

<b>Nutrition Services</b> <b>Department of State Health Services</b>
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Effective January 1, 2011

Policy No. AC:19.0

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### **Allowable Costs – Indirect Costs**

#### **Purpose**

To allow local agencies (LAs) to recover overhead costs on an indirect allocation basis in accordance with the LA's Cost Allocation Plan.

#### **Authority**

7 CFR Part 3016; OMB Circular A-87; UGMS Attachment E; DSHS Performance Contract General Provisions (Core/Subrecipient) at <http://www.dshs.state.tx.us/grants/gen-prov.shtm>.

#### **Policy**

LAs shall submit a cost allocation plan according to the DSHS General Provisions to the State Agency (SA) for acceptance. The SA may set a cap on indirect costs.

#### **Procedures**

- I. Refer to the DSHS Contract and Oversight Section, Contractor's Financial Procedures Manual, Chapter 7, Cost Allocation found at: <http://www.dshs.state.tx.us/contracts/cfpm.shtm> .
  
- II. Submit the Cost Allocation Plan, appendix A of the DSHS Contract and Oversight Section, Financial Procedures Manual to:
  - By email: [coscap@dshs.state.tx.us](mailto:coscap@dshs.state.tx.us) or
  - By mail: Department of State Health Services  
Contract Oversight and Support Services  
Mail Code 1326  
1100 West 49<sup>th</sup> Street  
Austin, TX 78756

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- III. Once the plan has been accepted, indirect costs may be billed on the monthly reimbursement voucher. List the total amount of indirect costs allocated to WIC on the indirect costs line (line I) of the FSR 269a.