



# State of New Jersey

DEPARTMENT OF THE TREASURY  
OFFICE OF MANAGEMENT AND BUDGET  
P. O. BOX 221  
TRENTON, NEW JERSEY 08625-0221

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*Governor*

ELIZABETH MAHER MUOIO  
*State Treasurer*

TAHESHA L. WAY  
*Lt. Governor*

TARIQ SHABAZZ  
*Acting Director*

Telephone (609) 292-6746 / Facsimile (609) 633-8179

**TO:** Department Chief Fiscal Officers

**FROM:** Tariq Shabazz *TS*  
Acting Director

**DATE:** October 21, 2024

**SUBJECT:** United States Negotiation Agreement, Statewide Cost Allocation Plan (SWCAP) for the Year Ending June 30, 2024, with Addendum to Cover Fringe Benefit Rates for the Year Ending June 30, 2024

The 2024 Schedule A of the enclosure reflects departmental allocations of central support service costs agreed to by the State of New Jersey and the United States Department of Health and Human Services (HHS).

The fringe benefit rate of 69.5 percent reflected in the addendum is for Fiscal Year 2024. This rate is to be applied to base salaries including vacation, holiday, and sick pay, but excluding overtime pay. The rate is applicable to members of the Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), Teachers' Alternate Benefit Plan (ABP), and employees who are not members of a pension plan but are covered for health benefits. A rate of 127.9 percent for the Police and Firemen's Retirement System (PFRS) has also been negotiated.

These rates are for use in computing actual direct charges as well as for estimating charges to federal and other non-state funded programs. In addition, the rate is to be used to develop fringe benefit costs for inclusion in indirect cost rate proposals.

The employer's share of FICA taxes is not included in these fringe benefit rates. This cost is to be provided for in billings, estimates and indirect cost rate proposals at the rate prescribed by the federal government applied to taxable wages. The rate for calendar year 2023 was 7.65 percent of the first \$160,200 paid to each employee and 1.45 percent for gross wages above \$160,200. The rate for calendar year 2024 is 7.65 percent of the first \$168,600 paid to each employee and 1.45 percent for gross wages above \$168,600.

Schedule A-1 of the enclosure reflects the plant operation and maintenance costs that represent occupancy costs of State-owned buildings allocated to grantee agencies for the year 2024. These

costs for inclusion in agency indirect rate proposals must be treated by the agency as either direct or indirect costs consistent with treatment in prior years of similar costs charged to federal programs.

The enclosed information is being furnished to become part of your indirect cost rate proposal to be submitted to your cognizant federal agency within six months after the close of each fiscal year. Departments and agencies are reminded that it is the State's policy and each agency's responsibility to maximize the recovery of indirect costs. In all cases where non-state funded programs permit the recovery of indirect costs, agencies shall prepare and negotiate indirect cost rate proposals as required. Agencies shall apply the approved indirect cost rate to the appropriate base and transmit all recoveries of indirect costs to the Department of the Treasury.

A copy of the original proposal, which covers the Statewide Cost Allocation for the fiscal year ending June 30, 2024 as submitted to HHS, will be accessible on the State's website via: <https://www.nj.gov/treasury/omb/njcfsmmanuals.shtml>. If you require additional information related to this proposal, please contact Jeffrey DeCicco via e-mail at [jeffrey.decicco@treas.nj.gov](mailto:jeffrey.decicco@treas.nj.gov) or by telephone at 609-292-3022.

Copies of each agency's indirect cost rate proposal and resulting negotiation agreement are to be forwarded to the Director, Division of Budget and Accounting. Departments or agencies that fail to furnish this information will not be eligible to be allocated a portion of indirect costs recovered by them during the fiscal year ending June 30, 2024.

