2.70%	4,225.91
							-
							-
							-
							-
							-
			-		-		-
			-		-		-
			-		-		-
						[illegible]	[illegible]

STEP 4.B COST OF TRANSPORTATION

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection.
Column 3. Verify unit cost of vehicle
Column 4. Determine the total cost by multiplying columns 2 and 3
Column 5. Apply the depreciation rate (Note: Economic life of a vehicle is 10 years)
Column 6. Compute for the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Verify from the City Accounting Office the actual amount spent for maintenance of the vehicle used for inspection. In the absence of actual data, the amount can be computed by multiplying column 5 by 20%.

Column 8. Determine the frequency of use of the vehicle. In the specific case sample, half day use from February to November is 44/52 weeks x .5 days. Note that the LGUs may devise other method to determine the actual frequency of use of vehicle.
Column 9. Compute the cost of vehicle for inspection by adding columns 6 and 7 then multiply the frequency of use in column 8.

Table 5:

Variable Cost - Vehicle

List of Vehicle/s	Number of Vehicles	Unit Cost	Total Cost	Depreciation Rate/Year	Annual Depreciation Cost	Maintenance cost	Percentage of use for inspection per week	Annual cost of vehicle for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)
					-			-
							TOTAL	

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection
Column 3. Verify the average cost of fuel per liter
Column 4. Check the average weekly consumption in liters
Column 5. There are 52 weeks in one year. Identify the number of weeks the vehicle(s) has been used in a year
Column 6. Compute for annual cost of fuel for 1 year by multiplying columns 2, 3, 4 and 5.
Column 7. Determine the percentage for the frequency of use of the vehicle for inspection. In the specific case sample, half day use from February to November is 44/52 weeks X .5 days. Note that the LGUs may devise other method to determine the actual percentage for the frequency of use of the vehicle.
Column 8. Compute the cost of fuel for inspection activities by multiplying columns 6 and 7.

Table 6:

Variable Cost - Fuel

List of vehicle/s	Number of Vehicles	Average Cost per liter	Ave. weekly consumption in liters	Number of weeks in one year	Annual Cost of fuel for the vehicle	Percentage of use for inspection per week	Annual cost for fuel for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
					-		-
						TOTAL	

If the LGU does not provide vehicles for inspection, but only allows the reimbursement of actual transportation expenses, the annual cost should be computed by determining the monthly reimbursements multiplied by 12

Table 7:

Variable Cost - Allowance/Reimbursement for Fuel

Name and Position	Transportation Cost based on Allowance/Reimbursements		% Time assigned in the delivery of the	Annual Cost of the Service
	Average Monthly	Annual Allowance		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)
Aileen Rose A. Tantoy - LRCO VBPLO	300	1,200	6%	72.00
Maximo D. Guarte- Sanitary Inspector	300	1,200	6%	72.00
Joegie E. Cabatuan-Admin. Aide VI	300	1,200	5%	60.00
Kathleen Jay U. Orozco-Admin Aide IV	300	1,200	5%	60.00
Anthony Rengel-Agri'l Technologist	300	1,200	5%	60.00
Rachel Ontolan-Envi.Mgt. Specialist	300	1,200	5%	60.00
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-	TOTAL	

STEP 4.C OTHER VARIABLE COSTS

Instructions in Filling the Form

Column 1. List down the supplies, materials and other resources which are issued to each applicant or varies directly with the number of applicants.

Column 2. Count all filled application forms, schedule slips, results forms, etc., and those issued with official receipts. Consider if applicants were successfully processed a approved, and provided with new business plate, stickers and/or certificates.

Column 3. Secure the unit cost for each and every item identified as other variable cost from the City Accounting Office.

Column 4. Compute for the annual other variable cost by multiplying column 2 and column 3

Table 8:

Variable Cost - Other variable cost

Particulars	Annual Number of Applications	Cost/Measuring unit (Php)	Annual cost (Php)
(col 1)	(col 2)	(col 3)	(col 4)
	396		
Bond paper	1,188	0.50	594.00
Official Receipts	792	3.40	2,692.80
Linen Paper A4	396	2.00	792.00
			-
			-
			-
			-
		TOTAL	4,078.80

Instructions for Filling Up the Form

Column 1 - List all identified variable costs.

Column 2 - Fill up the variable costs for the "Subject Service" and reflect the sum of all entries of each cell to total

Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Variable Cost Per Application.

Table 9:

Summary Table- Variable Costs

	Total	Estimated Routine Variable Cost Per Application
Annual Number of Applications	396	
Variable Costs		
Routine Personnel	72,589.65	183.31
Travel Reimbursement	384.00	0.97
Other Supplies/Forms/Materials	4,078.80	10.30
TOTAL	77,052.45	194.58

STEP 5. ALLOCATE THE VARIABLE COST FOR SPECIAL ACTIVITIES

Name and position	SG/Step	Monthly Salary	Annual Salary	Other compensation	Total Annual Compensation	% Time allocated to the activity	Annual cost of work to be allocated
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Aileen Rose A. Tanoy - BPLO Designate	SG11/S1	22,731.00	272,772.00	94,462.00	292,987.20	5.00%	14,649.36
Marlene D. Duarte - Sanitary Inspector	SG6/S8	19,963.00	239,556.00	87,926.00	261,985.60	5.00%	13,099.28
Joegie E. Cabatuan - Admin Aide IV	SG6/S5	14,537.00	174,444.00	77,074.00	201,214.40	5.00%	10,060.72
Kathleen Joy U. Dracco - Admin Aide IV	SG4/S2	12,748.00	152,628.00	73,438.08	180,852.88	5.00%	9,042.64
Anthony Reneget - Agric'l Technologist	SG10/S1	19,190.00	230,280.00	86,320.00	253,328.80	5.00%	12,666.40
Rachel Catolan - Envt.Mgt. Specialist	SG15/S1	30,453.00	365,436.00	108,906.00	379,473.60	5.00%	18,973.68
		-	-	-	-	-	-
							-

Instructions in Filling the Form:

Column 1 - List the staff assigned to the "Basic & Activity"

Column 2 - Indicate the salary grade for each staff

Column 3 - For multiple salary rate/month for each staff

Column 4 - Get basic for the annual salary of the staff on the [illegible] - Activity 12 - Admin

Column 5 - Identify the other compensation being received by the staff (Short list to include SALA, PERA, year-end benefits and other remunerations)

Column 6 - Sum of amount 4 and 5

Column 7 - Identify the % that the staff performs activity to the total time of the [illegible] (Consideration to the number of hours spent by the staff)

Column 8 - Get the total cost of the basic activity by adding the cost for each staff involved in the activity

Basis (2) Simple and Complex

CATEGORIES	No. of Personnel	Weight	Allocation
Simple		#DIV/0!	#DIV/0!
Complex		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!

Basis (1) Per Business Classification

CLASSIFICATION	Weight	Allocation
Manufacturer		#DIV/0!
Wholesalers		#DIV/0!
Exporters		#DIV/0!
Retailers		#DIV/0!
Contractors		#DIV/0!
Banks and other institutions		#DIV/0!
Peddlers		#DIV/0!
Others		#DIV/0!
	0	#DIV/0!

Weight Allocation According to Complexity and Business Classification

BUSINESS CLASSIFICATION			Simple - Complex Weight	Weight	Total	Simple	Complex
With Complex	Manufacturer	#DIV/0!				#DIV/0!	#DIV/0!
	Wholesalers	#DIV/0!				#DIV/0!	
	Exporters	#DIV/0!				#DIV/0!	
	Retailers	#DIV/0!				#DIV/0!	
With Complex	Contractors	#DIV/0!				#DIV/0!	#DIV/0!
	Banks and other Institutions	#DIV/0!				#DIV/0!	
	Peddlers	#DIV/0!				#DIV/0!	
	Others	#DIV/0!				#DIV/0!	
						#DIV/0!	#DIV/0!

Note: Other basis may be used (e.g. the BFI classification as to Cottage, Small, etc.)

STEP 6. ESTIMATE AND DISTRIBUTE THE FIXED COSTS

STEP 6.A COST OF OFFICE SPACE

Instruction in Filling Up the Form

Column 1 - Describes the cost formula for determining share of office cost for delivering "Subject Service". Determine the cost of construction per square meter (approximately P20,000/sq.m.) and the floor area of the entire City Hall. The building construction cost is the product of the two values. Knowing the floor area occupied by the different offices delivering the "Subject Service", its proportionate share in the total floor area of the city hall multiplied by cost of constructing the building will be the cost of office space occupied. The annual depreciation rate is 4% since the normal economic life of reinforced concrete structures is 25 years. We can compute for the annual depreciation expense by multiplying the cost of office space occupied by depreciation rate and approximately the annual maintenance cost by apportioning 20% of the annual depreciation expenses. The 20% is used whenever actual data from the Accounting Office is unavailable. The share of cost for delivering "Subject Service" can be computed by adding annual depreciation expense and annual maintenance cost multiplied by the percent of work by the Office utilized for delivering the "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 10:

Fixed Cost - Office Space (Owned by the LGU)

Particulars (col 1)	Offices Involved in the delivery of " " Fee (col 2)
Construction Cost (per sq m)	14,751.85
Floor area of City Hall (sq m)	1,080.00
Building Construction Cost (Php)	15,913,000.00
Office Area Occupied (sq. m)	72.00
Cost of Office Area Occupied (Php)	1,060,866.67
Depreciation Rate (%)	3%
Annual Depreciation Expense (Php)	503,911.66
Annual Maintenance Cost (Php)	100,782.33
Percent of Work for " " (%)	16.83%
Share of Cost attributable to delivering the service (Php)	101,770.00

Instructions for Filling Up the Form

Column 1 - Determine the monthly rental rate and multiply by the number of months the office space was rented to know the annual cost for rental. Add actual cost for maintaining the Office space. If the actual data is not available add 20% of the annual cost of rental to determine the annual cost for rented office space. The annual fixed cost for rented office space attributable to rendering the service is the annual cost of rented office space multiplied by the proportion of time used for "Subject Service" services in relation to the total responsibility of the Office delivering the service

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 11:

Fixed Cost - Office Space (Rented by the LGU)

Particulars (col 1)	Offices Involved in the delivery of "Subject Service" Fee (col 2)
Rental rate per month	
Number of months use	
Annual cost of rental	-
Maintenance Cost	-
Annual cost of rented office space	-
Percentage of time used for the delivery of the service in relation to the responsibility of the Office	
Annual fixed cost (rented office space) attributable to delivering the service	

STEP 6.B UTILITIES

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of electricity cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the cost of electricity rate per kilowatt hour and the kilowatt consumption/hour of the Office delivering the service. The regular operations of a City Office is 7:30am-5:30pm or 10 hrs and there are approximately 260 days per year. The annual cost of electricity for the ofices delivering the service is the product of the electricity rate per kwh, the kilowatt consumption per hour of the office, the number of operating hours per days, and the number of operating days per year. The percent of work to be considered is an approximation by the head of unit delivering the service in relation to its total responsibilities. When known, the net cost of electricity attributed to delivery of service shall be the annual cost of electricity for the office multiplied by the percent of work devoted by the office for "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 12

Cost of Electricity	
Particulars	**Offices involved in the delivery of " " Fee**
(col 1)	**(col 2)**
Electricity rate per kilowatt hour (Php)	**17.07**
Kilowatt consumption/hour for the unit delivering the service	**5.63**
Number of operating hours per day	**8.00**
Number of days per year	**264.00**
Electricity cost per year	**202,971.86**
Percent of work for the service rendered	**16.83%**
Net electricity cost attributed to "Subject Service" service	

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of water cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the number of people directly related to the processing and issuance of "Subject Service". The estimated water bill per person per month is P100. The net cost of water attributed to the delivery of "Subject Service" can be computed by the estimated water bill of the office per year multiplied by the percent of "Subject Service" work performed by the office in relation to the total responsibilities assigned to the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 13

Cost of Water	
Particulars	**Offices involved in the delivery of " " Fee**
(col 1)	**(col 2)**
Number of People	**10**
Water bill per person per month	**77.50**
Estimated water bill of the office, per year	**9,300.00**
Percent of work for the service rendered	**16.83%**
Net cost of water attributed to delivery of "Subject Service".	

