

COST ALLOCATION AGREEMENT
STATE AND LOCAL GOVERNMENTS

EIN: 1426004574A1

DATE: May 6, 2002

DEPT/AGENCY:
State of Iowa
Department of Revenue and Finance
Financial Management Division
Hoover State Office Building
Des Moines, IA 50319

FILING REF: The preceding
Agreement was dated
November 8, 2000

SECTION I: ALLOCATED COSTS

The central service costs listed in Exhibit A, attached, are approved on a Fixed basis and may be included as part of the costs of the State/local departments and agencies indicated during the fiscal year ended June 30, 2002 for further allocation to Federal grants, contracts, and other agreements performed at those departments and agencies.

SECTION II: BILLED COSTS

In addition to Section I, which provides for services furnished but not billed, the services listed below are furnished and billed to departments and agencies:

1. General Services - Purchasing, Supplies, Printing, Micrographics, and Vehicle Dispatcher.
2. Dept. of Personnel - Merit Employment, Workers' and Unemployment Compensation
3. Dept. of Inspections & Appeals
4. Auditor of State
5. Attorney General
6. Iowa Communications Network
7. Information Technology Services

SECTION III: CONDITIONS

The amounts approved in Section I and the billings for the services listed in Section II are subject to the following conditions:

A. LIMITATIONS: (1) Charges resulting from this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract, or other agreement only to the extent that funds are available. (2) Such charges represent costs incurred by the State/locality which are legal obligations of the State/locality and are allowable under OMB Circular A-87. (3) The same costs that are treated as indirect costs are not claimed as direct costs. (4) Similar type of costs are accorded consistent accounting treatment. (5) The information provided by the State/locality which was used to establish this Agreement is not later found to be materially incomplete or inaccurate.

B. ACCOUNTING CHANGES: This Agreement is based on the accounting system purported by the State/locality to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval of the authorized representative of the Cognizant Agency. Such changes include, but are not limited to, changes in the charging of a particular type of cost from an allocated cost to a billed cost. Failure to obtain such approval may result in cost disallowances.

C. FIXED AMOUNTS: If fixed amounts are approved in Section I of this Agreement, they are based on an estimate of the costs for the period covered by the Agreement. When the actual costs for this period are determined, adjustments will be made to the amounts of a future year to compensate for the difference between the costs used to establish the fixed amounts and actual costs.

D. BILLED COSTS: Charges for the services listed in Section II will be billed in accordance with rates established by the State/locality. These rates will be based on the estimated costs of providing the services. Adjustments for variances between billed costs and the actual allowable costs of providing the services, as defined by OMB Circular A-87, will be made in accordance with procedures agreed to between the State/locality and the Cognizant Agency.

E. USE BY OTHER FEDERAL AGENCIES: This Agreement was executed in accordance with the authority in OMB Circular A-87, and should be applied to grants, contracts and other agreements covered by this

Circular, subject to any limitations in Paragraph A above. The State/locality may provide copies of this Agreement to other Federal Agencies to give them early notification of the Agreement.

F. SPECIAL REMARKS:

Equipment Definition -

Equipment means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost of \$2,000 or more per unit.

FRINGE BENEFITS:

| | |
|--------------------------|-------------------------------|
| FICA | Disability and Life Insurance |
| Retirement | Health and Life Insurance |
| Unemployment Insurance | Worker's Compensation |
| Effective April 1, 2001, | Deferred Compensation |

ACCEPTANCE

By the department/agency:

By the cognizant agency on behalf of the Federal Government:

(Department/Agency)

Dept. of Health & Human Services
(Agency)

Signature

Signature

Name

Charles Seed, Acting Director
Name

Title

Division of Cost Allocation
Title

Date

May 6, 2002

Date 7011

Lyle Lauritsen
HHS Representative

816/426-2304

Telephone