



## THUNDER BAY DISTRICT HEALTH UNIT CORPORATE POLICY AND PROCEDURE

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<b>SECTION:</b>	<b>FINANCE</b>	<b>NUMBER:</b>	<b>FP – 05 – 04</b>
<b>SUBJECT:</b>	<b>User Fee Policy</b>	<b>PAGE:</b>	1 of 4
<b>DATE:</b>	August 2008	<b>APPROVED BY:</b>	Board of Health
<b>SUPERSEDES:</b>	New	<b>SIGNATURE:</b>	

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### 1. PURPOSE

- 1.1 To provide clear and transparent procedures to establish, review and determine user fees within the Thunder Bay District Health Unit (TBDHU);
- 1.2 To align user fees so that they are consistent with TBDHU values and strategic plan;
- 1.3 To ensure consistency across the organization with respect to the administration of user fees.

### 2. POLICY

It is the policy of the Thunder Bay District Health Unit to have a Policy to govern the establishment and maintenance of the organization's user fees.

### 3. PROCEDURES

#### 3.1 User Fee Strategy

The strategy for establishing and maintaining user fees will include the following:

- 3.1.1. Identification of each user fee charged by the Thunder Bay District Health Unit;
- 3.1.2. The cost of the services for which a user fee is charged, or proposed to be charged, is to be calculated or identified. Where a full cost recovery objective is required, Administration will provide a template where all appropriate costs will be considered, eg. Direct costs, overhead support, administrative overhead;
- 3.1.3. Each service for which a fee is or will be charged is categorized in accordance with the definitions contained in the Classification of Services section of this policy.
- 3.1.4. Cost recovery objectives are to be established for each service for which a fee is charged or will be charged, based on the classification of the service.
- 3.1.5. Where discrepancies exist between the current user fee and a cost recovery objective, resolution will follow the process identified within this policy.
- 3.1.6. Annual review of existing user fees and services should be conducted to coincide with respective annual budget approval timelines.

#### 3.2 Classifications

Services where a user fee is charged, or proposed to be charged should be classified into one of three categories: public, private and merit services. A specific service may contain elements of more than a single category. The

extent to which a specific service is classified in a category will determine at which classification the fee should be assessed.

### **3.3 Notice**

3.3.1 The Business Administrative Officer will ensure User Fees are published in a manner that is accessible to the clients and the public;

3.3.2 Respective Programs will provide a minimum of 20 working days notice to clients of any change in, or establishment of, new fees prior to the implementation of the fee change, in a manner appropriate for the affected clients.

### **3.4 Discrepancies**

Where a current or proposed user fee meets the cost recovery objective, no action is required.

Where the user fee does not meet, or exceeds the cost recovery objective, administration will present alternatives to the Board of Health based on the following process:

3.4.1 Where a calculated fee is below the desired fee in accordance with the approved cost recovery objective, three options are available:

3.4.1.1 Increase fees at a rate of at least 5% per year until the cost recovery objective is met; or

3.4.1.2 Reduce the cost of the service, thereby reducing the discrepancy between the fee and the cost recovery objective; or

3.4.1.3 If the fee is significantly below the desired fee as calculated using the cost recovery objective, and if the increasing the fee will lead to an unacceptable fee level relative to market conditions, and where the service is discretionary, adjust the service level.

3.4.2 Where a calculated fee is above the fee calculated using the approved cost recovery objective, the following options are available:

3.4.2.1 Continue with the current fee, or

3.4.2.2 Move fees towards consistency between calculation and cost recovery objective.

### **3.5 Waiving of Fees**

Administration may waive a fee if charging the fee would cause undue hardship for the client. Each Program must identify the criteria for which a user fee may be waived to the Business Administrative Officer for approval, and include written documentation in each instance that a fee is waived.

## **4. SCOPE**

4.1. This Policy applies to all fees where the Board of Health has the discretion to charge a fee.

## **5. RESPONSIBILITIES**

### **5.1. Board of Health**

5.1.1. To approve the cost recovery objective for each service for which a user fee is charged.

5.1.2. To approve changes to user fees through the annual budget process, or at other times than the annual budget process if required.

## 5.2 Divisions

5.2.1 To calculate the full cost of services for which a user fee is charged, and categorize each service based on the classifications.

5.2.2 To identify a cost recovery objective for each service for which a user fee is charged and present the information and justification for Board of Health approval.

5.2.3 Recommends for approval, user fees in accordance with the approved direction from the Board of Health.

5.2.4 To provide notice to clients of any change in user fees for 20 working days prior to the implementation of the fee change.

## 5.3 Business Administrative Officer

5.3.1. To ensure that all administrative matters and procedures related to the establishment, maintenance and control of user fees are completed.

5.3.2. To approve the criteria for which user fees will be waived, and ensuring appropriate documentation exists in situations where user fees are waived.

5.3.3. To review the policy every five years, or more frequently as required. This review will include both legislative requirements and best practices.

## 6. DEFINITIONS

6.1 **User Fee** is a fee charged for services or activities provided by the Thunder Bay District Health Unit.

6.2 **Public Services** are those which preserve and promote the public health of the residents of the community.

6.3 **Merit Services** are those where a person benefits directly from the good or service. However, others in the community receive some indirect benefits.

6.4 **Private Services** are those where the person only receives the benefit of the good or service.

## 7. REFERENCES AND RELATED STATEMENTS OF POLICY AND PROCEDURES

7.1. Section XII of Municipal Act 2001

**FINANCE and PURCHASING**

**NUMBER**

**FP-05-04**

**SUBJECT: User Fee Policy**

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- 7.2. Ontario Regulation 584/06
- 7.3. Board By-Law #05 – 02