United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

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FINANCIAL ADMINISTRATION MEMORANDUM NO. 2007-001 (II.J)

To: Director, Office of Acquisition and Property Management
Bureau Assistant Directors, Administration
Chief Executive Officer, National Business Center
Bureau Finance Officers

From: Mona S. Williams
Focus Leader, Asset and Debt Management
Office of Financial Management

Subject: Recovery Audit Service Line – FedSource Mark Up for FY 2007

The purpose of this Financial Administration Memorandum (FAM) is to inform bureaus and Departmental offices using PRG-Shultz for recovery auditing of an increase in the fees that FedSource charges for administering the PRG-Shultz contract. The FedSource fee has doubled from 2% in FY 2006 to 4% for FY 2007. The 4% fee will apply to any future recoveries beginning December 20, 2006.

Considering that the Department was not informed of this fee increase prior to its implementation, FedSource has agreed to honor its old rates for any recoveries made during the following time periods:

- FY 2005 1%
- FY 2006 2%
- FY 2007 2% (1 October – 19 December 2006)

Please use these rates to plan for your recovery audit expenditures.

If you have any questions on this subject, please contact Dorothy Sugiyama at (202) 208-5789.

Prior Financial Administration Memoranda on this subject: None