Instructions for Filling Up the Form

Column 1. The cost of telephone can be computed by knowing the number of telephone lines available in the Office and the monthly subscription rate per month. The annual cost of telephone services is the number of telephone lines multiplied by the monthly subscription rate over a period of twelve months. The net cost of telephone services attributed to processing and issuance of mayors permit is the annual cost of telephone services multiplied by the percent of work performed by the Office in processing and issuance of "Subject Service" in as a percentage of the total responsibilities of the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 14

Cost for Communication	
Particulars	**Offices involved in the delivery of " " Fee**
(col 1)	**(col 2)**
Number of telephone/cellphone lines in the Office delivering the	
Rate of subscription per month	
Annual cost of telephone/mobile services	
Percent of work for the service rendered	
telephone/mobile services attributed to processing and issuance of "Subject	

STEP 6.C COST OF EQUIPMENT AND FURNITURE

Instructions in Filling the Form

Column 1. Identify all the equipment, and other facilities used for the delivery of the subject service.
Column 2. Count the number of each type of equipment or facility.
Column 3. Verify acquisition cost from the Accounting Unit.
Column 4. Compute for the total cost of acquisition by multiplying columns 2 and 3.
Column 5. Compute for the annual depreciation rate by dividing 100% with the estimated economic life in years.
Column 6. Compute the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Secure from the City Accounting Office the actual amount spent for maintenance of equipment/furniture used delivery of the subject service. In the absence of actual data, the amount can be computed by multiplying column 6 by 20%.
Column 8. Add Columns 6 and 7 to determine the annual cost of equipment/facility.
Column 9. Determine the % of time used for delivering the specific service in relation to responsibilities of the office involved in delivering the subject service.
Column 10. Compute for the annual cost share for equipment and furniture by multiplying columns 8 & 9.

Table 15:

Fixed Cost - Equipment and Furniture

Particulars	Number of Units	Acquisition Cost	Total Cost	Depreciation Rate	Annual Depreciation Cost	Maintenance Cost	Total Annual Cost	% Used for delivering the Service	Annual Cost Share for Equipment and Furniture
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)	(col 10)
A. Equipment									
Air Condition	3	35,000	105,000.00	20%	21,000	4,200	25,200	5%	1,260.00
Computers	3	50,000	150,000.00	20%	30,000	6,000	36,000	5%	1,800.00
Photocopier			-		-	-	-		-
								Sub-Total	3,060.00
B. Furniture									
Filing Cabinets	2	5,000	10,000.00	10%	1,000	200	1,200	5%	60.00
Tables and Chairs	4	2,000	8,000.00	10%	800	160	960	5%	48.00
								Sub-Total	108.00
									[illegible]

STEP 6.D OTHER FIXED COST

Instructions in Filling the Form

Column 1. Identify Offices delivering the "Subject Service" fee and the type of other fixed costs significant for their operation. In the particular example, these are cost for internet subscription and regular office supplies for the offices involved in delivering the "Subject Service".

Column 2. Verify actual office expenses from the LGU Accounting Office. If data are hard to get, reflect the budget allocation of each office (c/o LGU Budget Office).

Column 3. Determine the percentage of time used by the Office in delivering the specific service in relation to its total responsibilities.

Column 4. Compute for the other variable cost by multiplying column 2 and column 3.

NOTE: Note: The LGU may have other major fixed costs not mentioned in this illustration. When costs are significant, those fixed cost must be identified and added in the template. Conversely, costs that are negligible may be dropped from the calculations.

Table 16:

Other Fixed Cost

Particulars	Annual Rate	Percent of Use for " " Fees	Annual Cost
(col 1)	(col 2)	(col 3)	(col 4)
Internet Services	**18,000.00**	**5%**	**900.00**
Regular Office Supplies			-
Information Tech Team			-
Security Team			
Janitorial Team			
Reception Services			
		Total	900.00

Instructions for Filling Up the Form

Column 1 - List all identified fixed costs.

Column 2 - Fill up the fixed costs for the "Subject Service" and reflect the sum of all entries of each cell under "Total".

Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Fixed Cost Per Application.

Table 17:

Summary Table - Fixed Costs

Fixed Cost	Total	Estimated Routine Fixed Cost Per Application
(col 1)	(col 2)	(col 3)
Annual Number of Applications	396	
Office Space	101,770.00	256.99
Utilities	35,725.35	90.22
Electricity	34,160.16	86.26
Water	1,565.19	3.95
Communication	-	-
Equipment and Furniture	3,168.00	8.00
Other Fixed Cost	900.00	2.27
TOTAL	141,563.35	357.48

STEP 7. COMPARE FEE WITH COST OF DELIVERING SERVICES

Name of Fee/Charge:

Fee Rate Estimation Using Costs of Issuing Permits Plus Cost of Surveillance		Comparison with Current Fee Rates		Difference	% Variance (-/+)	Remarks Reasonable/Not Reasonable
Total Cost		Total Collection on Fees and/or Charges		(297,107.88)	(1.00)	Reasonable
Number of Applications Processed		Number of Applications Processed				
Average Fee Rate		Average Fee Rates		(750.27)	(1.00)	

Instructions for Filling

(1) For every fee or charge, compare Total Revenue with Total Cost of delivering the subject service based on the results of the foregoing procedures.
(2) Compute the difference and determine the corresponding variance. If it yields a variance (-/+) of more than 10%, the LGU is either subsidizing (-) or generating revenues (+) in relation to the subject Service.

(3) Input the results in a summary form using Table 23 for ease in reference and appreciation during the review and deliberation of the results of the Toolkit.
(4) If so, then the LGU must submit, along with the report of the results, a proposed Rationalization of Fees and Charges using the options.

Compare Fee with Cost of Delivering Services				
Fee Rate Estimation using Costs of Issuing permits plus cost of surveillance		**Comparison with Current Fee Rates**		
Total Cost		Total Revenue		(297,107.88)
Total Number of Applicants		Number of Applications Processed		
Average Fee Rate		Average Fee Rates		(750.27)

10,505.00 Total

Scenario 1	% of Applicants	Number of Applicants	Cost (with weight)	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application
Simple	#DIV/0!		#DIV/0!	#DIV/0!	194.58	357.48	#DIV/0!
Complex	#DIV/0!		#DIV/0!	#DIV/0!	194.58	357.48	#DIV/0!
	#DIV/0!		#DIV/0!				

Classification	Allocation	% of Applicants	Number	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application
Manufacturer	#DIV/0!			#DIV/0!			#DIV/0!
Wholesalers	#DIV/0!			#DIV/0!			#DIV/0!
Exporters	#DIV/0!			#DIV/0!			#DIV/0!
Retailers	#DIV/0!			#DIV/0!			#DIV/0!
Contractors	#DIV/0!			#DIV/0!			#DIV/0!
Banks and other institutions	#DIV/0!			#DIV/0!			#DIV/0!
Resellers	#DIV/0!						
Others	#DIV/0!			#DIV/0!			#DIV/0!
	#DIV/0!			#DIV/0!			#DIV/0!
	Total	0%					

0%

237,801.42 #DIV/0!
237,801.42 #DIV/0!
#REF!

#DIV/0!
#DIV/0!
#DIV/0!
#DIV/0!

Summary of Rationalized Local Fees and Charges

Local Fee/Charge	Current Rate	Rationalized Rate	% Variance	Remarks/Recommended Rate
[illegible]	-	750.27	-1.00	Propose: 750.00

STEP 1: MAP YOUR PROCESS FLOW

Note:
- A flowchart is a picture of the separate steps involved in a given process, presented in sequential order.
- Particularly helpful in analyzing and identifying areas for improvement by showing inefficiencies in the system.
- Also, it is useful in costing analysis.
- For this template, it is not necessary to use the various diagrams and boxes normally used in process flowcharts.

Instructions in Filling the Form

1 Discuss and decide on the boundaries of your process.
- Where or when does the process start? Where or when does it end?

2 Arrange and document the activities in proper sequence.

Table 1:

	LIST OF ACTIVITIES
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for , and verify the completeness of the requirements.
2	Encode the application in the system and check the correctness of the entries.
3	Prepare and print the Tax Order of Payment.
4	Receive payment and issue Official Receipt.
5	Sign and approve the application by the Municipal Treasurer and BPLO
6	Prepare and approve Mayor's Permit.
7	Record and release the Mayor's Permit to the applicant.
8	Conduct actual inspection of the business establishment.

STEP 2: IDENTIFY THE RESOURCES FOR EACH ACTIVITY

Instructions in Filling the Form

1 Identify the offices and all key people involved with each activity. Identify official position.
- This includes those who do the work in the process: suppliers, customers and supervisors.

2 List down the materials and resources utilized in each stage.

Table 2:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for , and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jhelan Richelle Lipao/Admin Aide I	Linen Paper A4
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form

STEP 3: CLASSIFY ACTIVITIES INTO "ROUTINE" AND "SPECIAL"

Instructions in Filling the Form

1 Classify the activities into whether they are:

It is highly suggested to identify one (1) special step.
- **However, it can be two (2) or more. In that case, it will have an impact on the weight of the Special Variable Component.**
- **It may also yield that there is no special step in the whole process. In that case, the normal costing procedure is applicable and the computation will not involve a Special Variable Component.**

Table 3:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL	TYPE OF ACTIVITY
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for , and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen	Routine
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO		Routine
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink	Routine
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt	Routine
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT		Routine
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jhelan Richelle Lipao/Admin Aide I	Linen Paper A4	Routine
7	Record and release the Mayor's Permit to the applicant	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook	Routine
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form	Special

STEP 4. QUANTIFY THE VARIABLE COST FOR ROUTINE ACTIVITIES

STEP 4.A PERSONNEL COSTS

Instructions in Filling Up the Form

Column 1 - Based on the staff identified as directly involved in the Routine Activities of the subject service. The actual number may be obtained from the Citizen's Charter or authorized office process flow, including the list of contractual positions for the particular service/s being rendered.

Column 2 - Match the salary grade for each staff. The salary grade data will be available at the Citizen's Charter, HR, Accounting, or Budget Office of the City

Column 3 - Fill out the salary rate per month for each staff. The salary rates per month may be obtained from HR, Accounting, or Budget offices of the LGU.

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months

Column 5 Identify all other remunerations regularly received by the staff. Data will be available at the City Budget or Accounting Department. In case data will not be readily available, other benefits can be represented by computing 20% of the annual salary.

Column 6. Sum up columns 4 and 5, and multiply it by 80%. The 20% covers lag time usually allotted to attendance in seminars/trainings, leaves, and other admin activities not related to the service. LGUs may also devise other method to determine the annual % of time assigned in the delivery of subject service, exclusive of lag time.

Column 7 Approximate the annual percentage of time each staff performs the task directly related to the activity. Data shall be provided by the head of units performing the service, e.g., if exclusively doing such task, then put 100%.

Column 8 Get the total personnel cost attributable to Routine Activities by adding the cost for each staff involved in delivering the service.

