



Commonwealth of Kentucky  
Finance and Administration Cabinet  
**COMMONWEALTH OFFICE OF TECHNOLOGY**  
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Frankfort, KY 40601  
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**Andy Beshear**  
Governor

**Holly M. Johnson**  
Secretary  
Finance & Administration Cabinet

**Ruth Day**  
Chief Information Officer

**Jim Barnhart**  
Deputy Chief Information Officer

July 24, 2020

Senator Christian McDaniel, Co-Chair  
Interim Joint Committee for Appropriations and Revenue  
702 Capital Avenue, Room 204  
Frankfort, Kentucky 40601

Representative Steven Rudy, Co-Chair  
Interim Joint Committee for Appropriations and Revenue  
702 Capital Avenue, Room 304  
Frankfort, Kentucky 40601

Dear Senator McDaniel and Representative Rudy:

As stipulated in HB352 of the 2020 Regular Session of the General Assembly, the Finance and Administration Cabinet (FAC) submits to your attention a report of the Computer Service Fund receipts from the Executive, Judicial and Legislative Branches of Government itemized by appropriation unit.

The COT cost allocation methodology follows routine cost accounting practices by aligning the cost of providing the Commonwealth's information technology services with each COT service. Each billable service includes both direct and indirect costs. Direct costs are those associated with a specific service. Indirect costs are those shared by all rated services and are allocated to COT's rated services, added to the direct costs, and thereby become part of the total service cost. This gives COT the ability to bill and reconcile appropriately for each rated service. The allocation of indirect costs to COT rated services is a function within the statewide accounting system that is processed monthly.

There were no agency rebates for Fiscal Year 2020.

The Finance Cabinet will be glad to respond to questions or concerns or to provide additional information regarding the Fiscal Year 2020 Computer Services Fund Receipts.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Ruth Day', with a large, sweeping flourish at the end.

Ruth Day, Chief Information Office  
Commonwealth Office of Technology

CC: Jennifer Hays, Committee Staff Administrator, IJC for Appropriations and Revenue  
Holly M. Johnson, Cabinet Secretary, Finance and Administration Cabinet  
Winston Miller, Deputy Secretary, Finance and Administration Cabinet  
Robin Morley, Executive Director, Office of Legislative & Intergovernmental Affairs  
Tina Howard, Executive Assistant, Office of Administrative Services  
Carla Wright, Policy and Budget Analyst, Governor's Office for Policy and Management

Attachment