### Appendix I

### Administrative Cost Justification Form

### NEGOTIATION REQUEST

Click in shaded areas below to type.

**Agency Name:**       **County:**

**Grant Title:**       **Director Name:**

**Grant Contact:**

**Grant Amount Requested:**

**Total Administrative Cost Amount Requested:**

**Total Administrative Percentage Requested**:

As defined by AEFLA and [EDGAR](https://www.sec.gov/edgar.shtml) 34 Part 463, Subpart C (§463.25, §463.26), ***not less*** than 95% of funds must be spent on adult education direct services and literacy activities and ***not more*** than 5% of funds may be spent on administrative costs. Please note:

1. AEFLA defines administrative costs as allowable costs related to the planning and administration of the grant, including: carrying out performance accountability requirements, professional development, providing adult education and literacy services in alignment with local workforce plans, and carrying out one-stop partner responsibilities. Allowable administrative costs also include state approved indirect costs charged to the grant.
2. 100% of budget line one will be considered administrative. ACLS can only approve administrative salaries that directly support the grant. Administrators who provide direct student services need to account for those hours on line two. All hours must be accounted for through time and effort reporting. The administrative costs for sub-grantees must also be included as part of the total administrative cost. The FY20 budget form links sub-grantee administrative costs to the overall budget.
3. AEFLA Sec. 233 states that professional development (PD) expenses are administrative expenses and part of the 5% cap. DESE has further defined administrative PD expenses to include non-SABES/MCAE registration fees and travel expenses, including out of state travel. The FY20 budget form includes a section to identify these PD expenses as administrative costs. Please note that DESE defines SABES/MCAE training of direct service staff as instructional expenses.
4. Programs may negotiate on an individual basis to determine an adequate level of funds for non-instructional purposes (i.e., administrative costs) by submitting the Administrative Cost Justification Form below along with their continuation applications. Please keep in mind that the approved indirect cost rate is part of the allowed administrative cost. DESE will not grant administrative cost requests that exceed 25%. Programs requesting to spend more than 5% of their grants on administrative costs must apply anew each year.

**Instructions to Initiate the Negotiations Process:**

1. Complete and submit this form with your continuation application materials via the [online portal](https://webportalapp.com/appform/fy20continuationapp).
2. Submit a copy of your class plan and budget workbook:

* **Administrative Cost Budget:** including all of the proposed budget line items identified as administrative cost.
  + Salaries --- include position descriptions with all functions and job responsibilities performed and the percent of time dedicated to each job function and/or responsibility.
* **Direct Services Budget:** including all ‘other’ non-administrative proposed cost budget line items.
  + Make sure class plan and budget workbook totals the grant amount requested, and the combined percentage of administrative cost does not exceed twenty-five percent (25%).

**Note: It is at the discretion of the Massachusetts Department of Elementary and Secondary Education to determine the appropriate administrative cost percentage on a case-by-case basis.**

**Justification:**

In the shaded space below, provide a written narrative to justify this request for administrative costs greater than 5% of the grant award amount. Include specific references to explain each of the following:

* why an amount greater than 5% is requested;
* ways your agency be hindered in accomplishing the project goals and objectives if only 5% of the administrative costs are allowed in the grant.

Click in shaded area below to type.

Authorized Signatory:       Title:

Typed Name: \_     \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date

**For ACLS use only: Approved**  **Denied**

**Administrative Cost Percentage (%) Approved: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Program Specialist: \_     \_ \_\_ Date \_\_     \_\_\_ \_\_\_\_\_\_

Supervisor Review:       Date      \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Grants Management Office: (if applicable)**

DESE Grants Fiscal Review: \_     \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date \_     \_\_\_\_\_