Table 4: Personnel Cost

Name and Position	Compensation					% Time assigned in the delivery of	Annual Cost of the Service
	SG-Step	Monthly Salary	Annual Salary	Other Benefits	Annual Compensation		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Carmelita M. Palma - Acting MT	SG14/S1	27,788.00	333,216.00	253,536.00	469,401.60	0.16%	751.04
Aileen Rose A. Tantoy - LADO I/BPLO	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.20	0.20%	585.97
Luzviminda A. Detoy - ROC III	SG9/S1	17,420.00	209,040.00	82,848.00	233,504.00	0.18%	420.31
Nora D. Ogdoc - Admin Aide	SG1/S1	10,623.00	127,476.00	69,246.00	157,377.60	0.12%	188.85
Nestor S. Valeroso - Mayor	SG27/S3	106,997.00	1,283,964.00	441,994.00	1,380,766.40	0.08%	1,104.61
Jhelan Richelle Lipao - Admin Aide	SG1/S1	10,546.00	126,552.00	69,092.00	156,515.20	0.12%	187.82
							-
							-
							-
							-
			-		-		-
			-		-		-
			-		-		-

STEP 4.B COST OF TRANSPORTATION

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection.
Column 3. Verify unit cost of vehicle
Column 4. Determine the total cost by multiplying columns 2 and 3
Column 5. Apply the depreciation rate (Note: Economic life of a vehicle is 10 years)
Column 6. Compute for the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Verify from the City Accounting Office the actual amount spent for maintenance of the vehicle used for inspection. In the absence of actual data, the amount can be computed by multiplying column 5 by 20%.
Column 8. Determine the frequency of use of the vehicle. In the specific case sample, half day use from February to November is 44/52 weeks x .5 days. Note that the LGUs may devise other method to determine the actual frequency of use of vehicle.
Column 9. Compute the cost of vehicle for inspection by adding columns 6 and 7 thenmultiply the frequency of use in column 8.

Table 5:

Variable Cost - Vehicle

List of Vehicle/s	Number of Vehicles	Unit Cost	Total Cost	Depreciation Rate/Year	Annual Depreciation Cost	Maintenance cost	Percentage of use for inspection per week	Annual cost of vehicle for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)
					-			-
							TOTAL	

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection
Column 3. Verify the average cost of fuel per liter
Column 4. Check the average weekly consumption in liters
Column 5. There are 52 weeks in one year. Identify the number of weeks the vehicles(s) has been used in a year.
Column 6. Compute for annual cost of fuel for 1 year by multiplying columns 2, 3, 4 and 5.
Column 7. Determine the percentage for the frequency of use of the vehicle for inspection. In the specific case sample, half day use from February to November is 44/52 weeks X .5 days. Note that the LGUs may devise other method to determine the actual percentage for the frequency of use of the vehicle.
Column 8. Compute the cost of fuel for inspection activities by multiplying columns 6 and 7.

Table 6:

Variable Cost - Fuel

List of vehicle/s	Number of Vehicles	Average Cost per liter	Ave. weekly consumption in liters	Number of weeks in one year	Annual Cost of fuel for the vehicle	Percentage of use for inspection per week	Annual cost for Fuel for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
					-		-
						TOTAL	

If the LGU does not provide vehicles for inspection, but only allows the reimbursement of actual transportation expenses, the annual cost should be computed by determining the monthly reimbursements multiplied by 12

Table 7:

Variable Cost - Allowance/Reimbursement for Fuel

Name and Position	Transportation Cost based on Allowance/Reimbursements		% Time assigned in the delivery of the	Annual Cost of the Service
	Average Monthly	Annual Allowance		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)
Aileen Rose A. Tantoy - LRCO I/BPLO	300	1,200	6%	72.00
Maximo D. Guarte- Sanitary Inspector	300	1,200	6%	72.00
Joegie E. Cabatuan-Admin. Aide VI	300	1,200	5%	60.00
Kathleen Jay U. Orozco-Admin Aide IV	300	1,200	5%	60.00
Anthony Rengel-Agri'l Technologist	300	1,200	5%	60.00
Rachel Ortolan-Envi.Mgt. Specialist	300	1,200	5%	60.00
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
			TOTAL	

STEP 4.C OTHER VARIABLE COSTS

Instructions in Filling the Form

Column 1. List down the supplies, materials and other resources which are issued to each applicant or varies directly with the number of applicants.

Column 2. Count all filled application forms, schedule slips, results forms, etc., and those issued with official receipts. Consider if applicants were successfully processed a approved, and provided with new business plate, stickers and/or certificates.

Column 3. Secure the unit cost for each and every item identified as other variable cost from the City Accounting Office.

Column 4. Compute for the annual other variable cost by multiplying column 2 and column 3

Table 8:

Variable Cost - Other variable cost

Particulars	Annual Number of Applications	Cost/Measuring unit (Php)	Annual cost (Php)
(col 1)	(col 2)	(col 3)	(col 4)
	13		
Bond paper	39	0.50	19.50
Official Receipts	26	3.40	88.40
Linen Paper A4	13	2.00	26.00
			-
			-
			-
			-
		TOTAL	[illegible]

Instructions for Filling Up the Form

Column 1 - List all identified variable costs.

Column 2 - Fill up the variable costs for the "Subject Service" and reflect the sum of all entries of each cell to total

Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Variable Cost Per Application.

Table 9:

Summary Table- Variable Costs

	Total	Estimated Routine Variable Cost Per Application
Annual Number of Applications	13	
Variable Costs		
Routine Personnel	3,238.61	249.12
Travel Reimbursement	384.00	29.54
Other Supplies/Forms/Materials	133.90	10.30
TOTAL	3,756.51	288.96

STEP 5. ALLOCATE THE VARIABLE COST FOR SPECIAL ACTIVITIES

Name and position	SG/Step	Monthly Salary	Annual Salary	Other compensation	Total Annual Compensation	% time devoted for the activity	Amount of variable expense
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Aileen Rose A. Tantoy - BPLO Designate	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.20	0.15%	439.48
Maximo D. Geerte - Sanitary Inspector	SG6/S8	19,963.00	239,556.00	87,926.00	261,985.60	0.15%	392.98
Joegie E. Cabarron - Admin Aide IV	SG6/S3	14,537.00	174,444.00	77,074.00	201,214.40	0.14%	281.70
Kathleen Joy U. Orosco - Admin Aide IV	SG4/S2	12,710.00	152,520.00	73,428.00	188,859.80	0.14%	264.40
Anthony Rengel - Agric'l Technologist	SG18/S1	19,190.00	230,280.00	86,880.00	253,528.00	0.14%	354.66
Rachel Ontolan - Inst.Mgt. Specialist	SG15/S1	30,459.00	365,496.00	188,904.00	379,473.60	0.14%	531.26
						Total	2,264.48

Instructions in Filling the Form

Column 1 - List the staff assigned to the "Special" Activity.

Column 2 - Indicate salary grade for each staff

Column 3 - Fill out the salary rate/month for each staff

Column 4 - Compute for the annual salary of each staff by multiplying column 3 by 12 months

Column 5 - Identify all other remuneration received by the staff. Other benefits such as (SALA, PERA, year-end benefits and other remuneration

Column 6 - Sum up column 4 and 5

Column 7 - Estimate the percentage of time each staff performs activity in the issuance of the business permit. Estimate may be provided by the concerned staff

Column 8 - Get the total cost for the Special Activity by adding the cost for each staff involved in delivering the service

Basis (2) Simple and Complex

CATEGORIES	No. of Personnel	Weight	Allocation
Simple		#DIV/0!	#DIV/0!
Complex		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!

Basis (1) Per Business Classification

CLASSIFICATION	Weight	Allocation
Manufacturer		#DIV/0!
Wholesalers		#DIV/0!
Exporters		#DIV/0!
Retailers		#DIV/0!
Contractors		#DIV/0!
Banks and other Institutions		#DIV/0!
Peddlers		#DIV/0!
Others		#DIV/0!
	0	#DIV/0!

Weight Allocation According to Complexity and Business Classification

BUSINESS CLASSIFICATION			Simple - Complex Weight Assigned	Total	Simple	Complex
With Complex	Manufacturer	#DIV/0!			#DIV/0!	#DIV/0!
	Wholesalers	#DIV/0!			#DIV/0!	
	Exporters	#DIV/0!			#DIV/0!	
	Retailers	#DIV/0!			#DIV/0!	
With Complex	Contractors	#DIV/0!			#DIV/0!	#DIV/0!
	Banks and other Inst.	#DIV/0!			#DIV/0!	
	Peddlers	#DIV/0!			#DIV/0!	
	Others	#DIV/0!			#DIV/0!	
					#DIV/0!	#DIV/0!

Note: Other basis may be used (e.g. the DTI classification as to Cottage, Small, etc)

STEP 6. ESTIMATE AND DISTRIBUTE THE FIXED COSTS

STEP 6.A COST OF OFFICE SPACE

Instruction in Filling Up the Form

Column 1 - Describes the cost formula for determining share of office cost for delivering "Subject Service". Determine the cost of construction per square meter (approximately P20,000/sq.m.) and the floor area of the entire City Hall. The building construction cost is the product of the two values. Knowing the floor area occupied by the different offices delivering the "Subject Service", its proportionate share in the total floor area of the city hall multiplied by cost of constructing the building will be the cost of office space occupied. The annual depreciation rate is 4% since the normal economic life of reinforced concrete structures is 25 years. We can compute for the annual depreciation expense by multiplying the cost of office space occupied by depreciation rate and approximately the annual maintenance cost by apportioning 20% of the annual depreciation expenses. The 20% is used whenever actual data from the Accounting Office is unavailable. The share of cost for delivering "Subject Service" can be computed by adding annual depreciation expense and annual maintenance cost multiplied by the percent of work by the Office utilized for delivering the "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 10:

Fixed Cost - Office Space (Owned by the LGU)

Particulars (col 1)	Offices Involved in the delivery of " " Fee (col 2)
Construction Cost (per sq m)	14,751.85
Floor area of City Hall (sq m)	1,080.00
Building Construction Cost (Php)	15,913,000.00
Office Area Occupied (sq. m)	72.00
Cost of Office Area Occupied (Php)	1,060,866.67
Depreciation Rate (%)	3%
Annual Depreciation Expense (Php)	503,911.66
Annual Maintenance Cost (Php)	100,782.33
Percent of Work for " " (%)	0.86%
Share of Cost attributable to delivering the service (Php)	5,200.57

Instructions for Filling Up the Form

Column 1 - Determine the monthly rental rate and multiply by the number of months the office space was rented to know the annual cost for rental. Add actual cost for maintaining the Office space. If the actual data is not available add 20% of the annual cost of rental to determine the annual cost for rented office space. The annual fixed cost for rented office space attributable to rendering the service is the annual cost of rented office space multiplied by the proportion of time used for "Subject Service" services in relation to the total responsibility of the Office delivering the service

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 11:

Fixed Cost - Office Space (Rented by the LGU)

Particulars (col 1)	Offices Involved in the delivery of "Subject Service" Fee (col 2)
Rental rate per month	
Number of months use	
Annual cost of rental	-
Maintenance Cost	-
Annual cost of rented office space	-
Percentage of time used for the delivery of the service in relation to the responsibility of the Office	
Annual fixed cost (rented office space) attributable to delivering the service	

STEP 6.B UTILITIES

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of electricity cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the cost of electricity rate per kilowatt hour and the kilowatt consumption/hour of the Office delivering the service. The regular operations of a City Office is 7:30am-5:30pm or 10 hrs and there are approximately 260 days per year. The annual cost of electricity for the offices delivering the service is the product of the electricity rate per kwh, the kilowatt consumption per hour of the office, the number of operating hours per days, and the number of operating days per year. The percent of work to be considered is an approximation by the head of unit delivering the service in relation to its total responsibilities. When known, the net cost of electricity attributed to delivery of service shall be the annual cost of electricity for the office multiplied by the percent of work devoted by the office for "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of water cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the number of people directly related to the processing and issuance of "Subject Service", the estimated water bill per person per month is P100. The net cost of water attributed to the delivery of "Subject Service" can be computed by the estimated water bill of the office per year multiplied by the percent of "Subject Service" work performed by the office in relation to the total responsibilities assigned to the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service"

Instructions for Filling Up the Form

Column 1. The cost of telephone can be computed by knowing the number of telephone lines available in the Office and the monthly subscription rate per month. The annual cost of telephone services is the number of telephone lines multiplied by the monthly subscription rate over a period of twelve months. The net cost of telephone services attributed to processing and issuance of mayors permit is the annual cost of telephone services multiplied by the percent of work performed by the Office in processing and issuance of "Subject Service" in as a percentage of the total responsibilities of the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 12

Cost of Electricity	
Particulars	**Offices involved in the delivery of " Fee "**
(col 1)	(col 2)
Electricity rate per kilowatt hour (Php)	17.07
Kilowatt consumption/hour for the unit delivering the service	5.63
Number of operating hours per day	8.00
Number of days per year	264.00
Electricity cost per year	202,971.86
Percent of work for the service rendered	0.86%
Net electricity cost attributed to "Subject Service" service	

Table 13

Cost of Water	
Particulars	**Offices involved in the delivery of " Fee**
(col 1)	(col 2)
Number of People	10
Water bill per person per month	77.5
Estimated water bill of the office per year	9,300.00
Percent of work for the service rendered	0.86%
Net cost of water attributed to delivery of "Subject Service".	

