

CCS Administrative Procedure

5.30.05-C Facilities and Administrative Cost Allowance

Implementing Board Policy [5.30.05](#)

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1.0 Purpose

This procedure addresses the authorized process for determining Facilities and Administrative costs (formerly indirect costs) on grants, contracts and self-supporting programs, to be retained by the District office. This procedure is not intended to interfere with the authorization required by the Chancellor or College President prior to submitting a grant or contract proposal.

2.0 Limitations and Requirements

2.1 Facilities and Administrative (F&A) costs are those costs that benefit common activities and, therefore, cannot be readily assigned to a specific direct cost objective or project.

2.2 Grants and contracts typically provide for the recovery of F&A costs (indirect costs) related to District office administrative support of each distinct program.

2.3 District office administrative support includes recognition of the incremental costs of providing services such as human resources, payroll, purchasing, grant accounting and billing, mainframe and network computing support, custodial and building maintenance, telecommunications and administrative oversight.

2.4 Direct program expenditures are a separate item of cost and are not included in the calculation of F&A costs.

3.0 Implementation

3.1 Every application for a grant or contracted service shall provide for the maximum F&A cost recovery as authorized by the funding source, unless a different rate is mutually agreed to by the college president and the chief financial officer.

3.2 The appropriate financial manager (budget analyst) must be consulted during the budget development process for grants and contracts.

3.3 Each proposal budget shall contain an F&A (indirect) cost allowance as a separate line item.

3.4 F&A (indirect) cost recoveries will be charged by the District office and retained in a District office budget.

3.4.1 F&A cost allowances allowed by the funding source, which exceed the District office established-rate will be allocated to the appropriate delivery unit.

3.4.2 If the maximum cost allowance allowed by the funding source is less than the rate normally charged by the District office, the District office will recover and retain the amount allowed by the funding source.

3.5 The District Budget office and the Chancellor will determine the appropriate use of amounts recovered for F&A costs while following the regulations found in 2 CFR §200, Subpart E-Cost Principles.

4.0 Calculation of F&A Costs

Noted below are specific examples of grants and contracts and the current method of calculating F&A costs. These costs are calculated as a percentage of the grant or contract or as authorized by the funding source. The list of examples is not to be interpreted as an all-inclusive list.

4.1 **Contracts CCS Receives as a Sub-Recipient from the SBCTC.** Examples:

4.1.1 Work First, Adult Basic Education (ABE).

4.1.2 F&A Costs = 5% of Salary & Wages.

4.2 **Direct Federal Grants – Fixed Rate Negotiated.** Example:

4.2.1 Title III. CCS has an approved F&A rate with the Department of Health and Human Services (HHS). HHS is the cognizant agency for CCS and is the federal agency responsible for negotiating and approving the F&A rate with CCS on behalf of all Federal agencies.

4.2.2 F&A Costs = 38% of Salaries.

4.3 **Sub-Recipient of State or Federal Programs.** Examples:

4.3.1 OSPI, Spokane County.

4.3.2 F&A Costs = 8% of Expenditures

4.4 **Direct Contracts for Services.** Examples:

4.4.1 Running Start.

4.4.2 F&A Costs = 8% of Revenue.

4.5 **Community Service/Self Support Programs**

F&A Costs = 10% of Salary & Wages.

4.6 **Grants and Contracts with Pre-Negotiated Rates.** Examples:

4.6.1 Department of Corrections. F&A Costs = 10.5% of expenditures. The District office retains 8%; remainder is provided to SCC.

4.6.2 Head Start / Early Head Start. F&A Costs = 8%.

4.6.3 ECEAP. F&A Costs = 6% of CCS expenditures; 5% of subcontractor expenditures.

4.7 **Grants & Contracts Which Prohibit Recovery of F&A Costs**

F&A Costs = 0%

4.8 **All Other Private Grants or Contracts**

F&A Costs = 10.0% of Expenditures. The District office retains 8% and the balance is returned to the appropriate delivery unit.