

RURAL DEVELOPMENT PROJECT POLICIES AND PROCEDURES	Issued by: RDP Statewide Program Officer- Maile Lu'uwai	Policy No.: FIN 003
		Effective Date: 03/15/2006
Subject: Administrative Costs	Approved by: RDP Statewide Program Coordinator-John Dunncliffe	Revision No.: N/A
		Supersedes Policy: N/A

I. PURPOSE: To clarify functions and activities that constitute administrative costs subject to the administrative cost limit. To provide RDP staff guidelines to identify, track, and report administrative costs.

II. ADMINISTRATIVE COSTS: PERSONNEL

A Personnel Activity Report (PAR) will be used to track administrative and program costs for personnel. See *RDP Policy FIN 004: Effort Reporting*.

III. ADMINISTRATIVE COSTS: NON-PERSONNEL EXPENDITURES

An Administrative Cost Tracker (ACT) will be used to identify non-personnel administrative costs for each grant. Non-personnel expenditures can include such purchases as office supplies, travel, computers for administrative staff, etc. The tracker must be submitted each quarter to the Assistant Statewide Program Coordinator.

IV. FUNCTIONS AND ACTIVITIES IDENTIFIED AS COSTS OF ADMINISTRATION

The costs of administration are the allocable portion of necessary and allowable costs associated with the management and administration of a RDP program, which are not related to the direct provision of program activities. Administrative costs can be both personnel and non-personnel and direct and indirect.

A. Administrative Costs. The following functions are administrative costs:

1. General Administrative Functions & Coordination Functions:
 - a. Accounting
 - b. Audit resolution
 - c. Audits
 - d. Budgeting
 - e. Financial and cash management
 - f. General legal services functions
 - g. Incident report resolution
 - h. Information system development
 - i. Personnel

- j. Procurement
 - k. Purchasing
 - l. Property Management
 - m. Accounting and payroll systems including the purchase, systems development and operating costs of such systems.
2. Oversight and monitoring related to administrative functions.
 3. Costs of good and services required for administrative functions of the program including:
 - a. Office supplies
 - b. Postage
 - c. Rental and maintenance of office space
 - d. Rental or purchase of equipment
 - e. Utilities
 4. Travel costs incurred for official business in carrying out administrative activities.
 5. Allowable costs associated with contracts/subcontracts awarded for the primary purpose of providing administrative functions.

B. Program Costs. The following functions are program costs:

1. Charges to an overhead or indirect cost pool that can be identified as program costs.
2. Cost for the purchase, development, and operation of information systems that:
 - a. Track or monitor participant and performance information.
 - b. Employment statistics information, including job skills information, job listing information, and demand occupation information.
 - c. Performance and program cost information on providers.
 - d. Information relating to support services for participants.
3. Allowable costs associated with contracts/subcontracts awarded for the primary purpose of delivering programmatic services.

V. ADMINISTRATIVE COST MATRIX

The purpose of this matrix is clarify the classification of Title I costs under RDP's grant requirements. If a function can be classified under both categories, determine if the function supports an administrative or program objective.

RDP Costs	Admin.	Program	Notes - Comments
Staff:			
Accounting	X		Exception: Costs of collecting financial information for determining performance accountability is a program cost. Section 667.220 (c)(6).
Administrative Overhead	X		
Advertising	X	X	
Audit Staff & Services	X		
Automatic Data Processing	X	X	Costs of collecting financial information for determining performance accountability are program costs. Section 667.220 (c)(6).
Budgeting	X		
Case Management		X	
Contracting for Admin. activities	X		667.220(a)
Contracting for Program activities		X	667.220(a) When the purpose of the contract is for core, intensive and training services.
Coordination of Participant Services		X	
Counseling		X	
Data Processing	X	X	Admin if function is <u>fiscal</u> reporting. Program if function is client tracking 667.220(c)(6)(i) Data entry for tracking or monitoring of participants and performance information is program.
Program Development		X	
Eligibility Determination		X	
Fiscal Staff	X		
Fiscal-reviewing & approving invoices, request for payments, financial reports		X	
Fiscal-preparing grant or contract revisions		X	
Follow Up Analysis		X	
Grant Writing- Developing scope of services, work plan, timeline, performance measures		X	
Grant Writing-Budgets	X		
Initial Assessment		X	
Labor Market Analysis		X	667.220(b)(1)(iv)(B) and WIA section 134(d)(2)(E)
Monitoring	X	X	When the purpose of monitoring is for reviewing the provision of program services the cost is chargeable to program, if the purpose of monitoring is for reviewing administrative activity the cost is to be charged to admin.
Negotiating scope of services, timelines, performance measures, deliverables		X	
Negotiating budgets	X		
Participant Follow-Up		X	
Personnel Staff	X		

Procurement Staff	X	X	
RDP Costs	Admin.	Program	Notes - Comments
Program Design/Curriculum		X	
Other:			
Core Services		X	
Equipment Expenditures	X	X	667.220(c)(2)
Establishment of Board		X	
Indirect Costs	X	X	667.220(c)(4) "Specific costs charged to an overhead or indirect cost pool that can be identified as a program cost may be charged as a program cost. Documentation of such charges must be maintained."
Maintenance & Repair	X	X	
Materials & Supplies	X	X	
Monitoring Service Providers		X	
Performance Tracking (MIS)		X	667.220(b)(iv)(A.
Purchase Participant Tracking System		X	Modified by section 667.220 (c) (5).
Purchase Financial Mgmt. System	X		
Rental Costs	X	X	
Training Services to program or contractors on matters affecting performance or program activities		X	
Training Services to program or contractors on matters relating to their accounting or financial management systems and procedures	X		
Travel	X	X	
Utilities	X	X	
Participant Costs:			
100% of Participant Payments for Limited Internships		X	
Tuition:			
Fees for Participants		X	Lab fees, activity fees, parking fees, application fees, graduation fees
Tuition for Participants		X	

VI. REFERENCES

OMB Circulars A-110 and A-21; 29 CFR 95.27.