

What are the requirements for local administrative costs?

An eligible provider shall use no more than 5 percent of the amount made available for planning, administration, personnel development, and interagency coordination.

In cases where the 5 percent cost limit is too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination, the local provider shall negotiate with the state agency in order to determine an adequate level of funds to be used for non-instructional purposes.

The Workforce Investment Act, SEC. 233, says that **administrative costs** are “for planning, administration, personnel development, and interagency coordination.” Therefore, costs of meeting with or talking to other agencies or partners about joint planning, working together, making referrals to each other, sharing a common intake process, etc., are **administrative costs** even when carried out by instructional staff or instructional coordinators, as well as by administrators. Facility costs, travel and other costs of these "meetings" also are **administrative costs**. Other **administrative costs** include:

- Salaries and benefits associated with program planning, administration, professional development, and interagency coordination. Such items might include WABERS input, grant writing, recruiting and training board members, and recruiting and supervising staff and volunteers other than tutors and students.

- Goods and services required by personnel who are budgeted in the administration category to administer the program. Such items would include supplies and materials, printing, telephone, postage, copying and fax, utilities, rentals and leases.
- Travel related to administration activities, including staff development and meetings, and for personnel budgeted to the administration category.
- Equipment to be used by staff coded to the administration category or for equipment used for administrative purposes.
- Indirect is to cover such costs as operation, maintenance, library, and student administration expenses that cannot be clearly allocated to an individual program.