JCD/nm  
Attachments

**COST ALLOCATION AGREEMENT**  
**STATE AND LOCAL GOVERNMENTS**

**STATE/LOCALITY:**

State of New Jersey  
Department of the Treasury  
Trenton, New Jersey 08625

**DATE:** August 30, 2024

**FILING REF.:** The preceding  
Agreement was dated 07/28/2023

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**SECTION I: ALLOCATED COSTS**

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The central service costs listed in Schedules A and A-1, attached, are approved on a Fixed basis and may be included as part of the costs of the State/local departments and agencies indicated during the fiscal year ended June 30, 2024 for further allocation to Federal grants, contracts and other agreements performed at those departments and agencies.

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**SECTION II: BILLED COSTS**

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In addition to Section I, which provides for services furnished but not billed, the services listed below are furnished and billed to State/local departments and agencies.

1. Rent
2. Telephone
3. Insurance
4. Postage
5. Central Stores
6. Central Motor Pool
7. Office of Information Technology (OIT)
8. FICA\*
9. Legal Services
10. Physical Plant Operation and Maintenance
11. Capitol Complex Security
12. Division of Revenue and Enterprise Services (DORES)

\*Fringe benefit rates (exclusive of FICA) have been negotiated for the fiscal year ending June 30, 2024. See the Addendum to the Cost Allocation Agreement.

**STATE/LOCALITY:** State of New Jersey

**DATE:** August 30, 2024

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### **Section III: CONDITIONS**

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The amounts approved in Section I and the billings for the services listed in Section II are subject to the following conditions:

- A. **LIMITATIONS:** (1) Charges resulting from this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. (2) Such charges represent costs incurred by the State/locality which are legal obligations of the State/locality and are allowable under Title 2 of the Code of Federal Regulations, Part 200 (2 CFR 200). (3) The same costs that are treated as indirect costs are not claimed as direct costs. (4) Similar types of costs are accorded consistent accounting treatment. (5) The information provided by the State/locality which was used to establish this Agreement is not later found to be materially incomplete or inaccurate.
- B. **ACCOUNTING CHANGES:** This Agreement is based on the accounting system purported by the State/locality to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval of the authorized representative of the Cognizant Agency. Such changes include, but are not limited to, changes in the charging of a particular type of cost from an allocated cost to be billed cost. Failure to obtain approval may result in cost disallowances.
- C. **FIXED AMOUNTS:** If fixed amounts are approved in Section I of this Agreement, they are based on an estimate of the costs for the period covered by the Agreement. When the actual costs for this period are determined, adjustments will be made to the amounts of a future year to compensate for the difference between the costs used to establish the fixed amounts and actual costs.
- D. **BILLED COSTS:** Charges for the services listed in Section II will be billed in accordance with rates established by the State/locality. These rates will be based on the estimated costs of providing the services. Adjustments for variances between billed costs and the actual allowable costs of providing the services, as defined by 2 CFR 200, will be made in accordance with procedures agreed to between the State/locality and the Cognizant Agency.
- E. **USE BY OTHER FEDERAL AGENCIES:** This Agreement was executed in accordance with the authority in 2 CFR 200, and should be applied to grants, contracts and other agreements covered by 2 CFR 200, subject to any limitations in Paragraph A above. The State/locality may provide copies of the Agreement to other Federal Agencies to give them early notification of the Agreement.

**STATE/LOCALITY:** State of New Jersey

**DATE:** August 30, 2024

**F. SPECIAL REMARKS:**

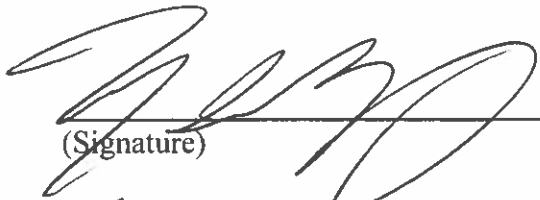
See Addendum

**ACCEPTANCE:**

**BY THE STATE/LOCALITY:**

State of New Jersey

State/Locality



(Signature)

Tarig Shobazz

(Name)

Acting OMB Director

(Title)

10/23/2024

(Date)

**BY THE COGNIZANT AGENCY ON  
BEHALF OF THE FEDERAL GOVERNMENT:**

DEPARTMENT OF HEALTH & HUMAN  
SERVICES

(AGENCY)

Darryl W.

