

Principles governing the review of the cost data of fees collection at agencies and schools

1. Purpose

These principles will apply when Ministry of Finance concurs or acknowledges the fees standards submitted to this ministry.

2. Scope

These principles apply to the fees standards proposals that all levels of government, their affiliated organizations, and schools submit to Ministry of Finance for approval or acknowledgement.

3. Legal basis: Article 10 of Charges and Fees Act

(1) All executive authorities should follow the following principles in setting or adjusting their fees standards. They should attach their cost data when they submit their fees proposals to Ministry of Finance for approval before announcing their fees standards.

1. Administrative fees: shall be set under the direct cost of goods and materials, wages and salaries, and other costs, and by taking indirect cost into consideration.
2. User charges: shall be set under the costs of development, procurement, operations, maintenance, improvement, management and other related factors, and by taking market factors into consideration.

(2) If the above fees standard concerns management and control, rights establishment, provision of educational or cultural facilities, or other special situations, their special traits or purposes may also be taken into account in the establishment of the fees standard.

(3) Local governments

The executive authorities attach their cost data when they submit their fees standard proposals to the same level of competent authority for approval, and they should follow Local Government Act and submit their approved proposals to their respective levels of representative bodies or superior government agencies or the supervising central government for acknowledgement, after which they announce their fees standards. Therefore, Ministry of Finance reviews and acknowledges only their compliance with Charges and Fees Act.

4. The review of cost data

(1) Case workers should examine to ensure that all the required documents and attached cost data are in good order:

1. As for legal system operations, include the general explanation of the

new or modified fee items proposals, cross-references of newly added articles or amendments, and data about the announcements of proposed procedure.

2. Cost data should include fees items and cost data summary list. Each fee collection item should include

- (1) Basic data table
- (2) Cost analysis table
- (3) Summary table for fee collection standard

(2) Basic data table should calculate the unit cost of cost factors necessary for each fee item. Adjustments to add to or deduct from cost factors may be made to take into account their special traits. Case workers should examine the cost factors one by one and calculate to verify their accuracy.

5. Table review

(1) Basic data table

Clearly itemize the cost factors necessary for each fee item to calculate its unit cost.

(2) Cost analysis table

1. Estimate the needed hours or quantity based on each fee item's cost factors, multiply it by the unit cost calculated in the Basic data table, and sum up to arrive the cost of each fee item.
2. Case workers should carefully review and examine the cost factors, hours, and quantities of supplies to calculate the cost.

(3) Summary table for fee collection standard

1. Includes the cost and fee collection standard of items on the Cost analysis table, compares fee standards of the new and old systems, and analyzes and explains the legality and reasonableness of the differences.
2. Case workers should carefully examine the legality and reasonableness of the differences.

(4) Fees and Cost Summary Table

1. Take information about each fee item and put it in a summary table. Calculate the cost-filling ratios and the ratios of adjustments from the old system to the new system. Make notations on the type of the change (new additions, increase, or decrease)
2. Case workers should carefully examine the legality and reasonableness of the adjustment ratios.

6. Handling of cases of fee reductions

(1) Strengthen the review of all direct and indirect costs of each item. Ask for reason for and benefits of the deduction. When it is necessary to adjust the fee lower, request the agency to report the effects of the

- deduction each year for at least three years.
- (2) Suggest to executive authorities to, based on Article 12 of Charges and Fees Act, educate or advertise and try the reduction for a time and observe the effects.
 - (3) Demand that agencies achieve their annual revenues objective. When necessary, request the agencies to provide substitute sources of revenues, as provided for in Article 38.1 of Act Governing the Allocation of Government Revenues and Expenditures.
 - (4) If a fee reduction involves annual revenues of a local government, suggest the agency concerned to carefully evaluate its proposal.
 - (5) When supporting government policy or special cases for reducing or waiving fees collection are involved, suggest at the right time to gradually lower the ratios of the reduction or the waivers or to take other measures to encourage or subsidize.
 - (6) Review at the appropriate times the cost standards and formats that Ministry of Finance has announced.
 - (7) In the face of lobbying from legislators (public representatives) or unions to lower fees, the agency may, on the ground of reason, tactfully explain and decline.
7. After the review is completed, reply in a ministry letterhead to Executive Yuan, executive authorities, or local governments.