

**STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

To: Manual Holders
DATE: August 11, 2005
SUBJECT: Cognizant Contracting

The purpose of this Information Memorandum is to clarify and affirm the policies and procedures that will supplant certain portions of the Cognizant Division Contracting policy P1.25 which has been rescinded. Information herein is a reiteration of related existing policy in the Contract Policy and Information Manual (CPIM).

Any contracts that include more than one DHS Departmental Component may have their respective responsibilities stated in an Interdivisional Agreement. If such an agreement is developed, all of the involved Departmental Components must be included. Development of an agreement is at the discretion of the involved Departmental Components; however, if a provider requests development of such an agreement, it may be considered by the involved Departmental Components.

The involved Departmental Components shall determine which is the lead Departmental Component and also the functions that will be assumed by all DHS participants. The Lead Departmental Component may be changed from time to time as deemed necessary by the involved Departmental Components.

The provider agency's fiscal year is to be used as the contract term unless dictated by the funding source or when the term length of the contract is atypical. Such exceptions must be stated in writing to the provide agency.

The allowable General and Administrative costs must be identified for the provider agency by the Departmental Components. The basis for the G&A percentage must be stated in the contract.

For efficiency and convenience to the provider agency, only the DHS standardized contract forms are to be used in processing contracts. Any exceptions are listed on the Documents and Conditions Required for Processing, Executing and Documenting a DHS Third Party Contract form, P1.01.

Each Departmental Component shall maintain its own set of contract documents. It is recognized that this can be a duplication of paperwork for the provider, however, each Departmental Components has its own file requirements and is responsible for internal controls.

Issued by:



Gretchen Jacobs, Director
Office of Contract Policy and Management