



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Program Support Center
Financial Management Service
Division of Cost Allocation

RECEIVED

APR 29 2014

DHHS CONTROLLER'S
OFFICE

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April 23, 2014

Ms. Laketha M. Miller, Controller
North Carolina Department of Health and Human Services
2019 Mail Service Center
Raleigh, NC 27699-2019

Dear Ms. Miller:

This letter provides approval of the North Carolina Department of Health and Human Services' Public Assistance Cost Allocation Plan (Plan) which was transmitted to our office on July 3, 2013. The submission incorporates previously separate public assistance cost allocation plans for the Divisions into a consolidated Plan. This amendment, which was submitted in accordance with 45 CFR 95, Subpart E, is effective July 1, 2013.

Acceptance of the actual costs in accordance with the approved Plan is subject to the following conditions:

1. The State agreed to revise the Plan to include a section for the central administration costs. These costs are currently submitted separately as part of the Central Administration Cost Allocation Plan (CACAP) and Indirect Cost Rate Proposal submission. Once the central administration costs are incorporated into the Plan, the State will no longer be required to submit the annual CACAP. The State will only submit a proposal for the Department of Education restricted indirect cost rate, if required. The State will amend the Plan effective no later than July 1, 2015.
2. The information contained in the Plan and provided by the State in connection with our review of the Plan is complete and accurate in all material respects.
3. The actual costs claimed by the State are allowable under prevailing cost principles, program regulations and law.
4. The claims conform with the administrative and statutory limitations against which they are made.

This approval relates only to the methods of identifying and allocating costs to programs, and nothing contained herein should be construed as approving activities not otherwise authorized by approved program plans or Federal legislation and regulations.

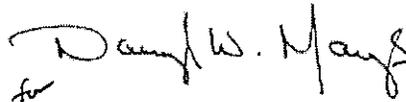
Ms. Laketha M. Miller
North Carolina Department of Health and Human Services

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Implementation of the approved cost allocation plan may subsequently be reviewed by authorized Federal staff. The disclosure of inequities during reviews may require changes to the Plan.

If you have any questions concerning the contents of this letter, please contact Jill Wilson of my staff at 301/492-4881.

Sincerely,

A handwritten signature in black ink that reads "Arif Karim". The signature is written in a cursive style with a small "for" written below the first few letters.

Arif Karim, Director
Division of Cost Allocation

cc: Juan Gordon, ACF
Jackie Glaze, CMS
David Steele, DoEd
Francisco Lebron, FNS/USDA
Janet Hobbs, SSA