

CONTRACTS 1.0

Administrative/Indirect/Allocated Direct Costs -- 1.10

Date December 31, 1998

Issued:

Date Last March 23, 2011

Revised:

Signature:

A handwritten signature in black ink that reads "Cathy R. Taylor, DrPH, MSN, RN". The signature is written in a cursive style and is centered within a light gray rectangular box.

By: Cathy R. Taylor, DrPH, MSN, RN
Assistant Commissioner
Bureau of Health Services

POLICY

Any contractor who requests a reimbursement for administrative/indirect/allocated direct costs must file a copy of the Indirect Cost Rate Agreement (Agreement) or Cost Allocation Plan (Plan) with the Tennessee Department of Health after it has been approved by the cognizant agency of the contractor.

APPLICABILITY

This policy applies to all contractors and Central Office personnel working with contractors who are requesting administrative/indirect/allocated direct costs.

PURPOSE

Assure that any reimbursement for administrative/indirect/allocated direct cost is in accordance with an approved Agreement/Plan.

PROCEDURE

The latest approved Agreement/Plan should be submitted each year. The contractor will be reimbursed as detailed in the contract budget and substantiated by the approved Agreement/Plan. Once a contractor makes a decision to treat a

given cost as administrative/indirect/allocated direct, such a cost may not change during the contract period.

When the State reimburses for indirect cost, the contractor will be reimbursed at the final approved rate established by the cognizant agency in an amount not to exceed the amount budgeted in the contract for indirect cost.

When the State reimburses for administrative/allocated direct cost, the contractor will be reimbursed in accordance with the Plan approved by the cognizant agency in an amount not to exceed the amount budgeted in the contract for administrative/allocated direct cost.

REFERENCE DOCUMENTS

Tennessee Department of Health, Contract Procedures

OFFICE OF PRIMARY RESPONSIBILITY

Fiscal Services Section, Bureau of Health Services, (615)741-7305