Mayes -S

(Signature)

Digitally signed by Darryl W.  
Mayes -S

Date: 2024.10.15 07:21:01  
-04'00'

Darryl W. Mayes

(Name)

Deputy Director, Cost Allocation Services

(Title)

August 30, 2024

(Date)

HHS Representative: Wanda Rayfield

Telephone: 214-767-5249

**ADDENDUM TO COST ALLOCATION AGREEMENT**

August 30, 2024  
**Agreement Reference Date**

**INSTITUTION:** State of New Jersey  
 Department of the Treasury

**ADDRESS:** Trenton, New Jersey 08625-0224

**FRINGE BENEFIT RATE**

<u>Type</u>	<u>From</u>	<u>TO</u>	<u>Rate*</u>	<u>Locations</u>	<u>Applicable To</u>
Fixed	07/01/2023	06/30/2024	69.50%	All	All Programs (1)
Fixed	07/01/2023	06/30/2024	127.90%	All	All Programs (2)

\*Base: Direct salaries and wages excluding overtime and part-time workers. (See comments below - Notes 3 and 5)

Treatment of Fringe Benefits: Fringe benefits applicable to direct salaries and wages are treated as direct costs. (See comments below - Note 4)

Fringe benefit rates of 69.50% and 127.90% are approved on a fixed basis for the fiscal year ending June 30, 2024, and should be used by grantee agencies for the following purposes:

- (a) For budgeting purposes on grant award applications.
- (b) For billing purposes.
- (c) For inclusion in their indirect cost rate proposal and must be treated as either direct or indirect cost consistent with treatment accorded similar costs charged to the Federal Programs.

**Note 1:**

The fringe benefit rate of 69.50% is calculated based on all direct salaries and wages exclusive of the following group of employees:

- Judicial
- Prison Officers
- State Police
- Police and Firemen

**Note 2:**

The fringe benefit rate of 127.90% is calculated based only on the direct salaries and wages of Police and Firemen.

**ADDENDUM TO COST ALLOCATION AGREEMENT**

August 30, 2024  
**Agreement Reference Date**

**INSTITUTION:** State of New Jersey  
Department of the Treasury

**ADDRESS:** Trenton, New Jersey 08625-0224

**Note 3:**

Treatment of Paid Absences: Vacation, holiday, sick leave pay and other absences are included in salaries and wages and are claimed on grants, contracts and other agreements as part of the normal costs for salaries and wages. Separate claims for the costs of these absences are not made.

**Note 4:**

The following fringe benefits are included in the fringe benefit rates:

- Pension
- Health Benefits
- Unemployment Insurance
- Earned and Unused Sick Leave Payments
- Prescription Drug Program
- Dental Care Program
- Vision Care
- Temporary Disability Insurance
- Workers' Compensation

**Note 5:**

The fringe benefit rates are applied to salaries and wages of personnel that are included in the pension and/or health benefit plan.

In addition to the fringe benefits included in the fringe benefit rate, Social Security Taxes (FICA) are specifically identified to each employee and are charged individually as direct costs.

**State of New Jersey Statewide Cost Allocation Plan (SWCAP) - Proposal for the Plan Year 2022-2024**  
**Summary of Fixed Allocations for the year ending June 30, 2024**

