



GRAY DAVIS

Controller of the State of California

November 27, 1991

COUNTY AUDITOR-CONTROLLERS
COUNTY ADMINISTRATIVE OFFICERS
COUNTY WELFARE DIRECTORS

COST PLAN INFORMATION RELEASE NO. 11-91 - GUIDELINES FOR GRANT
REIMBURSEMENT OF SPACE COST

The purpose of this release is to notify all counties of a policy change relating to the methods counties may use in claiming space costs for their Grant Programs. It is the Federal Government's Policy to reimburse a grantee for the cost of space which it needs to conduct federally sponsored programs. In the past, an alternative to claiming space costs through a use allowance or depreciation was the **Capital Expenditure Method**.

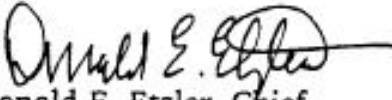
This method requires a great amount of time and resources to review and approve. Due to the lack of resources at both the State and Federal Government, the Capital Expenditure Method will no longer be an alternative.

This policy change is effective with the date of this letter. The Handbook of Cost Plan Procedures for California Counties will be revised at a later date.

If you have any questions please call me at (916) 445-5153

Cordially,

GRAY DAVIS, STATE CONTROLLER

By 
Donald E. Etzler, Chief
Bureau of County Cost Plans

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