

May 29, 2007



John P. Duvendeck, Manager
Contract Management Section
Department of Community Health
Lewis Cass Building
320 South Walnut Street
Lansing, MI 48913

Dear John:

The following is in response to your review of network180's 460 Cost Allocation Plan submission. There were two items not identified with our plan, and this letter is to provide clarification. The two items not identified were:

1. Description of the relationship to the county
2. Narrative that identifies any direct/indirect county charges included in costs

Relationship to the County

Network180 has authority status as defined by the mental health code, having separated from Kent County about 4 years ago. We continue to have Kent County Commissioners serve on our Board and per authority status, continue to receive revenues/funding from Kent County.

Direct/Indirect Charges

Network180 receives no direct or indirect allocation of charges from Kent County. We do lease one of our buildings from Kent County for \$1 per year. Kent County does not provide accounting, payroll, human resources, maintenance, IS, or other services to network180. The county does have a power plant on the campus where we lease space that provides steam/heat to a variety of county owned facilities. Network180 also receives steam/heat from this power plant and therefore pays the county based on our actual usage – and recorded as utilities expense.)

Please let me know if you require additional information.

Sincerely,

Thomas Elzinga

Thomas G. Elzinga
Deputy Director Administrative Services
Network180

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