Direct/ Indirect Administrative Costs

Issue Date: June 7, 2004 **Revised:** October 3, 2006
Sources: Office of Management and Budget Cost Principles for State, Local and Indian Tribal Governments (Circular A-87); Office of CTAE
Key Words: Administrative Costs
Summary: Administrative costs for federal grants must be reasonable, customary and necessary for the operation of the grant program, unless specific limits are designated in the law. Limits and recommended limits for direct and indirect costs are listed. Indirect costs must be approved by Grants Management.

Direct Costs: Local educational agencies may request to use program funds for administrative costs. Direct cost recovery must be conducted in accordance with OMB Circular A-87 found at http://www.whitehouse.gov/omb/circulars/a087/a087-all.html.

OMB requires that time and effort be established and a direct correlation to the program activities be documented. For instance, an administrator wishing to collect 10 percent of his/her salary would need to maintain time and effort documentation of work actually conducted. Some caution must also be exercised to ensure the district does not supplant with federal funds what has been conducted using state or local funds in the prior year.

The recommended limits on administrative costs are listed below for each of the CCIP funding applications.

Indirect Costs: Districts will not be approved to draw on indirect cost funds unless they have an indirect cost plan and rate approved through the Ohio Department Education Office of Grants Management. A spreadsheet of approved plans is available on the Grants Management web page. Expenses included in the indirect cost may not be duplicated in the administrative costs budget.

Consolidated Funding Application	
Grant Name	**Administrative Costs**
All Consolidated Funding Application grants except Title III, IV, Special Education IDEA Part B, Early Childhood Special Education, School Improvement/ Comprehensive School Reform	5 % or less of the total grant allocation is recommended; otherwise, reasons and details for costs must be documented in CCIP History Log and request sent to Federal Programs Consultant for approval.
Title III Title IV	2 % or less of the total grant allocation
School Improvement Comprehensive School Reform	None allowed since admin costs are already assumed under Title I Basic or local funds.

Consolidated Funding Application Special Education-IDEA Part B and Early Childhood Special Education	
Allowable Administrative Cost	**Not Allowable Administrative Cost**
Indirect cost rates which have been approved for the fiscal year, approved by ODE Office of Grants Management.	Flat percentage of the total budget for administrative costs
Cost incurred for an impartial due-process hearing.	Legal fees, costs and expenses paid to private counsel of either the district or the parents of a student with disabilities
Cost of Special Education Administrator, Director, Coordinator, or Supervisor, including preschool, **provided** 1) activities are directly attributable to the delivery of special education services to children with disabilities, and 2) the person holds a supervisory or administrative certificate.	Part B Flow-Thru project director or other regular education administrative positions
Cost of secretarial services related to operation of special education services	
Costs related to the Office of the Treasurer and related duties and expenditures associated with the administration of Part B and Section 619 (Preschool)	

Career-Technical and Adult Education Funding Application		
Grant name	**Direct Admin. Costs**	**Indirect Costs**
Tech Prep Federal Base	Not to exceed 5%	Not allowable
Tech Prep State Performance, Expanded Enrollment, Research and Development	Not to exceed 8%	Not allowable
Adult Full Service Center	Not allowable	Not allowable
High Schools That Work	Not to exceed 8%	Not allowable
4 Perkins Grants: Secondary ·Postsecondary ·Adult ·Corrections	Not to exceed 5%	Not allowable

Student Intervention Funding Application	
Student Intervention grants	Direct administrative costs are minimal and only as approved in the competitive grants process. Indirect administrative costs are not allowed except by prior letter of agreement with ODE Office of Grants Management.