

## **Subrecipient Administration Limitation**

### **BACKGROUND:**

To meet the intent in the Ryan White Part B 2618 b 3 B legislation that limits and defines subrecipient administration costs.

### **POLICY:**

ISDH must keep the administration cost of subrecipients at 10% or lower on the aggregate of the total Ryan White Part B funding for core and support services.

### **DOCUMENTATION:**

Subrecipients' budgets, reimbursement invoices, and Part B financial statements must report the administrative expenses separately and those cannot exceed the percentage limitation allowed in the subrecipient scope of service.

### **GUIDANCE:**

The following items are considered administrative expenses and should be identified in the budget narrative as such when creating your budget.

- A. Salaries  
Management and oversight: This includes staff that has agency management responsibility but no direct supervisory involvement in the provision of services.
- B. Finance and Contract administration  
This includes proposal, work plan and budget development, receipt and disbursement of contract funds, and preparation of programmatic and financial reports as required by the grant. A position or percentage of a position is considered administrative if it oversees a specific program or service (no direct or indirect client contact). Examples of titles that are 100% administrative: Controller, Accounting Manager, Director of Operations, Bookkeeper, Accountant, Payroll Specialist, Finance Coordinator, Deputy Executive Director; Program Manager, Program Coordinator, Quality Coordinator, Data Entry Clerk or Clinic Manager.
- C. Fringe  
The fringe rate should be applied to the amount of staff salaries devoted to administration in order to calculate the amount of administrative fringe benefits.
- D. Supplies  
All funds budgeted for office supplies are considered administrative. Supplies such as educational or clinical materials would be considered programmatic and part of the service budgeted expenses.

**Indiana State Department of Health (ISDH)**  
**HIV Services Program (HSP)**  
**HSP Policy # 18-08**

E. Travel

Travel pertaining to the financial operations or overall management of the organization is considered administrative. Client travel or travel of program staff to training would be considered programmatic. For employees who work a portion of their time in different categories of expense (administrative, quality management, planning and planning and evaluation, and/or program), travel should align with employee time sheet activity reporting. Local travel of employees for the purpose of providing a service is budgeted directly to the service. (e.g., home health)

F. Equipment

Equipment purchased for administrative staff or for the financial operations or overall management of the organization is considered administrative. Equipment purchased for program staff or to support or enhance service delivery would be considered programmatic.

G. Miscellaneous

Includes 100% of rent, utilities, computers (desktop and laptop), telecommunications (except for those that relate to a unique number or service purchased specifically for this program), audit expenses, general liability and board insurance. In addition, the percentage of staff time devoted to administration (as calculated on the salary page) should be applied to items of expense shared by program and administrative staff (such as photocopiers, printers, and maintenance agreements).

H. Quality

The legislation defines quality activities a part of the administration cost and subject to the 10% administrative cap.

I. Subcontracts/Consultant

Includes contractors who perform non-service delivery functions, e.g. bookkeepers, payroll services, accountants, security, maintenance, clinical quality management, etc.

J. Indirect

Established indirect rates (federally approved, or state approved or de minimus rate) are considered part of direct administration cost and cap. Caution: Indirect rates are part of the cap, not in addition to direct administrative costs.

Note: For subrecipients, quality is part of administration and as such part of the aggregate cap. Only exception when the subrecipient quality is part of the recipient 5% quality cap.

**EXCEPTIONS:**

The aggregate cost do not apply only when subrecipient administrative costs are funded by non-federal funds such as rebates, state funds.

**Indiana State Department of Health (ISDH)  
HIV Services Program (HSP)  
HSP Policy # 18-08**

**REFERENCES:**

Ryan White Legislation: <https://hab.hrsa.gov/about-ryan-white-hiv-aids-program/ryan-white-hiv-aids-program-legislation>

***Implemented: September 1, 2018***

***Revised: December 13, 2019***