

**MONTANA BOARD OF REGENTS OF HIGHER EDUCATION
Policy and Procedures Manual**

SUBJECT: RESEARCH AND PUBLIC SERVICE
Policy 404.1 – Indirect Cost Allowance; Carl Perkins Projects
Effective: June 21, 1991 Issued: Oct. 11, 1991

I. Board Policy:

In accordance with section 235(c)(4) of P.L. 101-392, the Carl D. Perkins Vocational and Applied Technology Education Act of 1990, no eligible recipient receiving Title II, Part B funds shall use more than 5 percent of such funds for administrative costs. Because of anti-supplanting language in P.L. 101-392, recovery of administrative costs through indirect cost allowance is dependent on the eligible recipient having an approved restricted indirect cost rate. Up to five percent of the federal dollars requested or allocated may be recovered as indirect costs subject to the following restriction:

If the approved restricted indirect cost rate is based on personal services only, the federal portion of the grant to which the five percent administrative recovery rate may be applied is limited to the federal personal services funds requested.

Capital expenditures may not be included in the calculation of recoverable administrative costs.

II. Definitions:

Restricted indirect cost rates are required when a grant program has a statutory requirement not to use federal funds to supplant state and local funding. Carl D. Perkins Vocational and Applied Technology Education Act of 1990 funds have that requirement. See 34 CFR 75.563.

History:

Item 59-7002-R0588, Application of Indirect Cost Allowance in Satisfying State Matching Fund Requirements; Montana Vocational-Technical System, May 6, 1988, as amended June 21, 1991; typographical error corrected on May 27, 2004 (34 CFR 75.568 was changed to 34 CFR 75.563).