Table 14

Cost for Communication	
Particulars	**Offices involved in the delivery of " Fee**
(col 1)	(col 2)
Number of telephone/cellphone lines in the Office delivering the	
Rate of subscription per month	
Annual cost of telephone/mobile services	
Percent of work for the service rendered	
telephone/mobile services attributed to processing and issuance of "Subject	

STEP 6.C COST OF EQUIPMENT AND FURNITURE

Instructions in Filling the Form

Column 1. Identify all the equipment, and other facilities used for the delivery of the subject service.
Column 2. Count the number of each type of equipment or facility.
Column 3. Verify acquisition cost from the Accounting Unit.
Column 4. Compute for the total cost of acquisition by multiplying columns 2 and 3.
Column 5. Compute for the annual depreciation rate by dividing 100% with the estimated economic life in years.
Column 6. Compute the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Secure from the City Accounting Office the actual amount spent for maintenance of equipment/furniture used delivery of the subject service. In the absence of actual data, the amount can be computed by multiplying column 6 by 20%.
Column 8. Add Columns 6 and 7 to determine the annual cost of equipment/facility.
Column 9. Determine the % of time used for delivering the specific service in relation to responsibilities of the office involved in delivering the subject service.
Column 10. Compute for the annual cost share for equipment and funiture by multiplying columns 8 & 9.

Table 15:

Fixed Cost - Equipment and Furniture

Particulars	Number of Units	Acquisition Cost	Total Cost	Depreciation Rate	Annual Depreciation Cost	Maintenance Cost	Total Annual Cost	% Used for delivering the Service	Annual Cost Share for Equipment and Furniture
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)	(col 10)
A. Equipment									
Air Condition	3	35,000	105,000.00	20%	21,000	4,200	25,200	1%	252.00
Computers	3	50,000	150,000.00	20%	30,000	6,000	36,000	1%	360.00
Photocopier			-		-	-	-		-
								Sub-Total	612.00
B. Furniture									
Filing Cabinets	2	5,000	10,000.00	10%	1,000	200	1,200	1%	12.00
Tables and Chairs	4	2,000	8,000.00	10%	800	160	960	1%	9.60
								Sub-Total	21.60
									633.60

STEP 6.D OTHER FIXED COST

Instructions in Filling the Form

Column 1. Identify Offices delivering the "Subject Service" fee and the type of other fixed costs significant for their operation. In the particular example, these are cost for internet subscription and regular office supplies for the offices involved in delivering the "Subject Service".

Column 2. Verify actual office expenses from the LGU Accounting Office. If data are hard to get, reflect the budget allocation of each office (c/o LGU Budget Office).

Column 3. Determine the percentage of time used by the Office in delivering the specific service in relation to its total responsibilities.

Column 4. Compute for the other variable cost by multiplying column 2 and column 3.

NOTE: Note: The LGU may have other major fixed costs not mentioned in this illustration. When costs are significant, those fixed cost must be identified and added in the template. Conversely, costs that are negligible may be dropped from the calculations.

Table 16:

Other Fixed Cost

Particulars	Annual Rate	Percent of Use for "[illegible] Fees	Annual Cost
(col 1)	(col 2)	(col 3)	(col 4)
Internet Services	**18,000.00**	**1%**	**180.00**
Regular Office Supplies			-
Information Tech Team			-
Security Team			
Janitorial Team			
Reception Services			
		Total	180.00

Instructions for Filling Up the Form

Column 1 - List all identified fixed costs.
Column 2 - Fill up the fixed costs for the "Subject Service" and reflect the sum of all entries of each cell under "Total".
Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Fixed Cost Per Application.

Table 17:

Summary Table - Fixed Costs

Fixed Cost	Total	Estimated Routine Fixed Cost Per Application
(col 1)	(col 2)	(col 3)
Annual Number of Applications	13	
Office Space	5,200.37	400.03
Utilities	1,825.54	140.43
Electricity	1,745.56	134.27
Water	79.98	6.15
Communication	-	-
Equipment and Furniture	633.60	48.74
Other Fixed Cost	180.00	13.85
TOTAL	7,839.51	603.04

STEP 7. COMPARE FEE WITH COST OF DELIVERING SERVICES

Name of Fee/Charge:

Fee Rate Estimation Using Costs of Issuing Permits Plus Cost of Surveillance		Comparison with Current Fee Rates		Difference	% Variance (-/+)	Remaks:Reasonable/Not Reasonable
Total Cost		Total Collection on Fees and/or Charges		(7,349.29)	(0.53)	Reasonable
Number of Applications Processed		Number of Applications Processed				
Average Fee Rate		Average Fee Rates		(565.33)	(0.53)	

Instructions for Filling

(1) For every fee or charge, compare Total Revenue with Total Cost of delivering the subject service based on the results of the foregoing procedures.
(2) Compute the difference and determine the corresponding variance. If it yields a variance (-/+) of more than 10%, the LGU is either subsidizing (-) or generating revenues (+) in relation to the subject service.

(3) Input the results in a summary form using Table 23 for ease in reference and appreciation during the review and deliberation of the results of the Toolkit.
(4) If so, then the LGU must submit, along with the report of the results, a proposed Rationalization of Fees and Charges using the options.

Compare Fee with Cost of Delivering Services				
Fee Rate Estimation using Costs of issuing permits plus cost of surveillance		Comparison with Current Fee Rates		
Total Cost		Total Revenue		(7,349.29)
Total Number of Applicants		Number of Applications Processed		
Average Fee Rate		Average Fee Rates		(565.33)

Scenario 1	% of Applicants	Number of Applicants	Cost (with weight)	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application			
Simple	#DIV/0!		#DIV/0!	#DIV/0!	788.96	603.04	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Complex	#DIV/0!		#DIV/0!	#DIV/0!	788.96	603.04	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!	-	#DIV/0!				#DIV/0!			#DIV/0!

Classification	Allocation	% of Applicants	Number	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application			
Manufacturers	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Wholesalers	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Exporters	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Retailers	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Contractors	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Banks and other financial institutions	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Peddlers	#DIV/0!									
Others	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!			#DIV/0!				#DIV/0!		#DIV/0!
		0%								

	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
							#DIV/0!

Summary of Rationalized Local Fees and Charges

Local Fee/Charge	Current Rate	Rationalized Rate	% Variance	Remarks/Recommended Rate
[illegible]	500.00	1,065.33	-0.53	Propose: 1,000.00

STEP 1: MAP YOUR PROCESS FLOW

Note:
- A flowchart is a picture of the separate steps involved in a given process, presented in sequential order.
- Particularly helpful in analyzing and identifying areas for improvement by showing inefficiencies in the system.
- Also, it is useful in costing analysis.
- For this template, it is not necessary to use the various diagrams and boxes normally used in process flowcharts.
- Suggested Source: Citizen's Charter or the duly authorized process flow of the concerned office (for standard procedure)

Instructions in Filling the Form

1 Discuss and decide on the boundaries of your process.
* Where or when does the process start? Where or when does it end?
2 Arrange and document the activities in proper sequence.

Table 1:

	LIST OF ACTIVITIES
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Retailer- Medium, and verify the completeness of the requirements.
2	Encode the application in the system and check the correctness of the entries.
3	Prepare and print the Tax Order of Payment.
4	Receive payment and issue Official Receipt.
5	Sign and approve the application by the Municipal Treasurer and BPLO.
6	Prepare and approve Mayor's Permit.
7	Record and release the Mayor's Permit to the applicant.
8	Conduct actual inspection of the business establishment.

STEP 2: IDENTIFY THE RESOURCES FOR EACH ACTIVITY

Instructions in Filling the Form

1 Identify the offices and all key people involved with each activity. Identify official position.
* For standardization, base the information on the Citizen s Charter or the duly authorized process flow for standard procedure.
* This includes those who do the work in the process: suppliers, customers and supervisors.
2 List down the materials and resources utilized in each stage.

Table 2:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Retailer- Medium, and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jheian Richelle Lipao/Admin Aide I	Linen Paper A4
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form

STEP 3: CLASSIFY ACTIVITIES INTO "ROUTINE" AND "SPECIAL"

Instructions in Filling the Form

1 Classify the activities into whether they are:
* Routine(same procedure and effort for each applicant)
* Special (usually the vital part of the process and varies according to the type and/or complexity of the business of the applicant)

Note: **It is highly suggested to identify one (1) special step.**
- **However, it can be two (2) or more. In that case, it will have an impact on the weight of the Special Variable Component.**
- **It may also yield that there is no special step in the whole process. In that case, the normal costing procedure is applicable and the computation will not involve a Special Variable Component.**

Table 3:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL	TYPE OF ACTIVITY
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for Retailer- Medium, and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen	Routine
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-	Routine
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink	Routine
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt	Routine
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-	Routine
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jheian Richelle Lipao/Admin Aide I	Linen Paper A4	Routine
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora D. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook	Routine
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form	Special

STEP 4. QUANTIFY THE VARIABLE COST FOR ROUTINE ACTIVITIES

STEP 4.A PERSONNEL COSTS

Instructions in Filling Up the Form

Column 1- Base it on the staff identified as directly involved in the Routine Activities of the subject service. The actual number may be obtained from the Citizen's Charter or authorized office process flow, including the list of contractual positions for the particular service/s being rendered.

Column 2 - Match the salary grade for each staff. The salary grade data will be available at the Citizen's Charter, HR, Accounting, or Budget Office of the City.

Column 3 - Fill out the salary rate per month for each staff. The salary rates per month may be obtained from HR, Accounting, or Budget offices of the LGU.

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months

Column 5. Identify all other remunerations regularly received by the staff. Data will be available at the City Budget or Accounting Department. In case data will not be readily available, other benefits can be represented by computing 20% of the annual salary.

Column 6. Sum up columns 4 and 5, and multiply it by 80%. The 20% covers lag time usually allotted to attendance in seminars/trainings, leaves, and other admin activities not related to the service. LGUs may also devise other method to determine the annual % of time assigned in the delivery of subject service, exclusive of lag time.

Column 7. Approximate the annual percentage of time each staff performs the task directly related to the activity. Data shall be provided by the head of units performing the service, e.g., if exclusively doing such task, then put 100%.

Column 8. Get the total personnel cost attributable to Routine Activities by adding the cost for each staff involved in delivering the service.

