



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Portfolio
Cost Allocation Services

90 7th Street, Suite 4-600
San Francisco, CA 94103-6705
PHONE: (415) 437-7820
EMAIL: CAS-SF@psc.hhs.gov

March 25, 2024

Ashley Retsinas
Deputy State Comptroller
State of Arizona
100 N. 15th Ave., Rm. 302
Phoenix, AZ 85007

Dear Ms. Retsinas:

The negotiation agreement approving the central services cost allocation plan for the fiscal year ending 06/30/20, is enclosed. This agreement reflects an understanding reached between your organization and a member of my staff concerning the central service costs that may be included as indirect costs in your departments and agencies that have Federal grants and/or contracts.

Please have the agreement signed by an authorized representative of your organization and return within ten business days of receipt. The signed agreement should be sent to me by email, while retaining the copy for your files. Only when the signed agreement is returned, will we then reproduce and distribute the agreement to the appropriate awarding organizations of the Federal Government for their use.

A cost allocation plan proposal together with supporting information are required to substantiate your claim for central service costs under grants and contracts awarded by the Federal government. Your proposal based on actual costs for the fiscal year ending 06/30/19 is now due. Please submit your next proposal electronically via email to CAS-SF@psc.hhs.gov.

Sincerely,

Darryl W.

Mayes -S

Digitally signed by
Darryl W. Mayes -S
Date: 2024.03.29
15:10:44 -04'00'

Arif Karim, Director
Cost Allocation Services

Enclosure

PLEASE SIGN AND RETURN THE NEGOTIATION AGREEMENT BY EMAIL

COST ALLOCATION AGREEMENT
STATE AND LOCAL GOVERNMENTS

STATE OF ARIZONA
100 N. 15th Avenue, Rm. 302
PHOENIX, AZ 85007

DATE: March 25, 2024
FILING REF.: The preceding
agreement was dated:

08/10/21

G16358

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 your fiscal year ended June 30, 2020 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 State/local departments and agencies.

- A. Department of Administration
 - 1) Arizona Strategic Enterprise Technology Division
 - Automation Service
 - Telecommunication Service
 - Strategic Transformation and Innovation
 - 2) General Services Division
 - Motor Pool
 - Special Services (Reproduction, Mail and messenger, Central Supplies)
 - 3) Human Resources Division
 - Personnel Fund
 - Health Insurance Trust Fund
 - 4) Risk Management Division
 - Risk Management Fund
 - Unemployment Compensation
 - 5) General Accounting Office
 - Arizona Financial Information Systems (AFIS) Collections Fund
- B. Department of Law - Interagency Services Agreement
- C. Office of the Auditor General - Audit Services
- D. Secretary of State - Records Services Fund (previously in Section I)
- E. Retirement Fund - ASRS

Direct charges from the above centers will be billed in accordance with rates established by the State and included in the records of the operating department/agency responsible for providing services.

STATE/LOCALITY: State of Arizona

AGREEMENT DATE: March 25, 2024

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 Title 2 of the Code of Federal Regulations, Part 200 (2 CFR 200). (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 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 allocated cost to a billed cost. Failure to obtain 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 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 2 CFR 200, and should be applied to grants, contracts and other agreements covered by 2 CFR 200, subject to any limitations in Paragraph A above. The state/locality may provide copies of the Agreement to other Federal Agencies to give them early notification of the Agreement.

BY THE STATE/LOCALITY:

STATE OF ARIZONA

(STATE/LOCALITY)

(SIGNATURE)

(NAME)

(TITLE)

(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
Date: 2024.03.29 15:08:36 -04'00'

(SIGNATURE)

Arif Karim

(NAME)

Director, Cost Allocation Services

(TITLE)

March 25, 2024

(DATE)

HHS Representative: Karen Wong

Telephone: (415) 437-7820

