



## COMMONWEALTH of VIRGINIA

*Joint Legislative Audit and Review Commission  
Suite 1100, General Assembly Building, Capitol Square  
Richmond, Virginia 23219*

(804) 786-1258

*Philip A. Leone  
Director*

July 12, 2010

Mr. Samuel A. Nixon  
Chief Information Officer  
Virginia Information Technologies Agency  
11751 Meadowville Lane  
Chester, Virginia 23836-6315

Dear Mr. Nixon:

On July 12, 2010, the Joint Legislative Audit and Review Commission approved rates requested by the Virginia Information Technologies Agency (VITA) on June 24, 2010. The approvals included:

- An 8.65 percent surcharge to recover VITA's recurring operational costs,
- A temporary surcharge of 2.31 percent to allow for debt repayment which (absent other action) will expire on June 30, 2014, and
- A 5.43 percent surcharge for pass-thru processing, which will decrease to 3.13 percent on July 1, 2015.

The surcharges will be retroactively effective to July 1, 2010 and expire on June 30, 2012.

As part of this approval, the Commission included the following conditions:

- VITA should resubmit each surcharge by September 1, 2011 and include biennial projections of future revenues and expenditures for each internal service fund. At any time, VITA may reduce any surcharge after notifying Commission staff and ensuring that the reduction will not produce internal service fund deficits.
- VITA should begin reporting on a quarterly basis the balance in each internal service fund including the revenues attributable to each surcharge, and any changes in VITA's costs, since the previous quarter. VITA should also ensure Commission staff are provided a copy of all cost allocation reports submitted to cognizant federal agencies.
- VITA should also post the surcharges approved by the Commission, as well as each specific service rate, in a clearly accessible location on its website before the

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approved surcharges and their associated rates are assessed. This list should include reasonable definitions of each service offering and a clear indication of the service unit to which each rate applies.

If you have any questions about the Commission's action, please let me know.

Sincerely,

A handwritten signature in black ink that reads "Phil". The signature is written in a cursive, flowing style.

Philip Leone

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