




## DEPARTMENT OF EARLY LEARNING AND CARE (DELIC) POLICY

<b>POLICY TITLE</b> Administrative Cost Limits for State Funded Agreements	<b>POLICY #:</b> 58800-300-302-112	
<b>VERSION:</b> 1.1	<b>DOCUMENT OWNER:</b> Grants Management Office	<b>DIVISION:</b> Operations
<b>APPROVED BY:</b> Alyssa Chatterjee	<b>APPROVAL DATE:</b> February 28, 2025	<b>SIGNATURE ON FILE:</b> 
<b>REFERENCES:</b>	<b>SUPERSEDES:</b> Administrative Cost limits for State Funded Awards 1.0	<b>EFFECTIVE DATE:</b> March 1, 2025
<b>DELIC INTEROPERABILITY:</b> Program Des. & Admin., Community Systems, Professional Learning, Social Equity Office, and Grants Management Equity		
<b>EXTERNAL PARTNER INTERDEPENDENCIES:</b> Agreement Recipients		

### Purpose:

To establish a consistent process for managing administrative costs charged by organizations for state funded awards administered by the Agency.

### Definitions:

- **Administrative Costs:** Refers to indirect, overhead, and other expenses that support the project or activity funded by the award but are not directly attributable to it.
- **Code of Federal Regulations (CFR):** A codification (arrangement of) the general and permanent rules published in the Federal Register by the executive departments and agencies of the Federal Government.
- **Federally Approved Indirect Cost Rate:** A rate that is negotiated between a non-federal entity (Tribe/grantee/contractor) and a federal agency responsible for negotiating and approving rate proposals for indirect costs. The negotiated indirect cost rate must be accepted by all federal awarding agencies.
- **Tribe, Tribal Government, or Tribal Nation (can be used interchangeably):** Means one of nine federally recognized, sovereign Tribal governments within Oregon's borders: Burns Paiute Tribe; Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians; Confederated Tribes of Grand Ronde Community of Oregon; Confederated Tribes of Siletz Indians of Oregon; Confederated Tribes of the Umatilla Indian Reservation; Cow Creek Band of Umpqua Tribe of Indians; The Confederated Tribes of Warm Springs Reservation of Oregon; Coquille Indian Tribe; and Klamath Tribes.

**Policy:**

The Agency's state fund appropriations (both General Fund and Other Fund) limit Administrative Costs to 15% so the public receives the greatest benefit, which means the total Administrative Costs incurred must not exceed 15% of the total expenditures at the end of the agreement period, unless otherwise specified. This policy does not supersede rule, statute, or law.

Funds earmarked for child care provider financial support may not be eligible for administrative costs, as identified in the agreement. Administrative costs will be evaluated based on allowability and reasonableness, and all costs requested may not be approved. Typically, no single funding source will cover all of an organization's administrative costs.

As sovereign nations, Tribes may not be subject to the 15% administrative cost limit and instead may be allowed to use their Federally Approved Indirect Cost Rate for state funds, as identified in the agreement. Federally Approved Indirect Cost Rate is subject to the Indirect Cost Negotiation Agreement and Code of Federal Regulations.

**Document Resources or Other Attachments:**

#	Document Title	Hyperlink	Notes
1			
2			
3			