Table 4: Personnel Cost

Name and Position	Compensation					% Time assigned in the delivery of Mayor's Permit Retailer-Medium	Annual Cost of the Service
	SG-Step	Monthly Salary	Annual Salary	Other Benefits	Annual Compensation		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Carmelita M. Palma - Acting MT	SG14/S1	27,768.00	333,216.00	253,536.00	469,401.60	0.09%	422.46
Aileen Rose A. Tantoy - LACO I/BPLO	SG11/S1	22,731.80	272,772.00	93,462.00	292,987.20	0.13%	380.88
Luzviminda A. Datoy - ROC III	SG9/S1	17,420.00	209,040.00	82,840.00	233,504.00	0.10%	233.50
Nora D. Ogdoc - Admin Aide	SG1/S1	10,623.00	127,476.00	69,246.00	157,377.60	0.06%	94.43
Nestor S. Valeroso - Mayor	SG27/S3	106,997.00	1,283,964.00	441,994.00	1,380,766.40	0.03%	414.23
Jhelan Richelle Upao - Admin Aide	SG1/S1	10,546.00	126,552.00	69,092.00	156,515.20	0.06%	93.91
							-
							-
							-
							-
							-
							-
			-		-		-
			-		-		-
			-		-		-
						TOTAL	1,639.41

STEP 4.B COST OF TRANSPORTATION

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection.
Column 3. Verify unit cost of vehicle
Column 4. Determine the total cost by multiplying columns 2 and 3
Column 5. Apply the depreciation rate (Note: Economic life of a vehicle is 10 years)
Column 6. Compute for the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Verify from the City Accounting Office the actual amount spent for maintenance of the vehicle used for inspection. In the absence of actual data, the amount can be computed by multiplying column 5 by 20%.

Column 8. Determine the frequency of use of the vehicle. In the specific case sample, half day use from February to November is 44/52 weeks x .5 days. Note that the LGUs may devise other method to determine the actual frequency of use of vehicle.
Column 9. Compute the cost of vehicle for inspection by adding columns 6 and 7 thenmultiply the frequency of use in column 8.

Table 5:

Variable Cost - Vehicle

List of Vehicle/s	Number of Vehicles	Unit Cost	Total Cost	Depreciation Rate/Year	Annual Depreciation Cost	Maintenance cost	Percentage of use for inspection per week	Annual cost of vehicle for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)
					-			-
							TOTAL	-

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection
Column 3. Verify the average cost of fuel per liter
Column 4. Check the average weekly consumption in liters
Column 5. There are 52 weeks in one year. Identify the number of weeks the vehicles(s) has been used in a year.
Column 6. Compute for annual cost of fuel for 1 year by multiplying columns 2, 3, 4 and 5.
Column 7. Determine the percentage for the frequency of use of the vehicle for inspection. In the specific case sample, half day use from February to November is 44/52 weeks X .5 days. Note that the LGUs may devise other method to determine the actual percentage for the frequency of use of the vehicle.
Column 8. Compute the cost of fuel for inspection activities by multiplying columns 6 and 7.

Table 6:

Variable Cost - Fuel

List of vehicle/s	Number of Vehicles	Average Cost per liter	Ave. weekly consumption in liters	Number of weeks in one year	Annual Cost of fuel for the vehicle	Percentage of use for inspection per week	Annual cost for Fuel for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
					-		-
						TOTAL	-

If the LGU does not provide vehicles for inspection, but only allows the reimbursement of actual transportation expenses, the annual cost should be computed by determining the monthly reimbursements multiplied by 12

Table 7:

Variable Cost - Allowance/Reimbursement for Fuel

Name and Position	Transportation Cost based on Allowance/Reimbursements		% Time assigned in the delivery of the "Mayor's Permit:Retailer-Medium"	Annual Cost of the Service
	Average Monthly	Annual Allowance		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)
Aileen Rose A. Tantoy - LRCO I/BPLO	300	1,200	6%	72.00
Maximo D. Guarte- Sanitary Inspector	300	1,200	6%	72.00
Joegie E. Cabatuan-Admin. Aide VI	300	1,200	5%	60.00
Kathleen Jay U. Orozco-Admin Aide IV	300	1,200	5%	60.00
Anthony Rengel-Agri'l Technologist	300	1,200	5%	60.00
Rachel Ontolan-Envi.Mgt. Specialist	300	1,200	5%	60.00
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
			TOTAL	384.00

TOTAL OF VEHICLE AND FUEL:	-

STEP 4.C OTHER VARIABLE COSTS

Instructions in Filling the Form

Column 1. List down the supplies, materials and other resources which are issued to each applicant or varies directly with the number of applicants.

Column 2. Count all filled application forms, schedule slips, results forms, etc., and those issued with official receipts. Consider if applicants were successfully processed a approved, and provided with new business plate, stickers and/or certificates.

Column 3. Secure the unit cost for each and every item identified as other variable cost from the City Accounting Office.

Column 4. Compute for the annual other variable cost by multiplying column 2 and column 3

Table 8:

Variable Cost - Other variable cost

Particulars	Annual Number of Applications	Cost/Measuring unit (Php)	Annual cost (Php)
(col 1)	(col 2)	(col 3)	(col 4)
	5		
Bond paper	15	0.50	7.50
Official Receipts	10	3.40	34.00
Linen Paper A4	5	2.00	10.00
			-
			-
			-
			-
		TOTAL	51.50

Instructions for Filling Up the Form

Column 1 - List all identified variable costs.

Column 2 - Fill up the variable costs for the "Subject Service" and reflect the sum of all entries of each cell to total

Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Variable Cost Per Application.

Table 9:

Summary Table- Variable Costs

	Total	Estimated Routine Variable Cost Per Application
Annual Number of Applications	5	
Variable Costs		
Routine Personnel	1,639.41	327.88
Travel Reimbursement	384.00	76.80
Other Supplies/Forms/Materials	51.50	10.30
TOTAL	2,074.91	414.98

STEP 5. ALLOCATE THE VARIABLE COST FOR SPECIAL ACTIVITIES

Name and position	SG/Step	Monthly Salary	Annual Salary	Other compensation	Total Annual Compensation	% Time allocated for the service	Annual cost of service for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Aileen Rose A. Tantoy - BPLO Designate	SG11/S1	22,731.00	272,772.00	98,482.00	292,987.20	0.15%	439.48
Maximo D. Guarte - Sanitary Inspector	SG6/S8	19,965.00	239,556.00	87,926.00	261,985.60	0.15%	392.98
Jongie E. Cabatuan - Admin Aide IV	SG6/S3	14,537.00	174,444.00	77,874.00	201,214.40	0.12%	241.46
Kathleen Joy U. Orozco - Admin Aide IV	SG4/S2	12,719.00	152,628.00	73,438.00	180,852.80	0.12%	217.02
Anthony Rougel - Agric'l Technologist	SG10/S1	19,190.00	230,280.00	86,580.00	253,328.00	0.12%	303.99
Rachel Catalan - Envl.Mgt. Specialist	SG15/S1	30,458.00	365,496.00	108,906.00	379,473.60	0.12%	455.37
			-		-		-
						TOTAL	2,050.30

Instructions in Filling the Form

Column 1- List the staff assigned to the "Special" Activity/ies.
Column 2 - Match the salary grade for each staff
Column 3 - Fill out the salary rate/month for each staff
Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months
Column 5. Identify all other remunerations regularly received by the staff. Other benefits include RATA, PERA, year end benefits and other remunerations
Column 6. Sum up columns 4 and 5
Column 7.Estimate the annual % of time each staff performs directly to the issuance of the subject service. The rate shall be provided by the concerned unit
Column 8.Get the total cost for the Special Activity by adding the cost for each staff involved in delivering the service
Proceed to the weight allocation. (The weight allocation may vary depending on the appropriate basis to the scenario within an LGU)

Basis (2) Simple and Complex

CATEGORIES	No. of Personnel	Weight	Allocation
Simple		#DIV/0!	#DIV/0!
Complex		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!

*Here, the client to analyze the weight allocation based on the combination of the previous two options

** In here, Manufacturers and Contractors were viewed to have both simple and complex business structures

*** Hence, the further classification in to simple and complex within the classification of Manufacturers and Contractors

Basis (1) Per Business Classification

CLASSIFICATION	Weight	Allocation
Manufacturer		#DIV/0!
Wholesalers		#DIV/0!
Exporters		#DIV/0!
Retailers		#DIV/0!
Contractors		#DIV/0!
Banks and other institutions		#DIV/0!
Peddlers		#DIV/0!
Others		#DIV/0!
	0	#DIV/0!

Weight Allocation According to Complexity and Business Classification

	BUSINESS CLASSIFICATION		Simple Weight	Complex Weight	Total	Simple	Complex
With Complex	Manufacturer	#DIV/0!				#DIV/0!	#DIV/0!
	Wholesalers	#DIV/0!				#DIV/0!	
	Exporters	#DIV/0!				#DIV/0!	
	Retailers	#DIV/0!				#DIV/0!	
With Complex	Contractors	#DIV/0!				#DIV/0!	#DIV/0!
	Banks and other inst	#DIV/0!				#DIV/0!	
	Peddlers	#DIV/0!				#DIV/0!	
	Others	#DIV/0!				#DIV/0!	
						#DIV/0!	#DIV/0!

Note: Other basis may be used (e. g. the DTI classification as to Cottage, Small, etc)

STEP 6. ESTIMATE AND DISTRIBUTE THE FIXED COSTS

STEP 6.A COST OF OFFICE SPACE

Instruction in Filling Up the Form

Column 1 - Describes the cost formula for determining share of office cost for delivering "Subject Service". Determine the cost of construction per square meter (approximately P20,000/sq.m.) and the floor area of the entire City Hall. The building construction cost is the product of the two values. Knowing the floor area occupied by the different offices delivering the "Subject Service", its proportionate share in the total floor area of the city hall multiplied by cost of constructing the building will be the cost of office space occupied. The annual depreciation rate is 4% since the normal economic life of reinforced concrete structures is 25 years. We can compute for the annual depreciation expense by multiplying the cost of office space occupied by depreciation rate and approximately the annual maintenance cost by apportioning 20% of the annual depreciation expenses. The 20% is used whenever actual data from the Accounting Office is unavailable. The share of cost for delivering "Subject Service" can be computed by adding annual depreciation expense and annual maintenance cost multiplied by the percent of work by the Office utilized for delivering the "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 10:

Fixed Cost - Office Space (Owned by the LGU)

Particulars (col 1)	Offices Involved in the delivery of "Mayor's Permit: Retailer-Medium" Fee (col 2)
Construction Cost (per sq m)	14,751.85
Floor area of City Hall (sq m)	1,080.00
Building Construction Cost (Php)	15,913,000.00
Office Area Occupied (sq. m)	72.00
Cost of Office Area Occupied (Php)	1,060,866.67
Depreciation Rate (%)	3%
Annual Depreciation Expense (Php)	503,911.66
Annual Maintenance Cost (Php)	100,782.33
Percent of Work for "Mayor's Permit: Retailer-Medium " (%)	0.47%
Share of Cost attributable to delivering the service (Php)	2,842.06

Instructions for Filling Up the Form

Column 1 - Determine the monthly rental rate and multiply by the number of months the office space was rented to know the annual cost for rental. Add actual cost for maintaining the Office space. If the actual data is not available add 20% of the annual cost of rental to determine the annual cost for rented office space. The annual fixed cost for rented office space attributable to rendering the service is the annual cost of rented office space multiplied by the proportion of time used for "Subject Service" services in relation to the total responsibility of the Office delivering the service

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 11:

Fixed Cost - Office Space (Rented by the LGU)

Particulars (col 1)	Offices Involved in the delivery of "Subject Service" Fee (col 2)
Rental rate per month	
Number of months use	
Annual cost of rental	-
Maintenance Cost	-
Annual cost of rented office space	-
Percentage of time used for the delivery of the service in relation to the responsibility of the Office	
Annual fixed cost (rented office space) attributable to delivering the service	-

