



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Portfolio
Cost Allocation Services

1301 Young Street, Suite 106-1140
Dallas, TX 75202
PHONE: (214) 767-3261
FAX: (214) 767-3264
EMAIL: CAS-Dallas@psc.hhs.gov

April 9, 2021

Mr. John Becker
Director of Statewide Reporting
Department of Finance & Management
State of Vermont
109 State Street
Montpelier, VT 05609

Dear Mr. Becker:

The original Cost Allocation Agreement approving your central service costs based upon actual cost for fiscal year ended June 30, 2019 is enclosed for the fiscal year ending June 30, 2021. 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.

It was determined during the review that the FY 2019 actual pension contribution exceeded the actuarial determined contribution. The State representatives were informed that in accordance with 2 CFR 200.431(g)(6)(iii), "Amounts funded by the non-Federal entity in excess of the actuarially determined amount for a fiscal year may be used as the non-Federal entity's contribution in future periods". ASMB C-10, A Guide for State, Local and Indian Tribal Governments, states that this excess amount is unallowable in the year funded. CAS is in discussion with the State and is monitoring this issue.

Your next cost allocation plan for the fiscal year ending June 30, 2022 based on your actual costs of fiscal year ended June 30, 2020 was received. Your cost allocation plan based on your actual costs for fiscal year ending June 30, 2021 is due in our office by December 31, 2021. Please submit to CAS-NY@psc.hhs.gov.

If you have any questions, please contact Michael Phillips of my staff at (214) 767-3236.

Sincerely,
Darryl W.
Mayes -S
Darryl W. Mayes
Deputy Director
Cost Allocation Services

Digitally signed by Darryl W. Mayes -S
DN: c=US, o=U.S. Government, ou=HHS,
ou=PSC, ou=People,
0.9.2342.19200300.100.1.1=2000131669,
cn=Darryl W. Mayes -S
Date: 2021.05.07 09:47:56 -0400'

Enclosure

**COST ALLOCATION AGREEMENT
STATE AND LOCAL GOVERNMENTS**

EIN #:

DATE: April 9, 2021

STATE/LOCALITY:

State of Vermont
Montpelier, Vermont 05602

FILING REF: The preceding
Agreement was dated
October 30, 2020

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 ending June 30, 2021 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. FICA
2. Life Insurance
3. Medical Insurance
4. Dental Insurance
5. Retirement
6. Employee Assistance Plan
7. Workers' Compensation
8. Copy Center
9. E - Procurement
10. Communications & Information Technology
11. Highway Garage
12. Offender Work Program
13. Single Audit
14. Postage
15. Property Management
16. Equipment/State Energy Revolving Fund
17. State/Federal Surplus Property
18. Fleet
19. State Liability Insurance
20. Risk Management - All Other
21. Facilities Operation
22. Long Term Disability
23. Financial & HR Information
24. State Resource Management
25. Human Resources

STATE/LOCALITY: State of Vermont

DATE: April 9, 2021

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 Uniform Guidance (2 CFR 200). (3) The same costs that are treated as indirect costs are not claimed as direct costs. (4) Similar type of costs is 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 Uniform Guidance (2 CFR 200), 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 Uniform Guidance (2 CFR 200), 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 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.

STATE/LOCALITY: State of Vermont

DATE: April 9, 2021

ACCEPTANCE:

BY THE STATE/LOCALITY:

STATE OF VERMONT

(STATE/LOCALITY)

Adam Greshin

Digitally signed by Adam
Greshin
Date: 2021.05.10 08:04:46 -04'00'

(SIGNATURE)

Adam Greshin

(NAME)

Commissioner of Finance and Management

(TITLE)

April 9, 2021

(DATE)

BY THE COGNIZANT AGENCY ON
BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

Darryl W. Mayes -S

Digitally signed by Darryl W. Mayes -S
DN: c=US, o=U.S. Government, ou=HHS, ou=PSC, ou=People,
0.9.2342.19200300.100.1.1=2000131669, cn=Darryl W. Mayes -S
Date: 2021.05.07 09:45:23 -04'00'

(SIGNATURE)

Darryl W. Mayes

(NAME)

Deputy Director, Cost Allocation Services

(TITLE)

April 9, 2021

(DATE)

HHS Representative: Michael Phillips

Telephone: 214-767-3261