

COST ALLOCATION AGREEMENT
STATE AND LOCAL GOVERNMENTS

EIN # 1416007162A1

DATE: July 11, 2012

DEPT/AGENCY:
State of Illinois
Governor's Office of Management and Budget
108 State Capitol
Springfield, Illinois 62706

FILING REF: The preceding
Agreement was dated
March 25, 2010

SECTION I: ALLOCATED COSTS

The central service costs listed in the Schedule A's, attached, are approved on a Fixed basis and may be included as part of the costs of the State departments and agencies indicated during the fiscal year ending June 30, 2011 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. Statistical Services Revolving Fund
2. Communications Revolving Fund
3. Facilities Management Revolving Fund
4. State Garage Revolving Fund
5. Paper and Printing Revolving Fund
6. Auditor General
7. Group Insurance
8. Retirement
9. Shared Services Program - Fiscal and HR Services
10. Governor's Office - ARRA
11. Governor's Office of Management and Budget - ARRA
12. Central management Services - ARRA
13. Internal Office of Accountability - ARRA
14. Office if Internal Audits - ARRA Audit

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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 types 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.

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F. SPECIAL REMARKS:

1. 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 \$5,000 or more per unit.

2. This Cost Allocation Agreement is issued with the understanding that some information we had previously requested was not provided to us for the fiscal year ended (FYE) June 30, 2007 and 2008. A detailed information sheet is attached with this agreement. The information is still needed for our review. Any corrective actions required with respect to those fiscal years will be taken upon completion of that review. In addition, the State Communications Revolving Fund (CRF) and the Statistical Services Revolving Fund (SSRF) are pending cash payback determination for FYE June 2006, 2007 and 2008.

3. The state Shared Services Program - Fiscal and HR Services began the services in FY 2009.

4. The American Recovery and Reinvestment Act (ARRA) related costs are added to this agreement (Section II, items #10 through #14).

5. The agreement is entered into with the issue of appropriate federal financial participation (FFP) rates for repayment of the federal share of excess fund balances of the Statistical Services Revolving Fund and the Communications Revolving Fund, both operated by the Department of Central Management Services remaining unresolved. Ultimate resolution may impact several years in addition to fiscal year ending June 30, 2011.

ACCEPTANCE

BY THE DEPT/AGENCY:
State of Illinois

(DEPT/AGENCY)

(SIGNATURE)

(NAME)

(TITLE)

DATE)

BY THE COGNIZANT AGENCY ON
BEHALF OF THE FEDERAL GOVERNMENT
DEPARTMENT OF HEALTH AND HUMAN SERVICES
(AGENCY)

(SIGNATURE)

Arif Karim

(NAME)

Director, Division of Cost Allocation

(TITLE)

July 11, 2012

(DATE) 5319

Katherine Tang

HHS REPRESENTATIVE

(214) 767-5362