STEP 6.B UTILITIES

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of electricity cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the cost of electricity rate per kilowatt hour and the kilowatt consumption/hour of the Office delivering the service. The regular operations of a City Office is 7:30am-5:30pm or 10 hrs and there are approximately 260 days per year. The annual cost of electricity for the ofices delivering the service is the product of the electricity rate per kwh, the kilowatt consumption per hour of the office, the number of operating hours per days, and the number of operating days per year. The percent of work to be considered is an approximation by the head of unit delivering the service in relation to its total responsibilities. When known, the net cost of electricity attributed to delivery of service shall be the annual cost of electricity for the office multiplied by the percent of work devoted by the office for "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 12:

Cost of Electricity	
Particulars	**Offices involved in the delivery of "Mayor's Permit:Retailer:Medium" Fee**
(col 1)	(col 2)
Electricity rate per kilowatt hour (Php)	17.07
Kilowatt consumption/hour for the unit delivering the service	5.63
Number of operating hours per day	8.00
Number of days per year	264.00
Electricity cost per year	202,971.86
Percent of work for the service rendered	0.47%
Net electricity cost attributed to "Subject Service" service	953.97

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of water cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the number of people directly related to the processing and issuance of "Subject Service". The estimated water bill per person per month is P100. The net cost of water attributed to the delivery of "Subject Service" can be computed by the estimated water bill of the office per year multiplied by the percent of "Subject Service" work performed by the office in relation to the total responsibilities assigned to the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 13:

Cost of Water	
Particulars	**Offices involved in the delivery of "Mayor's Permit:Retailer Medium" Fee**
(col 1)	(col 2)
Number of People	10
Water bill per person per month	77.50
Estimated water bill of the office per year	9,300.00
Percent of work for the service rendered	0.47%
Net cost of water attributed to delivery of "Subject Service".	43.71

Instructions for Filling Up the Form

Column 1. The cost of telephone can be computed by knowing the number of telephone lines available in the Office and the monthly subscription rate per month. The annual cost of telephone services is the number of telephone lines multiplied by the monthly subscription rate over a period of twelve months. The net cost of telephone services attributed to processing and issuance of mayors permit is the annual cost of telephone services multiplied by the percent of work performed by the Office in processing and issuance of "Subject Service" in as a percentage of the total responsibilities of the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 14:

Cost for Communication	
Particulars	**Offices involved in the delivery of "Mayor's Permit:Retailer:Medium" Fee**
(col 1)	(col 2)
Number of telephone/cellphone lines in the Office delivering the	
Rate of subscription per month	
Annual cost of telephone/mobile services	
Percent of work for the service rendered	
Net cost of telephone/mobile services attributed to processing and issuance of "Subject Service"	

STEP 6.C COST OF EQUIPMENT AND FURNITURE

Instructions in Filling the Form

Column 1. Identify all the equipment, and other facilities used for the delivery of the subject service.
Column 2. Count the number of each type of equipment or facility.
Column 3. Verify acquisition cost from the Accounting Unit.
Column 4. Compute for the total cost of acquisition by multiplying columns 2 and 3.
Column 5. Compute for the annual depreciation rate by dividing 100% with the estimated economic life in years.
Column 6. Compute the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Secure from the City Accounting Office the actual amount spent for maintenance of equipment/furniture used delivery of the subject service. In the absence of actual data, the amount can be computed by multiplying column 6 by 20%.
Column 8. Add Columns 6 and 7 to determine the annual cost of equipment/facility.
Column 9. Determine the % of time used for delivering the specific service in relation to responsibilities of the office involved in delivering the subject service.
Column 10. Compute for the annual cost share for equipment and funiture by multiplying columns 8 & 9.

Table 15:

Fixed Cost - Equipment and Furniture

Particulars	Number of Units	Acquisition Cost	Total Cost	Depreciation Rate	Annual Depreciation Cost	Maintenance Cost	Total Annual Cost	% Used for delivering the Service	Annual Cost Share for Equipment and Furniture
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)	(col 10)
A. Equipment									
Air Condition	3	35,000	105,000.00	20%	21,000	4,200	25,200	1%	252.00
Computers	3	50,000	150,000.00	20%	30,000	6,000	36,000	1%	360.00
Photocopier			-		-	-	-		-
								Sub-Total	612.00
B. Furniture									
Filing Cabinets	2	5,000	10,000.00	10%	1,000	200	1,200	1%	12.00
Tables and Chairs	4	2,000	8,000.00	10%	800	160	960	1%	9.60
								Sub-Total	21.60
								TOTAL	633.60

STEP 6.D OTHER FIXED COST

Instructions in Filling the Form

Column 1. Identify Offices delivering the "Subject Service" fee and the type of other fixed costs significant for their operation. In the particular example, these are cost for internet subscription and regular office supplies for the offices involved in delivering the "Subject Service".

Column 2. Verify actual office expenses from the LGU Accounting Office. If data are hard to get, reflect the budget allocation of each office (c/o LGU Budget Office).

Column 3. Determine the percentage of time used by the Office in delivering the specific service in relation to its total responsibilities.

Column 4. Compute for the other variable cost by multiplying column 2 and column 3.

NOTE: Note: The LGU may have other major fixed costs not mentioned in this illustration. When costs are significant, those fixed cost must be identified and added in the template. Conversely, costs that are negligible may be dropped from the calculations.

Table 16:

Other Fixed Cost

Particulars	Annual Rate	Percent of Use for "Mayor's Permit: Retailer-Medium" Fees	Annual Cost
(col 1)	(col 2)	(col 3)	(col 4)
Internet Services	**18,000.00**	**1.00%**	**180.00**
Regular Office Supplies			-
Information Tech Team			-
Security Team			
Janitorial Team			
Reception Services			
		Total	**180.00**

Instructions for Filling Up the Form

Column 1 - List all identified fixed costs.
Column 2 - Fill up the fixed costs for the "Subject Service" and reflect the sum of all entries of each cell under "Total".
Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Fixed Cost Per Application.

Table 17:

Summary Table - Fixed Costs		
Fixed Cost	Total	Estimated Routine Fixed Cost Per Application
(col 1)	(col 2)	(col 3)
Annual Number of Applications	5	
Office Space	2,842.06	568.41
Utilities	997.68	199.54
Electricity	953.97	190.79
Water	43.71	8.74
Communication	-	-
Equipment and Furniture	633.60	126.72
Other Fixed Cost	180.00	36.00
TOTAL	4,653.34	930.67

STEP 7. COMPARE FEE WITH COST OF DELIVERING SERVICES

Name of Fee/Charge: Mayor's Permit Retailer - Medium

Fee Rate Estimation Using Costs of Issuing Permits Plus Cost of Surveillance		Comparison with Current Fee Rates		Difference	% Variance (-/+)	Remaks:Reasonable/Not Reasonable
Total Cost	8,778.56	Total Collection on Fees and/or Charges	7,500.00	(1,278.56)	(0.15)	Reasonable
Number of Applications Processed	5	Number of Applications Processed	5			
Average Fee Rate	1,755.71	Average Fee Rates	1,500.00	(255.71)	(0.15)	

Instructions for Filling

(1) For every fee or charge, compare Total Revenue with Total Cost of delivering the subject service based on the results of the foregoing procedures.
(2) Compute the difference and determine the corresponding variance. If it yields a variance (-/+) of more than 10%, the LGU is either subsidizing (-) or generating revenues (+) in relation to the subject Service.

(3) Input the results in a summary form using Table 23 for ease in reference and appreciation during the review and deliberation of the results of the Toolkit.
(4) If so, then the LGU must submit, along with the report of the results, a proposed Rationalization of Fees and Charges using the options.

EXAMPLE:

Compare Fee with Cost of Delivering Services					
Fee Rate Estimation using Costs of issuing permits plus cost of surveillance		Comparison with Current Fee Rates			
Total Cost	8,778.56	Total Revenue	7,500.00	(1,278.56)	-15%
Total Number of Applicants	5	Number of Applications Processed	5		
Average Fee Rate	1,755.71	Average Fee Rates	1,500.00	(255.71)	-15%

		10,594.00		Total						
Scenario 1	% of Applicants	Number of Applicants	Cost (with weight)	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application			
Simple	#DIV/0!		#DIV/0!	[illegible]	414.98	930.67	[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Complex	#DIV/0!		#DIV/0!	[illegible]	414.98	930.67	[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!	-	#DIV/0!					#DIV/0!		#DIV/0!

Classification	Allocation	% of Applicants	Number	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application			
Manufacturer	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Wholesalers	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Exporters	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Retailers	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Contractors	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Banks and other institutions	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
Peddlers	#DIV/0!									
Others	#DIV/0!			[illegible]			[illegible]	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!		-	#DIV/0!				#DIV/0!		#DIV/0!
	Total:	0%								
		100%								

Ok ok

235801.42	-	-	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
235801.42	-	-	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
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			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
									#DIV/0!

Summary of Rationalized Local Fees and Charges

Local Fee/Charge	Current Rate	Rationalized Rate	% Variance	Remarks/Recommended Rate
Mayor's Permit Retailer Medium	1,500.00	1,755.71	-0.15	Propose: 1,750.00

STEP 1: MAP YOUR PROCESS FLOW

Note:
- A flowchart is a picture of the separate steps involved in a given process, presented in sequential order.
- Particularly helpful in analyzing and identifying areas for improvement by showing inefficiencies in the system.
- Also, it is useful in costing analysis.
- For this template, it is not necessary to use the various diagrams and boxes normally used in process flowcharts.

Instructions in Filling the Form

1. Discuss and decide on the boundaries of your process.
   * Where or when does the process start? Where or when does it end?
2. Arrange and document the activities in proper sequence.

Table 1:

	LIST OF ACTIVITIES
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for [illegible], and verify the completeness of the requirements.
2	Encode the application in the system and check the correctness of the entries.
3	Prepare and print the Tax Order of Payment.
4	Receive payment and issue Official Receipt.
5	Sign and approve the application by the Municipal Treasurer and BPLO.
6	Prepare and approve Mayor's Permit.
7	Record and release the Mayor's Permit to the applicant.
8	Conduct actual inspection of the business establishment.

STEP 2: IDENTIFY THE RESOURCES FOR EACH ACTIVITY

Instructions in Filling the Form

1. Identify the offices and all key people involved with each activity. Identify official position.
   * This includes those who do the work in the process: suppliers, customers and supervisors
2. List down the materials and resources utilized in each stage.