<b>Name of Agency Receiving Central Support Services</b>	<b>Office of the State Auditor (OSA)</b>	<b>Office of Management &amp; Budget (OMB)</b>	<b>Civil Service Commission (CSC) *</b>	<b>Division of Risk Management (RiskMgmt)</b>	<b>Office of Employee Relations (OER)</b>	<b>Division of Purchase &amp; Property (DPP)</b>	<b>Totals</b>
Legislative Branch (excluding Office of the State Auditor)	-	83,621	124,206	4,604	10,189	42,964	265,584
Office of the Chief Executive	-	5,643	31,416	-	2,547	-	39,605
Department of Agriculture	521,905	545,184	73,259	138	6,086	240,167	1,386,737
Department of Banking & Insurance	-	29,793	133,226	3,505	10,822	37,947	215,292
Department of Children & Families	(88,870)	811,393	1,951,948	134,200	156,227	440,842	3,405,741
Department of Community Affairs	852,333	387,755	279,476	36,897	22,961	243,401	1,822,824
Department of Corrections	1,795,127	633,646	2,232,169	1,141,560	174,187	1,596,822	7,573,511
Department of Education	3,303,084	914,840	191,693	26,661	15,269	83,459	4,535,006
Department of Environmental Protection	(70,870)	937,865	871,798	86,441	70,963	1,332,707	3,228,904
Department of Health	645,487	1,064,441	1,811,754	1,102,706	148,971	1,782,507	6,555,865
Department of Human Services	427,196	1,229,831	1,924,172	449,665	153,795	1,377,716	5,562,375
Department of Labor & Workforce Development (excluding Civil Service Commission)	2,404,430	910,658	899,168	622	75,187	254,551	4,544,616
Department of Law & Public Safety	-	1,194,799	2,714,857	649,458	226,144	1,632,046	6,417,304
Department of Military & Veterans' Affairs	6,452	549,679	492,410	167,522	40,477	1,339,433	2,595,972
Department of State	(138,489)	216,975	3,627,511	225,518	312,923	137,264	4,381,702
Department of Transportation	(602,809)	1,337,285	1,713,904	333,457	138,679	479,181	3,399,697
Department of the Treasury (excluding Central Support Services)	(737,845)	1,520,678	1,303,503	16,563	105,870	634,650	2,843,417
Office of Information Technology	1,963,249	3,300	188,905	-	15,400	88,612	2,259,467
Other Departments and Agencies	1,179,057	2,683,047	346,622	33,671	28,796	343,457	4,614,649
Judicial Branch	-	1,281,743	2,645,047	96,887	211,674	1,228,952	5,464,303
<b>Totals</b>	<b>11,459,437</b>	<b>16,342,174</b>	<b>23,557,045</b>	<b>4,510,072</b>	<b>1,927,168</b>	<b>13,316,675</b>	<b>71,112,571</b>

**NOTES:**

\* Formerly Department of Personnel



**State of New Jersey Statewide Cost Allocation Plan (SWCAP) - Proposal for the Plan Year 2022-2024**  
**Calculation of Physical Plant Operations & Maintenance Fixed Allocations for the year ending June 30, 2024**

<b>Name of Agency Receiving Central Support Services</b>	<b>FY2024 Allocation</b>
Legislative Branch (excluding Office of the State Auditor)	\$ 3,427,662
Office of the Chief Executive	592,321
Department of Agriculture	(528,708)
Department of Banking & Insurance	937,184
Department of Children & Families	507,102
Department of Community Affairs	1,450,366
Department of Corrections	-
Department of Education	75,271
Department of Environmental Protection	2,905,339
Department of Health	2,270,850
Department of Human Services	1,034,074
Department of Labor & Workforce Development (excluding Civil Service Commission)	-
Department of Law & Public Safety	3,120,490
Department of Military & Veterans' Affairs	-
Department of State	2,158,993
Department of Transportation	2,802,508
Department of the Treasury (excluding Central Support Services)	4,866,473
Office of Information Technology	347,223
Other Departments and Agencies	8,452,614
Judicial Branch	1,749,864
Totals	<u><u>\$ 36,169,628</u></u>

**NOTES:**

Physical Plant Operations and Maintenance costs for service, which represent occupancy costs of State-owned buildings allocated to grantee agencies for inclusion in their indirect cost rate proposals, must be treated by the agency as either direct or indirect costs consistent with the treatment of similar (rental) costs charged to federal government programs.