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MEMORANDUM

To: Chief Fiscal Officers
From: Kristin Lacroix, Assistant Comptroller
Date: June 10, 2026
Subject: Federal Approval of Allocated and Billed Costs for FY2025 using FY2023 data
Office of the Comptroller Fiscal Year Memo FY#2026-17

Executive Summary

The Office of the Comptroller is responsible for the development and submission of the Statewide Cost Allocation Plan (SWCAP) under the provisions of Title 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The SWCAP is a statistical method of allocating central government costs to the state agencies that receive central government support services. The FY2025 SWCAP proposal, based on FY2023 data, was reviewed and approved by the federal Department of Health and Human Services, Division of Cost Allocation (DCA).

The accompanying schedule (Exhibit A) identifies the approved costs that are associated with the general administration of the Commonwealth of Massachusetts. State agencies that receive federal grants may claim these costs as an indirect cost of managing federal programs.

FEDERAL REIMBURSEMENTS

Departments whose federal funding is through reimbursement of state appropriations should compare the Section I allocated costs approved in this schedule with those costs used as the basis for claiming Federal Financial Participation (FFP) in FY2025. In almost all cases, Section I allocations identified for a department are further allocated to reimbursable expenditure accounts or programs through a departmental cost allocation plan. The difference in that portion of the departmental allocations attributable to Section I costs should be adjusted through current year claims.

With respect to Section II costs, departments should ensure that all eligible costs are claimed in full for reimbursement, whether such costs are charged to the department's central administrative

or reserve accounts, memo billed, or paid on behalf of the department from the accounts of the department providing the service.

Departments whose federal reimbursement is determined through service rates should follow the same procedures described above to identify any variance between the allocated costs used to calculate the service rates in effect for claiming FFP and those costs approved under the attached schedule. Adjustments may also be made to prospective rates. Departments should consult with their rate setting authority for further instruction on amending rates.

FEDERAL GRANTS

Section I allocated costs will be assessed to federal grants and special revenue trusts under the FY2025 departmental indirect cost rates developed by this office.

ASSESSMENTS AND FEES

The costs approved in this agreement should also be used for identifying the full costs of operating programs assessed to or reimbursed by non-federal entities, or through fees based on the costs of the services provided. Please refer to [Administrative Bulletin ANF #5](#) with respect to the determination of allocated costs in calculating fees.

Any questions you may have regarding this matter should be directed to Kristin Lacroix, Chief Accounting Officer at 617-356-5049.

Enc. Negotiation Agreement
Exhibit A

cc: Mosaic Liaisons
Payroll Directors
General Counsels
Internal Distribution