Table 2:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for [illegible], and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink
4	Receive payment and issue Official Receipt	MTO	Luzviminda A. Datoy/RCC III	Official Receipt
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jhelan Richelle Lipao/Admin Aide I	Linen Paper A4
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora O. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form

STEP 3: CLASSIFY ACTIVITIES INTO "ROUTINE" AND "SPECIAL"

Instructions in Filling the Form

1. Classify the activities into whether they are:

It is highly suggested to identify one (1) special step.
- **However, it can be two (2) or more. In that case, it will have an impact on the weight of the Special Variable Component.**
- **It may also yield that there is no special step in the whole process. In that case, the normal costing procedure is applicable and the computation will not involve a Special Variable Component.**

Table 3:

	ACTIVITY	OFFICE INVOLVED	PERSONNEL	SUPPLY/MATERIAL	TYPE OF ACTIVITY
1	Receive the accomplished Unified Business Application Form together with the documentary requirements for [illegible], and verify the completeness of the requirements.	BPLO, MTO	Luzviminda Datoy/RCC III, Aileen Rose A. Tantoy/BPLO	Unified Form, Ballpen	Routine
2	Encode the application in the system and check the correctness of the entries.	BPLO	Aileen Rose A. Tantoy/BPLO	-	Routine
3	Prepare and print the Tax Order of Payment.	MTO	Carmelita M. Palma/AMT	Bondpaper, Ink	Routine
4	Receive payment and issue Official Receipt.	MTO	Luzviminda A. Datoy/RCC III	Official Receipt	Routine
5	Sign and approve the application by the Municipal Treasurer and BPLO.	BPLO, MTO	Aileen Rose A. Tantoy/BPLO, Carmelita M. Palma/AMT	-	Routine
6	Prepare and approve Mayor's Permit.	BPLO, Mayor's Office	Aileen Rose A. Tantoy/BPLO, Nestor S. Valeroso/Mayor, Jhelan Richelle Lipao/Admin Aide I	Linen Paper A4	Routine
7	Record and release the Mayor's Permit to the applicant.	MTO	Nora O. Ogdoc/Admin Aide I	Business Plate or sticker, Logbook	Routine
8	Conduct actual inspection of the business establishment.	BPLO, MHO, MENRO, MAO, MPDO	Aileen Rose A. Tantoy/BPLO, MHO-Rep(**Maximo D. Guarte/Sanitary Inspector**), Mun. Engineer-Rep(**Joegie E. Cabatuan/Admin. Aide VI**), MPDO-Rep(**Kathleen Jay U. Orozco/Admin. Aide IV**), Mun. Agriculturist-Rep(**Anthony Rengel/Agri'l Technologist**), MENRO-Rep(**Rachel Ontolan/Envi. Mgmt. Specialist**)	Inspection Checklist/Form	Special

STEP 4. QUANTIFY THE VARIABLE COST FOR ROUTINE ACTIVITIES

STEP 4.A PERSONNEL COSTS

Instructions in Filling Up the Form

Column 1- Base it on the staff identified as directly involved in the Routine Activities of the subject service. The actual number may be obtained from the Citizen's Charter or authorized office process flow, including the list of contractual positions for the particular service/s being rendered.

Column 2- Match the salary grade for each staff. The salary grade data will be available at the Citizen's Charter, HR, Accounting, or Budget Office of the City

Column 3 - Fill out the salary rate per month for each staff. The salary rates per month may be obtained from HR, Accounting, or Budget offices of the LGU.

Column 4 - Compute for the annual salary of the staff by multiplying column 3 by 12 months

Column 5. Identify all other remunerations regularly received by the staff. Data will be available at the City Budget or Accounting Department. In case data will not be readily available, other benefits can be represented by computing 20% of the annual salary.

Column 6. Sum up column 4 and 5, and multiply it by 80%. The 20% covers lag time usually allotted to attendance in seminars/trainings, leaves, and other admin activities not related to the service. LGUs may also devise other method to determine the annual % of time assigned in the delivery of subject service, exclusive of lag time

Column 7. Approximate the annual percentage of time each staff performs the task directly related to the activity. Data shall be provided by the head of units performing the service, e.g., if exclusively doing such task, then put 100%.

Column 8.Get the total personnel cost attributable to Routine Activities by adding the cost for each staff involved in delivering the service

Table 4: Personnel Cost

Name and Position	Compensation					% Time assigned in the delivery of	Annual Cost of the Service
	SG-Step	Monthly Salary	Annual Salary	Other Benefits	Annual Compensation		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Carmelita M. Palma - Acting MT	SG14/S1	27,768.00	333,216.00	253,536.00	469,401.60	0.06%	281.64
Aileen Rose A. Tantoy - LRCO I/BPLO	SG11/S1	22,731.00	272,772.00	93,462.00	292,987.20	0.10%	292.99
Luzviminda A. Datoy - RCC III	SG9/S1	17,420.00	209,040.00	82,840.00	234,304.00	0.08%	186.80
Nora D. Ogdoc - Admin Aide	SG1/S1	10,623.00	127,476.00	69,246.00	157,377.60	0.02%	31.48
Nestor S. Valonoso - Mayor	SG27/S3	106,997.00	1,283,964.00	441,994.00	1,380,766.40	0.01%	138.08
Jhelan Richelle Lipao - Admin Aide	SG1/S1	10,548.00	126,552.00	69,092.00	156,515.20	0.02%	31.30
							-
							-
							-
							-
							-
			-		-		-
			-		-		-
			-		-		-

STEP 4.B COST OF TRANSPORTATION

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection.
Column 3. Verify unit cost of vehicle
Column 4. Determine the total cost by multiplying columns 2 and 3
Column 5. Apply the depreciation rate (Note: Economic life of a vehicle is 10 years)
Column 6. Compute for the annual depreciation cost by multiplying columns 4 and 5
Column 7. Verify from the City Accounting Office the actual amount spent for maintenance of the vehicle used for inspection. In the absence of actual data, the amount can be computed by multiplying column 5 by 20%.
Column 8. Determine the frequency of use of the vehicle. In the specific case sample, half day use from February to November is 44/52 weeks x .5 days. Note that the LGUs may devise other method to determine the actual frequency of use of vehicle.
Column 9. Compute the cost of vehicle for inspection by adding columns 6 and 7 thenmultiply the frequency of use in column 8

Table 5:

Variable Cost - Vehicle

List of Vehicle/s	Number of Vehicles	Unit Cost	Total Cost	Depreciation Rate/Year	Annual Depreciation Cost	Maintenance cost	Percentage of use for inspection per week	Annual cost of vehicle for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)
					-			-
							TOTAL	

Instructions in Filling the Form

Column 1. Identify the vehicles used for inspection
Column 2. Identify the number of vehicles used for inspection
Column 3. Verify the average cost of fuel per liter
Column 4. Check the average weekly consumption in liters
Column 5. There are 52 weeks in one year. Identify the number of weeks the vehicle(s) has been used in a year
Column 6. Compute for annual cost of fuel for 1 year by multiplying columns 2, 3, 4 and 5.
Column 7. Determine the percentage for the frequency of use of the vehicle for inspection. In the specific case sample, half day use from February to November is 44/52 weeks X .5 days. Note that the LGUs may devise other method to determine the actual percentage for the frequency of use of the vehicle.
Column 8. Compute the cost of fuel for inspection activities by multiplying columns 6 and 7.

Table 6:

Variable Cost - Fuel

List of vehicle/s	Number of Vehicles	Average Cost per liter	Ave. weekly consumption in liters	Number of weeks in one year	Annual Cost of fuel for the vehicle	Percentage of use for inspection per week	Annual cost for Fuel for inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
					-		-
						TOTAL	

If the LGU does not provide vehicles for inspection, but only allows the reimbursement of actual transportation expenses, the annual cost should be computed by determining the monthly reimbursements multiplied by 12

Table 7:

Variable Cost - Allowance/Reimbursement for Fuel

Name and Position	Transportation Cost based on Allowance/Reimbursements		% Time assigned in the delivery of the " "	Annual Cost of the Service
	Average Monthly	Annual Allowance		
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)
Aileen Rose A. Tantoy - LRCO I/BPLO	300	1,200	6%	72.00
Maximo D. Guarte- Sanitary Inspector	300	1,200	6%	72.00
Joegie E. Cabatuan-Admin. Aide VI	300	1,200	5%	60.00
Kathleen Jay U. Ornzco-Admin Aide IV	300	1,200	5%	60.00
Anthony Rengel-Agri'l Technologist	300	1,200	5%	60.00
Rachel Ontolan-Envi.Mgt. Specialist	300	1,200	5%	60.00
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
			TOTAL	

STEP 4.C OTHER VARIABLE COSTS

Instructions in Filling the Form

Column 1. List down the supplies, materials and other resources which are issued to each applicant or varies directly with the number of applicants.

Column 2. Count all filled application forms, schedule slips, results forms, etc., and those issued with official receipts. Consider if applicants were successfully processed a approved, and provided with new business plate, stickers and/or certificates.

Column 3. Secure the unit cost for each and every item identified as other variable cost from the City Accounting Office.

Column 4. Compute for the annual other variable cost by multiplying column 2 and column 3

Table 8:

Variable Cost - Other variable cost

Particulars	Annual Number of Applications	Cost/Measuring unit (Php)	Annual cost (Php)
(col 1)	(col 2)	(col 3)	(col 4)
	3		
Bond paper	9	0.50	4.50
Official Receipts	6	3.40	20.40
Linen Paper A4	3	2.00	6.00
			-
			-
			-
			-

Instructions for Filling Up the Form

Column 1 - List all identified variable costs.

Column 2 - Fill up the variable costs for the "Subject Service" and reflect the sum of all entries of each cell to total

Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Variable Cost Per Application.

Table 9:

Summary Table- Variable Costs

	Total	Estimated Routine Variable Cost Per Application
Annual Number of Applications	3	
Variable Costs		
Routine Personnel	962.29	320.76
Travel Reimbursement	384.00	128.00
Other Supplies/Forms/Materials	30.90	10.30
	1,377.19	459.06

STEP 5. ALLOCATE THE VARIABLE COST FOR SPECIAL ACTIVITIES

Name and position	SG/Step	Monthly Salary	Annual Salary	Other compensation	Total Annual Compensation	% time allocated for the service	Amount allocated for the inspection
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)
Aileen Rose A. Tantoy - BPLO Designate	SG11/S1	22,731.00	272,772.00	93,462.00	792,987.20	0.15%	439.48
Mamino D. Duarte - Sanitary Inspector	SG6/S8	19,963.00	239,556.00	87,926.00	261,985.60	0.15%	392.98
Jongio E. Cabotaje - Admin Aide IV	SG6/S3	14,537.00	174,444.00	77,074.00	201,214.40	0.14%	281.70
Kathleen Joy U. Orozco - Admin Aide IV	SG4/S2	12,719.80	152,628.00	73,488.00	180,952.80	0.14%	253.19
Anthony Rongel - Agric'l Technologist	SG18/S1	19,198.00	230,280.00	86,360.00	258,328.00	0.14%	354.66
Rachel Catoloan - Envt.Mgt. Specialist	SG15/S1	30,453.80	365,446.00	108,906.08	379,473.60	0.14%	531.26

Instructions in Filling the Form

Column 1 - List the staff assigned to the Special Activity
Column 2 - Mark the salary grade for each staff
Column 3 - Indicate the salary rate/month for each staff
Column 4 - [illegible]
Column 5 - Identify & indicate other compensation (regularity, rate) and by the staff (specify the law RATA, EERA and benefits and other remuneration)
Column 6 - [illegible]
Column 7 - Indicate the percentage (%) of the each staff performance solely for the issuance of the Special Permit. The sum total of the percentage by the number of staff
Column 8 - Get the total amount for the Special Activity and allocate for each staff. [illegible]

Basis (2) Simple and Complex

CATEGORIES	No. of Personnel	Weight	Allocation
Simple		#DIV/0!	#DIV/0!
Complex		#DIV/0!	#DIV/0!
		#DIV/0!	#DIV/0!

Basis (1) Per Business Classification

CLASSIFICATION	Weight	Allocation
Manufacturer		#DIV/0!
Wholesalers		#DIV/0!
Exporters		#DIV/0!
Retailers		#DIV/0!
Contractors		#DIV/0!
Banks and other institutions		#DIV/0!
Peddlers		#DIV/0!
Others		#DIV/0!
	0	#DIV/0!

Weight Allocation According to Complexity and Business Classification

BUSINESS CLASSIFICATION			Simple Weight	Complex Weight	Total	Simple	Complex
With Complex	Manufacturer	#DIV/0!				#DIV/0!	#DIV/0!
	Wholesalers	#DIV/0!				#DIV/0!	
	Exporters	#DIV/0!				#DIV/0!	
	Retailers	#DIV/0!				#DIV/0!	
With Complex	Contractors	#DIV/0!				#DIV/0!	#DIV/0!
	Banks and other institutions	#DIV/0!				#DIV/0!	
	Peddlers	#DIV/0!				#DIV/0!	
	Others	#DIV/0!				#DIV/0!	
						#DIV/0!	#DIV/0!

