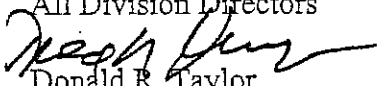




STATE OF MISSISSIPPI  
HALEY REEVES BARBOUR, GOVERNOR  
DEPARTMENT OF HUMAN SERVICES  
DONALD R. TAYLOR  
EXECUTIVE DIRECTOR

**MEMORANDUM**

**TO:** All Division Directors  
**FROM:**   
Donald R. Taylor  
Executive Director  
**DATE:** March 3, 2006  
**SUBJECT:** State Mileage Rate in Subgrants/Contracts and Modifications

Due to the January 6, 2006 decrease in the state mileage reimbursement rate from 48.5 cents to 44.5 cents per mile, I am requiring that all subsequent subgrants/contracts, including modifications, contain language specifying that MDHS will reimburse the current state mileage rate or a rate determined by your division that is less than the state rate. To adhere to the subgrantee manual's requirement for a detailed budget narrative you must use the reimbursement rate that is in effect at the time the subgrant/contract is written or your own rate, if it is less, for calculation purposes. Subgrants/Contracts and modifications will also need to include language that if the state rate increases the budgeted amount will not be modified unless agreed upon by both parties. Since it is not a requirement to reimburse subgrantees/contractors the state mileage rate, we will reimburse travel up to the originally approved rate or the current state rate, whichever is lower. Effective immediately, modifications will not be made to increase the mileage rate during the contract period. Since the state mileage rate decreased, all subgrants/contracts that specifically state 48.5 cents per mile must be modified with the new language as soon as possible.

If your current subgrants/contracts have to be modified, MDHS will pay the approved rate at the time that the travel was incurred. For example, if the contract started in October with a travel rate of 48.5 cents per mile then any travel incurred before January 6, 2006 will be reimbursed at 48.5 cents. Any travel incurred after January 6, 2006 will be reimbursed at the 44.5 cents per mile rate. The budget narrative needs to include a breakdown of the different rates, the mileage applied to each rate and the dates the miles were traveled.

Any exception should be addressed to my attention.

DRT:lr

pc: Richard A. Berry  
Richard Harris

APR 11 2006

MAR 06 2006

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