

ACCOUNTING POLICY

TOPIC: Section 10 - Special Expense 9.0	EFFECTIVE DATE: 4/14/03
TITLE: Allowable Federal Rental Rates for State-Owned Buildings	REVISION DATE: 7/1/12
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BACKGROUND

The Department of Administration (DOA) charges a uniform rental rate for all the DOA owned and operated buildings. However, the Federal Division of Cost Allocation requires that the rent charged to federal programs for reimbursement must be determined on a building by building basis.

Therefore, each year DOA submits a proposed rate for each DOA owned and operated building to the Federal Division of Cost Allocation. The proposed rates are based on actual building costs from the prior fiscal year, plus carry-forward adjustments and interest costs for debt service. These proposed rates are also known as "allowable" federal rental rates. The rates vary from building to building and year to year.

PROCEDURES

Each year, DOA will notify the Department of Health Services (DHS) of the proposed federal rental rates for DOA owned buildings that have been submitted to the Federal Division of Cost Allocation for the upcoming State Fiscal Year.

The Cost Allocation and Financial Reporting Section will prepare a schedule of the proposed allowable federal rates, compared to rental rates charged by DOA, and calculate the non-federal amounts and percentages for each building occupied by DHS.

Only the portion of the DOA rent that is allowable for federal reimbursement may be billed to federal programs.

ATTACHMENTS

1. DOA vs. Allowable Federal Rental Rates for the Fiscal Year Ending 6/30/2013
2. DOA vs. Allowable Federal Rental Rates for the Fiscal Year Ending 6/30/2012

CONTACTS

Accountant Senior

Deputy Director

**Wisconsin Department of Health Services
DOA vs. Allowable Federal Rental Rates
Fiscal Year Ending 6/30/2013**

PROPOSED RATES

Location	Rental Rate Paid to DOA for Office Space <small>(Annual \$ per sq ft)</small>	Allowable Federal Reimbursement Rental Rate <small>(Annual \$ per sq ft)</small>	Non-Allowable Federal Adjustment <small>(col. 1 less col. 2)</small>	Non-Federal Percentage of DOA Rent <small>(col. 3 ÷ col. 1)</small>
Green Bay	\$22.85	\$11.84	\$11.01	48.184%
Milwaukee	\$22.85	\$11.83	\$11.02	48.228%
Revenue Bldg.	\$22.85	\$15.92	\$6.93	30.328%
Waukesha	\$22.85	\$17.05	\$5.80	25.383%
Wilson St. Bldg.	\$22.85	\$14.68	\$8.17	35.755%

Sources: State-Owned Bldg. 4/16/12 Memo from
Rent approved by Jana Steinmetz, DOA
State Bldg.
Commission for
Office Space

**Wisconsin Department of Health Services
DOA vs. Allowable Federal Rental Rates
Fiscal Year Ending 6/30/2012**

APPROVED RATES

Location	Rental Rate Paid to DOA for Office Space <small>(Annual \$ per sq ft)</small>	Allowable Federal Reimbursement Rental Rate <small>(Annual \$ per sq ft)</small>	Non-Allowable Federal Adjustment <small>(col. 1 less col. 2)</small>	Non-Federal Percentage of DOA Rent <small>(col. 3 ÷ col. 1)</small>
Green Bay	\$22.85	\$13.76	\$9.09	39.781%
Milwaukee	\$22.85	\$8.58	\$14.27	62.451%
Revenue Bldg.	\$22.85	\$14.32	\$8.53	37.330%
Waukesha	\$22.85	\$16.49	\$6.36	27.834%
Wilson St. Bldg.	\$22.85	\$15.21	\$7.64	33.435%

Sources: State-Owned Bldg. 6/12/11 Memo from
Rent approved by Jana Steinmetz, DOA
State Bldg.
Commission for
Office Space