Note: Other basis may be used (e. g. the DTI classification as to Cottage, Small, etc)

STEP 6. ESTIMATE AND DISTRIBUTE THE FIXED COSTS

STEP 6.A COST OF OFFICE SPACE

Instruction in Filling Up the Form

Column 1 - Describes the cost formula for determining share of office cost for delivering "Subject Service". Determine the cost of construction per square meter (approximately P20,000/sq.m.) and the floor area of the entire City Hall. The building construction cost is the product of the two values. Knowing the floor area occupied by the different offices delivering the "Subject Service", its proportionate share in the total floor area of the city hall multiplied by cost of constructing the building will be the cost of office space occupied. The annual depreciation rate is 4% since the normal economic life of reinforced concrete structures is 25 years. We can compute for the annual depreciation expense by multiplying the cost of office space occupied by depreciation rate and approximately the annual maintenance cost by apportioning 20% of the annual depreciation expenses. The 20% is used whenever actual data from the Accounting Office is unavailable. The share of cost for delivering "Subject Service" can be computed by adding annual depreciation expense and annual maintenance cost multiplied by the percent of work by the Office utilized for delivering the "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 10:

Fixed Cost - Office Space (Owned by the LGU)

Particulars (col 1)	Offices involved in the delivery of "[illegible] Fee (col 2)
Construction Cost (per sq m)	14,751.85
Floor area of City Hall (sq m)	1,080.00
Building Construction Cost (Php)	15,913,000.00
Office Area Occupied (sq. m)	72.00
Cost of Office Area Occupied (Php)	1,060,866.67
Depreciation Rate (%)	3%
Annual Depreciation Expense (Php)	503,911.66
Annual Maintenance Cost (Php)	100,782.33
Percent of Work for "[illegible]" (%)	0.29%
Share of Cost attributable to delivering the service (Php)	[illegible]253.63

Instructions for Filling Up the Form

Column 1 - Determine the monthly rental rate and multiply by the number of months the office space was rented to know the annual cost for rental. Add actual cost for maintaining the Office space. If the actual data is not available add 20% of the annual cost of rental to determine the annual cost for rented office space. The annual fixed cost for rented office space attributable to rendering the service is the annual cost of rented office space multiplied by the proportion of time used for "Subject Service" services in relation to the total responsibility of the Office delivering the service

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 11:

Fixed Cost - Office Space (Rented by the LGU)

Particulars (col 1)	Offices involved in the delivery of "Subject Service" Fee (col 2)
Rental rate per month	
Number of months use	
Annual cost of rental	
Maintenance Cost	-
Annual cost of rented office space	-
Percentage of time used for the delivery of the service in relation to the responsibility of the Office	-
Annual fixed cost (rented office space) attributable to delivering the service	

STEP 6.B UTILITIES

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of electricity cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the cost of electricity rate per kilowatt hour and the kilowatt consumption/hour of the Office delivering the service. The regular operations of a City Office is 7:30am-5:30pm or 10 hrs and there are approximately 260 days per year. The annual cost of electricity for the offices delivering the service is the product of the electricity rate per kwh, the kilowatt consumption per hour of the office, the number of operating hours per days, and the number of operating days per year. The percent of work to be considered is an approximation by the head of unit delivering the service in relation to its total responsibilities. When known, the net cost of electricity attributed to delivery of service shall be the annual cost of electricity for the office multiplied by the percent of work devoted by the office for "Subject Service".

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 17

Cost of Electricity	
Particulars	**Offices involved in the delivery of " Fee**
(col 1)	**(col 2)**
Electricity rate per kilowatt hour (Php)	**17.07**
Kilowatt consumption/hour for the unit delivering the service	**5.63**
Number of operating hours per day	**8.00**
Number of days per year	**264.00**
Electricity cost per year	**202,971.86**
Percent of work for the service rendered	**0.29%**
Net electricity cost attributed to "Subject Service" service	

Instructions for Filling Up the Form

Column 1. Describes the formula for computing the proportion of water cost of the offices delivering the service (e.g. "Subject Service"). Initially, know the number of people directly related to the processing and issuance of "Subject Service". The estimated water bill per person per month is P100. The net cost of water attributed to the delivery of "Subject Service" can be computed by the estimated water bill of the office per year multiplied by the percent of "Subject Service" work performed by the office in relation to the total responsibilities assigned to the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 17

Cost of Water	
Particulars	**Offices involved in the delivery of " Fee**
(col 1)	**(col 2)**
Number of People	**10**
Water bill per person per month	**77.50**
Estimated water bill of the office per year	**9,300.00**
Percent of work for the service rendered	**0.29%**
Net cost of water attributed to delivery of "Subject Service".	

Instructions for Filling Up the Form

Column 1. The cost of telephone can be computed by knowing the number of telephone lines available in the Office and the monthly subscription rate per month. The annual cost of telephone services is the number of telephone lines multiplied by the monthly subscription rate over a period of twelve months. The net cost of telephone services attributed to processing and issuance of mayors permit is the annual cost of telephone services multiplied by the percent of work performed by the Office in processing and issuance of "Subject Service" in as a percentage of the total responsibilities of the Office.

Column 2 - Apply the formula described above for the office involved in the delivery of the "Subject Service".

Table 18

Cost for Communication	
Particulars	**Offices involved in the delivery of " Fee**
(col 1)	**(col 2)**
Number of telephone/cellphone lines in the Office delivering the	
Rate of subscription per month	
Annual cost of telephone/mobile services	
Percent of work for the service rendered	
Net cost of telephone/mobile services attributed to processing and issuance of "Subject Service"	

STEP 6.C COST OF EQUIPMENT AND FURNITURE

Instructions in Filling the Form

Column 1. Identify all the equipment, and other facilities used for the delivery of the subject service.
Column 2. Count the number of each type of equipment or facility.
Column 3. Verify acquisition cost from the Accounting Unit.
Column 4. Compute for the total cost of acquisition by multiplying columns 2 and 3.
Column 5. Compute for the annual depreciation rate by dividing 100% with the estimated economic life in years.
Column 6. Compute the annual depreciation cost by multiplying columns 4 and 5.
Column 7. Secure from the City Accounting Office the actual amount spent for maintenance of equipment/furniture used delivery of the subject service. In the absence of actual data, the amount can be computed by multiplying column 6 by 20%.
Column 8. Add Columns 6 and 7 to determine the annual cost of equipment/facility.
Column 9. Determine the % of time used for delivering the specific service in relation to responsibilities of the office involved in delivering the subject service.
Column 10. Compute for the annual cost share for equipment and funiture by multiplying columns 8 & 9.

Table 15:

Fixed Cost - Equipment and Furniture

Particulars	Number of Units	Acquisition Cost	Total Cost	Depreciation Rate	Annual Depreciation Cost	Maintenance Cost	Total Annual Cost	% Used for delivering the Service	Annual Cost Share for Equipment and Furniture
(col 1)	(col 2)	(col 3)	(col 4)	(col 5)	(col 6)	(col 7)	(col 8)	(col 9)	(col 10)
A. Equipment									
Air Condition	3	35,000	105,000.00	20%	21,000	4,200	25,200	1%	252.00
Computers	3	50,000	150,000.00	20%	30,000	6,000	36,000	1%	360.00
Photocopier			-		-	-	-		-
								Sub-Total	612.00
B. Furniture									
Filing Cabinets	2	5,000	10,000.00	10%	1,000	200	1,200	1%	12.00
Tables and Chairs	4	2,000	8,000.00	10%	800	160	960	1%	9.60
								Sub-Total	21.60
									633.60

STEP 6.D OTHER FIXED COST

Instructions in Filling the Form

Column 1. Identify Offices delivering the "Subject Service" fee and the type of other fixed costs significant for their operation. In the particular example, these are cost for internet subscription and regular office supplies for the offices involved in delivering the "Subject Service".

Column 2. Verify actual office expenses from the LGU Accounting Office. If data are hard to get, reflect the budget allocation of each office (c/o LGU Budget Office).

Column 3. Determine the percentage of time used by the Office in delivering the specific service in relation to its total responsibilities.

Column 4. Compute for the other variable cost by multiplying column 2 and column 3.

NOTE: Note: The LGU may have other major fixed costs not mentioned in this illustration. When costs are significant, those fixed cost must be identified and added in the template. Conversely, costs that are negligible may be dropped from the calculations.

Table 16:

Other Fixed Cost

Particulars	Annual Rate	Percent of Use for "[illegible]" Fees	Annual Cost
(col 1)	(col 2)	(col 3)	(col 4)
Internet Services	**18,000.00**	**1%**	**180.00**
Regular Office Supplies			-
Information Tech Team			-
Security Team			
Janitorial Team			
Reception Services			
		Total	180.00

Instructions for Filling Up the Form

Column 1 - List all identified fixed costs.
Column 2 - Fill up the fixed costs for the "Subject Service" and reflect the sum of all entries of each cell under "Total".
Column 3 - Divide the amount in column 2 with the number of applications (annual) to get the Estimated Routine Fixed Cost Per Application.

Table 17:

Summary Table - Fixed Costs

Fixed Cost	Total	Estimated Routine Fixed Cost Per Application
(col 1)	(col 2)	(col 3)
Annual Number of Applications	3	
Office Space	1,753.61	584.54
Utilities	615.59	205.20
Electricity	588.62	196.21
Water	26.97	8.99
Communication	-	-
Equipment and Furniture	633.60	211.20
Other Fixed Cost	180.00	60.00
TOTAL	3,182.80	1,060.93

STEP 7. COMPARE FEE WITH COST OF DELIVERING SERVICES

Name of Fee/Charge:

Fee Rate Estimation Using Costs of Issuing Permits Plus Cost of Surveillance		Comparison with Current Fee Rates		Difference	% Variance (-/+)	Remaks:Reasonable/Not Reasonable
Total Cost		Total Collection on Fees and/or Charges		(813.26)	(0.12)	Reasonable
Number of Applications Processed		Number of Applications Processed				
Average Fee Rate		Average Fee Rates		(271.09)	(0.12)	

Instructions for Filling

(1) For every fee or charge, compare Total Revenue with Total Cost of delivering the subject service based on the results of the foregoing procedures.
(2) Compute the difference and determine the corresponding variance. If it yields a variance (-/+) of more than 10%, the LGU is either subsidizing (-) or generating revenues (+) in relation to the subject Service.

(3) Input the results in a summary form using Table 23 for ease in reference and appreciation during the review and deliberation of the results of the Toolkit.
(4) If so, then the LGU must submit, along with the report all the results, a proposed Rationalization of Fees and Charges using the options.

Compare Fee with Cost of Delivering Services

Fee Rate Estimation using Costs of Issuing permits plus cost of surveillance		Comparison with Current Fee Rates		
Total Cost		Total Revenue		(813.26)
Total Number of Applicants		Number of Applications Processed		
Average Fee Rate		Average Fee Rates		(271.09)

10,594.00 Total

Scenario 1	% of Applicants	Number of Applicants	Cost (with weight)	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application			
Simple	#DIV/0!		#DIV/0!	#DIV/0!	459.06	1,060.93	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Complex	#DIV/0!		#DIV/0!	#DIV/0!	459.06	1,060.93	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!	-	#DIV/0!							

Classification	Allocation	% of Applicants	Number	SPCL-PERSONNEL	STD-VAR	STD-FXD	Cost per Application			
Manufacturer	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Wholesalers	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Exporters	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Retailers	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Contractors	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Banks and other institutions	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Pedlers	#DIV/0!									
Others	#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!
Total	0%									

0%

2315.91 42	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
2315.91 42	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
SHEET								
	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
								#DIV/0!

Summary of Rationalized Local Fees and Charges

Local Fee/Charge	Current Rate	Rationalized Rate	% Variance	Remarks/Recommended Rate
Mayor's Permit Retailer Large	2,000.00	2,271.09	-0.12	Propose: 2,250.00