



U.S. Department of Housing and Urban Development
 San Francisco Regional Office – Region IX
 One Sansome Street, Suite 1200
 San Francisco, CA 94104-4430
www.hud.gov
espanol.hud.gov

MAR 07 2017

Patricia Charles-Heathers, Ph.D., Director
 Health and Human Services Agency
 County of El Dorado
 3057 Briw Road, Suite B
 Placerville, CA 95667-5335

Dear Ms. Charles-Heathers:

SUBJECT: Fixed with Carry Forward Indirect Cost Rate Fiscal Year ending June 30, 2017

The Department has received clarification from Ms. Yvonne Kollings of the county's Health and Human Services Agency (HHSA) staff regarding the use of Fixed with Carry Forward Indirect Cost Rate and will revise the cost agreement as such. Enclosed is the revised negotiated agreement. Please sign the enclosed copies of the agreement, retain one copy for your files, and return one copy to this office.

Note that the Agreement contains the fixed rate with carry-forward for the current fiscal year. Please adjust over- or under-recovery in the subsequent fiscal year.

Furthermore, please note that the Super Circular, pp 78659- 78690, does not require the Federal cognizant or oversight agency to review and approve an indirect cost rate unless the particular local governmental department expends at least \$35 million in direct Federal funding per year. This office's review of the latest single audit (2015) on file at the Federal Audit Clearinghouse indicates that HUD provides \$3,020,168 of direct funding through its Housing Choice Voucher Program for the county's Health and Human Services Agency. This level of direct expenditure does not require HUD to review and approve HHSA's indirect rate. Nonetheless, all supporting documentation in accordance with the Super Circular must be maintained on file in case of audit and/or on-site monitoring.

If the county has any questions, please contact Cornelia Kidney at 415-489-6587, or by email at cornelia.kidney@hud.gov.

Sincerely,

Angelo Tom
 Program Manager
 Community Planning and
 Development Division

Enclosure

cc:

Lori Walker, CFO, HHSA

REVISED

grantee/contractor which was used as a basis for acceptance of the rates agreed to herein is not subsequently found to be materially inaccurate.

B. AUDIT: Adjustments to amounts resulting from audit of the cost allocation plan upon which the negotiation of this agreement was based will be compensated for in a subsequent negotiation.

C. CHANGES: If a fixed or predetermined rate(s) is contained in this agreement it is based on the organizational structure and the accounting system in effect at the time the proposal was submitted. Changes in the organizational structure or changes in the method of accounting for costs which affect the amount of reimbursement from use of the rate(s) in this agreement, require the prior approval of the authorized representative of the responsible negotiation agency. Failure to obtain such approval may result in subsequent audit disallowances.

D. NOTIFICATION TO FEDERAL AGENCIES: Copies of this document may be provided to other Federal offices as a means of notifying them of the agreement contained herein.

E. SPECIAL REMARKS: Federal programs currently reimbursing indirect costs to this Department/Agency by means other than the rates cited in this agreement should be credited for such costs and the applicable rate cited herein applied to the appropriate base to identify the proper amount of indirect costs allocable to the program.

By the State of Local Department/
Agency:

County of El Dorado
Health and Human Services Agency

Signature

Shiva Frentzen


Name

Chair, Board of Supervisors

Title

Date

By the Responsible Agency for the
Federal Government:



Signature

Angelo Tom

Name

Program Manager

HUD Community Planning and Development

Title

MAR 07 2017

Date

Negotiated by Cornelia Kidney 415-489-6587