

Glendale Community College District

6376

Administrative Regulation

SPECIALLY FUNDED PROGRAMS - INDIRECT COSTS

- I. Programs funded through external sources are expected to be self-supporting. In addition to fully covering all direct costs, the budget established and funding requested must provide for payment of indirect costs.
- II. Indirect costs include the added personnel office services, purchasing and accounting increased workload, increases in insurance, maintenance, operations, and the general administrative time devoted to these activities.
- III. Unless prohibited by the terms and conditions of the granting agency, a minimum of 10% of the total award is to be budgeted for Indirect Costs. This is to be shown as a line item expenditure, and this amount will be transferred to the 01, Unrestricted General Fund income portion of the budget to help support the cost referred to in item II.
- IV. It is recognized that some categorical and Federal programs do not allow charges for indirect costs. In such cases this must be specifically noted on the report submitted to the Board of Trustees requesting acceptance of the award or contract.
- V. Indirect costs are not to be used for Fringe Benefits paid to employees charged to the program, or to cover salary increases. Such items are direct program costs and must be anticipated and budgeted for in the allocation budget developed for the program. Refer to Administrative Regulation 8231 for further clarification of allocation budget considerations.

Adopted 9/6/88