

U. S. Department of Labor
Employment and Training Administration
Senior Community Service Employment Program
Applicable Funding Restrictions and Budget Narrative Instructions

Funding Restriction: Administrative Cost Limitation

The administrative costs under this award are not to exceed 13.5 percent of the grant award. If necessary, certain exceptions can raise this limit to up to 15 percent of the grant amount, but only with prior written approval from the Grant Officer. Recipients must request prior approval to increase the administrative cost limitation each allotment year. It does not carry over from one program year to the next. To request an increase to the administrative cost limitation, recipients must address within the Budget Narrative document, ensuring to address the requirements outlined at [20 CFR 641.870](#).

Administrative costs do not need to be itemized separately from program costs on the SF-424A Budget Information Form and Budget Narrative; however, they must be tracked through the recipient's accounting system.

Administrative costs, as defined in Section 502(c)(4) of the Older Americans Act ([42 U.S.C. 3056\(c\)\(4\)](#)) and at [20 CFR 641.856](#), are the costs, both personnel-related and non-personnel-related and both direct and indirect, associated with the following:

- The costs of performing general administrative functions and providing for the coordination of functions, such as the costs of—accounting, budgeting, and financial and cash management; procurement and purchasing; property management; personnel management; payroll functions; coordinating the resolution of findings arising from audits, reviews, investigations, and incident reports; audits; general legal services; developing systems and procedures, including information systems, required for administrative functions; preparing administrative reports; and other activities necessary for the general administration of government funds and associated programs.
- The costs of performing oversight and monitoring responsibilities related to administrative functions.
- The costs of goods and services required for administrative functions of the project involved, including goods and services such as rental or purchase of equipment, utilities, office supplies, postage, and rental and maintenance of office space.
- The travel costs incurred for official business in carrying out administrative activities or overall management.
- The costs of information systems related to administrative functions (such as personnel, procurement, purchasing, property management, accounting, and payroll systems), including the purchase, systems development, and operating costs of such systems.

- The costs of technical assistance, professional organization membership dues, and evaluating results obtained by the project involved against stated objectives.

Funding Restriction: Use of Grant Funds for Participant Wages

Grant recipients must spend a minimum of 75 percent of their SCSEP Federal grant funds on participant wages and fringe benefits. Subject to Departmental approval, a recipient may use up to 10 percent of SCSEP Federal grant funds that would otherwise be devoted to wages and benefits to provide optional additional training and supportive services to participants (see [20 CFR 641.874](#)).

Recipients must pay participants the highest applicable required wage for time spent in orientation, training, and community service assignments. Participant wages are based on the highest applicable required wage, either the Federal minimum wage applicable under the Fair Labor Standards Act of 1938; the State or local minimum wage for the most nearly comparable covered employment; or the prevailing rate of pay for people employed in similar public occupations by the same employer (see [20 CFR 641.565](#)).

Funding Restriction: Non-Federal Cost Sharing for SCSEP Allotments

This award includes a non-Federal cost sharing requirement, per the [Older Americans Act](#), section 502(c)(1)–(2):

FEDERAL SHARE. The Secretary may pay a Federal share not to exceed 90 percent of the cost of any grant, except that the Secretary may pay all of such cost if such project is (A) an emergency or disaster project; or (B) a project located in an economically depressed area, as determined by the Secretary in consultation with the Secretary of Commerce and the Secretary of Health and Human Services.

NON-FEDERAL SHARE. The non-Federal share shall be in cash or in kind. In determining the amount of the non-Federal share, the Secretary may attribute fair market value to services and facilities contributed from non-Federal sources. The costs that the award recipient incurs in fulfilling its cost sharing requirement are subject to the same requirements, including the cost principles, that are applicable to the use of Federal funds. Such costs must be reasonable, allocable, and allowable to the program. In addition, those costs must adhere to the guidelines specified in [2 CFR 200.306](#) and be verifiable in the recipient's records with proof that prior approval, where required, was obtained. Cost sharing funds must be expended as required at [2 CFR Part 2900](#) before they can be recognized and reported as cost sharing on the ETA-9130 report. Whether in cash or in-kind, the non-Federal share is expected to adhere to the same cost limitations.

The cost-sharing requirement must be met at the time all such funds have been expended or the period of availability of such funds has expired, whichever comes first. If the required contribution is not met, award recipients will be responsible for reimbursing ETA the amount of

unmet cost sharing contribution when the award is closed. Cost sharing must be reported on the quarterly ETA-9130 Federal financial report under the Recipient Share section. Cost sharing funds must be expended as required at [2 CFR Part 2900](#) before they can be recognized and reported as cost sharing.

The formula for calculation of SCSEP cost share is as follows:

$$[\text{Federal Expenditures} \div 0.90] - \text{Federal Expenditures} = \text{Required Cost Share}$$

Example: For a grant expending \$1,000,000: $[1,000,000 \div .90] - \$1,000,000 = \$111,111$.

