

COST ALLOCATION AGREEMENT
STATE AND LOCAL GOVERNMENTS

EIN # 1736017987A1

DATE: December 19, 2013

DEPT/AGENCY:

State of Oklahoma

Office of State Finance
122 State Capitol Building
Oklahoma City, OK 73105

FILING REF: The preceding
Agreement was dated
April 30, 2013

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, 2014 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. Building Rates
2. Motor Pool
3. Retirement System Contributions
4. OMES Employees Group Health Insurance
5. Workers Compensation
6. Printing
9. Risk Management
10. OMES Human Capital Management
11. CORE Project
12. Purchase PCard Rebate
13. Construction & Projects
14. OMES Agency Business Services
15. Library Storage Fees
16. State Auditor
17. Information Services

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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 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.

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F. SPECIAL REMARKS:

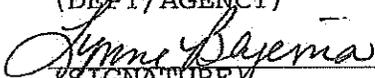
As required by OMB Circular A-87, Attachment B, 11.d (3), the State Agency treats the payments for unused leave for separating employees as general administrative expense that is allocated to all activities of the agency.

CORE Project - This is a billed service since FY2006. The development costs are to be amortized and billed and must be identified by module and approved by DCA.

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 \$5,000.00 or more per unit.

ACCEPTANCE

BY THE DEPT/AGENCY:
State of Oklahoma
Office of State Finance
(DEPT/AGENCY)


(SIGNATURE)

Lynne Bajema
State Comptroller

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)

December 19, 2013
(DATE) 0285

Rebecca Cantu
HHS REPRESENTATIVE
(214) 767-3454
Telephone

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DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Service
Division of Cost Allocation
Central States Field Office

1301 Young Street
Room 732
Dallas, TX 75202
(214) 767-3261
(214) 767-3264 FAX

December 19, 2013

Ms. Lynne Bajema
State Comptroller
State of Oklahoma
Office of State Finance
2300 N. Lincoln Blvd., Room 122
Oklahoma City, OK 73105

Dear Ms. Bajema:

The original and one copy of a Cost Allocation Agreement approving your central service costs are enclosed for the fiscal year ending June 30, 2014. This Agreement reflects an understanding reached between your organization and a member of my staff concerning the central service costs that may be included in the costs of your departments and agencies for further allocation to Federal grants and contracts performed by those departments and agencies. Please have the original signed by a duly authorized representative of your organization and return it to me, retaining the copy for your files. We will reproduce and distribute the Agreement to the appropriate awarding agencies of the Federal Government for their use.

Your next cost allocation plan for the fiscal year ending June 30, 2015 based on your actual costs of fiscal year ending June 30, 2013 is due no later than March 31, 2014. This plan should include carry-forward adjustments needed to compensate for the differences between the central service costs approved on a fixed basis for the fiscal year ending June 30, 2013 and the actual costs for that year.

To complete the negotiation of your plan timely, it must be prepared in accordance with Attachment C of *Office of Management and Budget Circular A-87 Cost Principles for State, Local and Indian Tribal Governments* and the instructions contained in Part Four of the *ASMB C-10 Cost Principles and Procedures for Developing Cost Allocation Plans and Indirect Cost Rates for Agreements with the Federal Government (ASMB C-10)*.

If you have any questions, please call Rebecca Cantu at (214)-767-3454.

Sincerely,

Arif Karim
Director
Division of Cost Allocation

Enclosure