**§ 641.856 What functions and activities constitute administrative costs?**

1. Administrative costs are that allocable portion of necessary and reasonable allowable costs of ***recipients*** and ***program operators*** that are associated with those specific functions identified in **paragraph (b)** of this section and that are not related to the direct provision of programmatic activities specified in § 641.864. These costs may be both personnel and non -personnel and both direct and indirect costs.
2. Administrative costs are the costs associated with:
3. Performing general administrative and coordination functions, including:
4. Accounting, budgeting, financial, and cash management functions;
5. Procurement and purchasing functions;
6. Property management functions;
7. Personnel management functions;
8. Payroll functions;
9. Coordinating the resolution of findings arising from audits, reviews, investigations, and incident reports;
10. Audit functions;
11. General legal services functions;
12. Developing systems and procedures, including information systems, required for these administrative functions;
13. Preparing administrative reports; and
14. Other activities necessary for general administration of government funds and associated programs.
15. Oversight and monitoring responsibilities related to administrative functions;
16. Costs of goods and services used for administrative functions of the program, including goods and services such as rental or purchase of equipment, utilities, office supplies, postage, and rental and maintenance of office space;
17. Travel costs incurred for official business in carrying out administrative activities or the overall management of the program;
18. Costs of information systems related to administrative functions (for example, personnel, procurement, purchasing, property management, accounting, and payroll systems) including the purchase, systems development, and operating costs of such systems and;
19. Costs of technical assistance, professional organization membership dues, and evaluating results obtained by the project involved against stated objectives. (OAA § 502(c)(4)).