

OREGON ACCOUNTING MANUAL		Number 30.20.00.PO
		Effective Date October 26, 2010
Oregon Department of Administrative Services State Controller's Division	Policy	
Chapter	Federal Compliance	.1 OF .1
Part	Statewide Central Service Cost Allocation	
Section		Approval Signature on file at SCD

Authority **ORS 291.015**
Office of Management and Budget (OMB) 2 CFR Part 225, Circular A-87, Cost Principles for State, Local and Indian Tribal Governments (Revised August 31, 2005)
Office of Management and Budget Circular A-21
Department of Health & Human Services (DHHS) publication ASMB C-10 Cost Principles and Procedures for Developing Cost Allocation Plans and Indirect Cost Rates for Agreements with the Federal Government – A Guide for State, Local and Indian Tribal Governments

Approval of Central Service Costs

- .101 Central service costs must be approved by the federal **cognizant agency** to ensure that such costs are allowable charges to federal funds.
- .102 The State will file a **Statewide Central Service Cost Allocation Plan (SWCAP)** to comply with **OMB Circular A-87** and to obtain approval by the State's cognizant agency for central service costs.
- .103 The State operates several central services which benefit all or most state agencies. Agencies providing central services are responsible for allocating central costs in an equitable manner to all state agencies. This is accomplished by billing all central services to user agencies. Although most central services are accounted for using internal service funds, some activities may also be recorded in other types of funds.
- .104 The Statewide Central Service Cost Allocation Plan must include all central services, regardless of fund type. Rates and assessments in this plan must comply with federal regulations.
- .105 As specified in OMB Circular A-87, the federal Department of Health and Human Services (DHHS) is the cognizant agency for the State.

Preparation of Statwide Central Service Cost Allocation Plan

- .106 **Statewide Accounting and Reporting Services (SARS)** is responsible for submitting the Statewide Central Service Cost Allocation Plan (SWCAP).
- .107 The SWCAP will be submitted by the due date specified in OMB Circular A-87, or by the due date negotiated with the State's federal cognizant agency.
- .108 State agencies that operate central services will provide the appropriate information to be included in the SWCAP. SARS will coordinate the collection of information and preparation of the SWCAP.
- .109 Failure to include a central service cost in the SWCAP may result in the affected central costs being ineligible for federal participation and the loss of federal grant money, resulting in agencies being unable to pay their invoices. In addition, the central service agency may be liable to the federal government for any unallowable costs or charges included in the rate or assessment.