

Background of the Cost Plans Unit

DHHS may delegate to a state the responsibility of approving local government cost allocation plans. When a state is assigned delegated cognizance, it becomes the authorized representative of DHHS and can review, negotiate, and approve local government cost allocation plans on behalf of that agency.

In December 1971, DHHS delegated cognizance authority for California counties to the Director of the California State Department of Social Welfare (DSS). In January 1974, DHHS re-delegated this authority to the California State Controller's Office, where it has remained. Inherent in this delegation is authority to review, negotiate, and approve countywide cost allocation plans for California counties in accordance with OMB A-87. This delegation of authority includes the responsibility to develop and disseminate information to supplement existing cost plan instructions as well as the authority to review and approve procedures and methodologies used by counties for direct billing of central services. This authority does not include the responsibility for approving indirect cost rate proposals (ICRPs) of county departments.

The State of California, under its delegated cognizance, acts on behalf of DHHS in cost plan matters. As the agency assigned cognizance for California counties, the State Controller has the authority to modify, expand, or reduce OMB A-87 documentation requirements and to request additional information related to submitted county cost allocation plans.