



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Service
Division of Cost AllocationDCA Western Field Office
90 7th Street, Suite 4-800
San Francisco, CA 94103

Jim Neiles
Finance Director
State of South Dakota
Bureau of Finance & Management
500 East Capitol
Pierre, SD 57501

NOV 23 2011

Dear Mr. Neiles:

A copy of the Negotiation Agreement approving the central services cost allocation plan is attached. 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 a duly authorized representative of your organization and return it to me BY FAX, retaining the copy for your files. We will 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 costs under grants and contracts awarded by the Federal Government. Thus, your next proposal based on actual costs for your fiscal year ending 06/30/11, is due in our office by 02/28/12.

Sincerely,

Wallace Chan
Director

Attachment

PLEASE SIGN AND RETURN THE NEGOTIATION AGREEMENT BY FAX

Phone: (415) 437-7820 • Fax: (415) 437-7823 • E-mail: deast@psc.gov

**COST ALLOCATION AGREEMENT
STATE AND LOCAL GOVERNMENTS**

STATE OF SOUTH DAKOTA
STATE CAPITOL
PIERRE, SD 57501

DATE: November 18, 2011
FILING REF.: The preced-
ing agreement was dated:
01/20/11 G12211

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 department and agencies indicated during your fiscal year ended June 30, 2012 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.

1. Worker's Compensation Insurance
2. Unemployment Compensation
3. Office of State Auditor
4. Office of State Treasurer
5. Payroll and Budgetary Accounting Program
6. Records Management
7. Bureau of Personnel
8. Buildings & Grounds/Maintenance & Repair
9. Central Mail Service
10. Telecommunication
11. Central Duplicating
12. Central Supply
13. Central Data Processing
14. Fleet & Travel
15. Department of Legislative Audit
16. Bureau of Personnel Insurance Program
17. Office of Attorney General
18. Office of State Engineer
19. Purchasing Program
20. Property Management Program
21. Support Services
22. Retirement System
23. Public Entity Pool Liability

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 SOUTH DAKOTA

AGREEMENT DATE: November 18, 2011

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 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 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 that Circular, 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 SOUTH DAKOTA
(STATE/LOCALITY)

(SIGNATURE)
Jara C. Diges
(NAME)
CRD
(TITLE)
12/11/11
(DATE)

BY THE COGNIZANT AGENCY

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

(SIGNATURE)
Wallace Chan
(NAME)
Director, Division of Cost Allocation
(TITLE)
November 18, 2011
(DATE)
HHS Representative Robert Lee
Telephone (415) 437-7820

EXHIBIT A

STATE OF SOUTH DAKOTA
FY 2012 STATEWIDE COST ALLOCATION PLAN
SUMMARY OF FIXED ALLOCATIONS
FISCAL YEAR ENDING JUNE 30, 2012

DEPARTMENTS	BFM ADMIN. & BUDGET	TOTAL
GOVERNORS OFF.	\$142.10	\$142.10
BUR. OF ADMIN.	\$1,872.57	\$1,872.57
BUR. OF INF. & TELE.	\$2,915.57	\$2,915.57
ETV	\$436.41	\$436.41
BUR. OF PERSON.	\$1,013.28	\$1,013.28
REVENUE	\$4,865.29	\$4,865.29
AG.	\$3,190.82	\$3,190.82
TOURISM & ST. DEV.	\$4,968.94	\$4,968.94
GAME, FISH, & PARK	\$4,393.75	\$4,393.75
SOCIAL SERV.	\$51,996.23	\$51,996.23
HEALTH DEPT.	\$4,405.43	\$4,405.43
LABOR DEPT.	\$1,907.83	\$1,907.83
PUBLIC UTIL. COMM.	\$179.94	\$179.94
TRANSPORT.	\$38,602.13	\$38,602.13
EDUCATION	\$43,344.57	\$43,344.57
PUBLIC SAFETY	\$2,334.26	\$2,334.26
HIGHER EDUCATION	\$38,349.74	\$38,349.74
MILIT. & VETS AFF	\$1,680.47	\$1,680.47
CORRECTIONS	\$5,489.07	\$5,489.07
HUMAN SERVICES	\$13,381.48	\$13,381.48
ENVIR. NAT. RES.	\$6,618.15	\$6,618.15
UNIFIED JUDICIAL	\$2,405.99	\$2,405.99
LEGISLATURE	\$372.67	\$372.67
ATTORNEY GEN.	\$1,183.36	\$1,183.36
SCHOOL & PUB. LD.	\$38.12	\$38.12
SEC. OF STATE	\$232.16	\$232.16
ST. TREAS./INV. C.	\$669.71	\$669.71
STATE AUDITOR	\$76.04	\$76.04
OTHER	\$0.00	\$0.00
TOTAL ALL AGENCIES	\$237,066.06	\$237,066.06

STATE OF SOUTH DAKOTA
FY 2012 STATEWIDE COST ALLOCATION PLAN
SUMMARY OF FIXED ALLOC. - DIV. OF HIGHER EDUCATION
FISCAL YEAR ENDING JUNE 30, 2012

DEPARTMENTS	BFM ADMIN. & BUDGET	TOTAL
HIGHER ED. EXEC	\$5,503.65	\$5,503.65
U.S.D.	\$6,669.58	\$6,669.58
MEDICAL SCHOOL	\$2,764.76	\$2,764.76
S.D.S.U.	\$14,431.96	\$14,431.96
S.D.S.M.&T.	\$2,683.68	\$2,683.68
N.S.U.	\$1,867.31	\$1,867.31
B.H.S.U.	\$2,469.59	\$2,469.59
D.S.U.	\$1,572.44	\$1,572.44
SCH. FOR DEAF	\$220.36	\$220.36
VISUAL HANDICAP	\$166.39	\$166.39
TOTAL HIGHER ED.	\$38,349.74	\$38,349.74