



# Iowa Department of Public Health



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April 18, 2005

To: Iowa Department of Public Health Service Contractors

From: Cheryl Christie *CC*  
Contract Administrator

Re: IDPH Contractual Changes

As a current IDPH service contractor, I would like to inform you of two (2) modifications to all new service contracts with a beginning date of January 1, 2006 or after.

I. The following language has been approved as a departmental standard for allowability and eligibility of contractor administrative costs. Indirect costs and Administrative costs will apply to new IDPH contracts with a line item budget. Indirect costs and Administrative costs do not apply to new service contracts with a fee-for-service/unit cost budget.

Contractors may charge an Indirect Rate in accordance with their federally approved Indirect Cost Rate Agreement. IDPH reserves the right to negotiate the application of the Indirect Rate per individual contract. In the absence of a federally approved Indirect Cost Rate Agreement, the contractor may charge an Administrative Cost not to exceed a maximum rate of 15% of the total contractual amount.

Administrative costs are those that are incurred for common or joint objectives, and therefore cannot be identified readily and specifically with a sponsored program, but are nevertheless necessary to the operations of the organization. For example, the costs of operating and maintaining facilities, depreciation and administrative salaries are generally treated as indirect costs.

The contractor shall maintain documentation to support the administrative cost allocation. The department reserves the right to request the documentation at any time.

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II. The IDPH General Conditions will be modified with an effective date of January 1, 2006 to incorporate the following recommended tobacco free language from the Iowa Healthy Community Task Force (IHC).

"The CONTRACTOR agrees that any space leased, rented or owned of which the Contractor has control to mandate a policy will be tobacco free. This section does not apply to portions of facilities used for inpatient/residential drug, alcohol or gambling treatment. Applicable federal law supercedes this paragraph."

Assistance with Tobacco Cessation Programs is available through the Division of Tobacco Use Prevention and Control. Please contact Bonnie Mapes, Director at 515-281-8857 or e-mail [Bonnie.Mapes@idph.state.ia.us](mailto:Bonnie.Mapes@idph.state.ia.us).

Please feel free to contact your specific IDPH contract administrators or me with any questions or concerns you may have with these modification. I can be reached at phone 515-281-6645 or e-mail [Cheryl.Christie@idph.state.ia.us](mailto:Cheryl.Christie@idph.state.ia.us).

Thank you.