Requirements for Explaining the SF-424A Line-Item Categories in the Budget Narrative (reflective of Uniform Guidance revisions effective October 1, 2024):

- **Personnel:** List all staff positions by title (including individuals hired by an employment contract) including the roles and responsibilities. For each position give the annual salary, the percentage of time devoted to the project, and the amount of each position's salary funded by the grant.
- **Fringe Benefits:** Provide a breakdown of the amounts and percentages that comprise fringe benefit costs such as health insurance, FICA, retirement, etc.
- **Travel:** For grantee staff only specify the purpose, number of staff traveling, mileage, per diem, estimated number of in state and out-of-state trips, and other estimated costs for each type of travel.
- **Equipment:** Identify each item of equipment you expect to purchase that has an estimated acquisition cost of \$10,000 or more per unit (or if your capitalization level is less than \$10,000, use your capitalization level) and a useful lifetime of more than one year (see [2 CFR 200.1](#) for the definition of Equipment). List the item, quantity, and the unit cost per item. Items with a unit cost of less than \$10,000 are supplies, not "equipment." In general, we do not permit the purchase of equipment during the last funded year of the grant.
- **Supplies:** Identify the cost of supplies (e.g., general office supplies, desk/chairs, laptops/printers, other specialty items) in the detailed budget per category. Except for general office supplies, list the item, quantity, and the unit cost per item. Supplies include all tangible personal property other than "equipment" (see [2 CFR 200.1](#) for the definition of Supplies).
- **Contractual:** Under the Contractual line item, delineate contracts and subawards separately. Contracts are defined according to [2 CFR 200.1](#) as a legal instrument by which a non-federal entity purchases property or services needed to carry out the project or program under a federal award. A subaward, defined by [2 CFR 200.1](#) means an award provided by a pass-through entity to a subrecipient for the subrecipient to contribute to the goals and objectives of the project by carrying out part of a Federal award received by the

pass-through entity. It does not include payments to a contractor, beneficiary, or participant. A subaward may be provided through any form of legal agreement consistent with criteria in with [§ 200.331](#), including an agreement the pass-through entity considers a contract.

- **Construction:** Construction costs are not allowed, and this line must be left as zero. Minor alterations to adjust an existing space for grant activities (such as a classroom alteration) may be allowable. We do not consider this construction, and you must show the costs on other appropriate lines such as Contractual.
- **Other:** Provide clear and specific details, including costs, for each item so that we can determine whether the costs are necessary, reasonable, and allocable. List items, such as stipends or incentives, not covered elsewhere.
- **Indirect Costs:** If you include an amount for indirect costs (through a Negotiated Indirect Cost Rate Agreement or De Minimis) on the SF-424A budget form, then include one of the following:
 - a. If you have a Negotiated Indirect Cost Rate Agreement (NICRA), provide an explanation of how the indirect costs are calculated. This explanation should include which portion of each line item, along with the associated costs, are included in your cost allocation base. Also, provide a current version of the NICRA; or,
 - b. If you intend to claim indirect costs using the 15 percent de minimis rate of modified total direct costs (MTDC), please confirm that your organization meets the requirements as described in [2 CFR 200.414\(f\)](#). Clearly state that your organization does not have a current negotiated (including provisional) rate, and is not one described in [2 CFR Part 200, Appendix VII\(D\)\(1\)\(b\)](#).

Applicants choosing to claim indirect costs using the de minimis rate must use MTDC as their cost allocation base. Provide an explanation of which portion of each line item, along with the associated costs, are included in your cost allocation base. Note that there are various items not included in the calculation of MTDC. See the definition below to assist you in your calculation.

- **Modified Total Direct Cost (MTDC) Definition:** To avoid a serious inequity in the distribution of indirect costs, ETA defines MTDC as all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$50,000 of each subaward or subcontract (regardless of the period of performance of the subawards and subcontracts under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward or subcontract in excess of \$50,000.

Please note participant support costs are not included in MTDC. As defined under [2 CFR 200.1](#) Participant Support Cost means direct costs that support participants and their involvement in a Federal award, such as stipends, subsistence allowances,

travel allowances, registration fees, temporary dependent care, and per diem paid directly to or on behalf of participants.

Additionally, the following link contains information regarding the negotiation of Indirect Cost Rates at DOL: <https://www.dol.gov/agencies/oasam/centers-offices/office-of-the-senior-procurement-executive/cost-price-determination-division>.

Indirect-type costs (such as top management salaries, financial oversight, human resources, payroll, personnel, auditing costs, accounting and legal, etc. used for the general oversight and administration of the organization) must not be classified as direct costs; these types of costs are recovered as part of charging the de minimis or NICRA rate. Do not show leveraged resources on the SF-424 and SF-424A. You should describe leveraged resources in the Budget Narrative.

Applicants must list the same requested federal grant amount on the SF-424, SF-424A, and Budget Narrative.