



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center  
Financial Management Service  
Division of Cost Allocation  
Central States Field Office

July 20, 2009

1301 Young Street  
Room 732  
Dallas, TX 75202  
(214) 767-3261  
(214) 767-3284 FAX

Mr. Bob Zagozda  
Chief Operating Officer  
Nebraska Department of Health & Human Services  
P.O. Box 95026  
Lincoln, NE 68509-5026

Dear Mr. Zagozda:

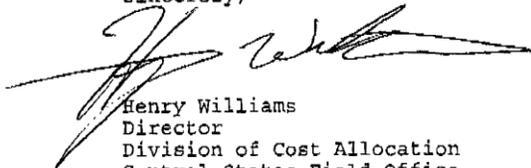
A copy of an indirect cost Rate Agreement is being faxed to you for signature. This Agreement reflects an understanding reached between your organization and a member of my staff concerning the rate(s) that may be used to support your claim for indirect costs on grants and contracts with the Federal Government.

Please have the agreement signed by an authorized representative of your organization and fax it to me, retaining a copy for your files. Our fax number is (214) 767-3264. We will reproduce and distribute the Agreement to the appropriate awarding organizations of the Federal Government for their use.

An indirect cost proposal, together with supporting information, is required each year to substantiate claims made for indirect costs under grants and contracts awarded by the Federal Government. Thus, your next proposal based on actual costs for the fiscal year ending June 30, 2008 is due in our office by December 31, 2008.

Thank you for your cooperation.

Sincerely,



Henry Williams  
Director  
Division of Cost Allocation  
Central States Field Office

Enclosures

**STATE AND LOCAL RATE AGREEMENT**

EIN #: 1470491233A1

DATE: July 28, 2008

DEPARTMENT/AGENCY:  
Nebraska Department of Health & Human Services  
P.O. Box 95026  
Lincoln NE 68509-5026

FILING REF.: The preceding  
Agreement was dated  
November 23, 2004

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section III.

SECTION I: INDIRECT COST RATES\*

<u>SECTION I: INDIRECT COST RATES*</u>					
<u>RATE TYPES:</u>		<u>FIXED</u>	<u>FINAL</u>	<u>PROV. (PROVISIONAL)</u>	<u>FRED. (PREDETERMINED)</u>
<u>TYPE</u>	<u>EFFECTIVE PERIOD</u>		<u>RATE (%)</u>	<u>LOCATIONS</u>	<u>APPLICABLE TO</u>
	<u>FROM</u>	<u>TO</u>			
FINAL	07/01/06	06/30/07	40.0	On Site	HHSS - Health Prog.
FINAL	07/01/07	06/30/08	40.0	On Site	HHSS - Health Prog.
PROV.	07/01/08	UNTIL AMENDED	37.0	On Site	HHSS - Health Prog.

\*BASE:  
Direct salaries and wages including all fringe benefits.

(1)

DEPARTMENT/AGENCY:  
Nebraska Department of Health & Human Services

AGREEMENT DATE: July 28, 2008

SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

Fringe benefits are specifically identified to each employee and are charged individually as direct costs. The directly claimed fringe benefits are listed below.

TREATMENT OF PAID ABSENCES:

Vacation, holiday, sick leave pay and other paid absences are included in salaries and wages and are claimed on grants, contracts and other agreements as part of the normal cost for salaries and wages. Separate claims for the costs of these paid absences are not made.

Equipment Definition -

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.

FRINGE BENEFITS:

FICA  
Retirement  
Disability Insurance  
Life Insurance  
Unemployment Insurance  
Health Insurance  
Deferred Compensation

(2)

DEPARTMENT/AGENCY:  
Nebraska Department of Health & Human Services

AGREEMENT DATE: July 28, 2008

SECTION III: GENERAL

A. LIMITATIONS:

The rates in 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. Acceptance of the rates is subject to the following conditions: (1) Only costs incurred by the organization were included in its indirect cost pool as finally accepted; such costs are legal obligations of the organization and are allowable under the governing cost principles; (2) The same costs that have been treated as indirect costs are not claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the organization which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.

B. ACCOUNTING CHANGES:

This Agreement is based on the accounting system purported by the organization 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 indirect to direct. Failure to obtain approval may result in cost disallowances.

C. FIXED RATES:

If a fixed rate is in this Agreement, it is based on an estimate of the costs for the period covered by the rate. When the actual costs for this period are determined, an adjustment will be made to a rate of a future year(s) to compensate for the difference between the costs used to establish the fixed rate and actual costs.

D. USE BY OTHER FEDERAL AGENCIES:

The rates in this Agreement were approved in accordance with the authority in Office of Management and Budget Circular A-87 Circular, and should be applied to grants, contracts and other agreements covered by this Circular, subject to any limitations in A above. The organization may provide copies of the Agreement to other Federal Agencies to give them early notification of the Agreement.

E. OTHER:

If any Federal contract, grant or other agreement is reimbursing indirect costs by a means other than the approved rate(s) in this Agreement, the organization should (1) credit such costs to the affected programs, and (2) apply the approved rate(s) to the appropriate base to identify the proper amount of indirect costs allocable to these programs.

BY THE DEPARTMENT/AGENCY:  
Nebraska Department of Health & Human Services

\_\_\_\_\_  
(DEPARTMENT/AGENCY)

\_\_\_\_\_  
(SIGNATURE)

BOB ZAGOZNA  
(NAME)

COO  
(TITLE)

8/8/08  
(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

\_\_\_\_\_  
(AGENCY)

\_\_\_\_\_  
(SIGNATURE)

Henry Williams  
(NAME)

DIRECTOR, DIVISION OF COST ALLOCATION  
(TITLE)

CENTRAL STATES FIELD OFFICE

July 28, 2008  
(DATE)

7293

HHS REPRESENTATIVE: Rebecca L. Cantu

Telephone: (214) 767-3454

(3)