



ADMINISTRATION FOR  
**CHILDREN & FAMILIES**

# **2017 National LIHEAP Conference**

## **LIHEAP Administrative Funding Strategies**

Facilitator Guide



## Table of Contents

<b>LIHEAP Administrative Funding Strategies .....</b>	<b>2</b>
Review of Statute.....	2
Define Administrative Costs Worksheet .....	4
Defining Costs – Heather Jones.....	5
Closing.....	5



## LIHEAP Administrative Funding Strategies

This session of the LIHEAP Conference reviews classifying costs for the LIHEAP program. This session is 60 minutes and involves small- and large-group discussions.

Materials Needed	
<b>Presentation</b>	Administrative Funding Strategies Presentation (Microsoft PowerPoint File)
<b>Handouts</b>	LIHEAP Costs Worksheet (Microsoft Word File)
<b>Facilitator Answer Key</b>	LIHEAP Costs Worksheet Key (Microsoft Word File)

**Moderator:** *John*

[Display Slide 1]

**Welcome** participants to the session. Explain that this session is to discuss Administrative Funding Strategies for the LIHEAP program.

[Display Slide 2]

**Review** the agenda.

**Explain:** We will begin by reviewing the requirements for administrative funding, and then move into an exercise using a worksheet to help you classify your costs. We will also hear from Heather Jones from the Missouri Department of Social Services who will talk to us about defining your costs.

### *Review of Statute*

<b>Time Needed:</b>	10 minutes
<b>Objective:</b>	Provide a brief overview of the requirements and statutes regarding Administrative Funding.
<b>Procedure:</b>	The facilitator will briefly review the requirements and statutes of the LIHEAP program regarding Administrative Funding and use the accompanying Microsoft PowerPoint presentation to walk through the key points.

**Facilitator:** *Iris*

[Display Slide 3]

**Explain:** We will begin with an overview of the rules and statutes that apply to administrative funding.

[Display Slide 4]

**State:** We will start by looking at the statutes that govern administrative costs. Various statutes govern the LIHEAP program. These statutes specify how the money is used, including how much can be used towards administrative costs.

**Explain:** This slide lists the key statutes and regulations that apply in this case.

**State:** The LIHEAP regulations leave the definition of administrative costs to the grantees to interpret, only stating that it should be in line with the definition used in other public assistance programs



administered by the grantee (e.g., Temporary Assistance for Needy Families [TANF] or the Supplemental Nutrition Assistance Program [SNAP]).

**State:** Please note that Assurance 16 is included on this slide. This is actually a non-administrative category; but it is crucial to determine the difference with individual costs, particularly staff costs.

**Note:** The following information presents the specific language that is contained in the regulation of the statute, if needed.

**Block Grant Regulations:** 45 CFR 96.88(a) (a) *Costs of planning and administration. Any expenditure for governmental functions normally associated with administration of a public assistance program must be included in determining administrative costs subject to the statutory limitation on administrative costs, regardless of whether the expenditure is incurred by the State, a Subrecipient, a grantee, or a contractor of the State.*

**LIHEAP Statute:** Section 2605(b) (9) (ASSURANCE 9) *provide that-- (A) the State may use for planning and administering the use of funds under this title an amount not to exceed 10 percent of the funds payable to such State under this title for a fiscal year; and (B) the State will pay from non-Federal sources the remaining costs of planning and administering the program assisted under this title and will not use Federal funds for such remaining cost ....*

**LIHEAP Information Memorandum:** 2000-12 *Costs for Planning and Administration. ...Temporary Assistance for Needy Families (TANF) program is a primary Federal "public assistance program"....The term "administrative costs" means costs necessary for the proper administration of the TANF program, or separate State programs. LIHEAP grantees may adopt TANF rules for administrative costs.*

**LIHEAP Clearinghouse Article:** *The clearinghouse has a brief paper on the definitions of administration and program support. This can be found at:*  
<http://www.liheapch.acf.hhs.gov/admin/adminvsprogcosts.htm>.

**TANF Regulations:** 45 CFR §263.0 *what definitions apply to this part. Defines administration terms of exclusions and included costs ....*

[Display Slide 5]

**State:** The main thing to keep in mind is that administrative costs cannot exceed 10 percent of the total grant funds payable to the grantee. This includes all administrative costs for all components funding by the program, across all levels. Administration from other federal sources counts in the cap. The key points to remember are:

- Planning and administering costs under this title cannot exceed 10 percent of the funds.
- Any expenditure for governmental functions normally associated by the grantee with administration of a public assistance program must be included.
- Regardless of whether the administrative expenditure is included by the State, a subrecipient, a grantee, or a contractor of the state, the costs must be included in the 10 percent cap.

**Ask:** Are there any questions at this point?

## Define Administrative Costs Worksheet

<b>Time Needed:</b>	30 minutes
<b>Objective:</b>	Review how to classify costs and explore how others define administrative costs.
<b>Procedure:</b>	The participants will work use a worksheet to determine classification of costs. They will then work in small groups to compare their classifications and discuss the results. The small groups will then share major findings with the larger group.

### Facilitator: Iris

[Display Slide 6]

**Explain:** We will now spend some time classifying costs and reviewing how different areas define Administrative Funding Strategies.

[Display Slide 7]

**Distribute** the LIHEAP Costs Worksheet to all participants.

**State:** Please use this worksheet to review the costs associated with LIHEAP. Then, indicate what category you would use for each cost:

- Admin
- Assurance16
- Non-Admin
- If the cost should not be part of LIHEAP

**State:** I will give you 5 minutes for this.

**Allow** five minutes for the participants to review the sheet and classify the costs.

**Explain:** Now, I would like you to form groups of 3 - 4 people and review how you have each classified these costs. Any place you have a different answer, please discuss your reasoning for that classification.

**Allow** 15 minutes for the groups to talk through the sheet.

**Ask:** What surprised you when you listened to what others were doing?

**Allow** for responses and discussion among the participants.

**Ask:** Were there any costs that you really do not understand how to classify?

**Allow** for responses and discussion among the participants.

**Ask:** Within your programs, how have you made the decisions how to classify the various costs? Have you used a specific resource or document to help? Have you had group discussions?

**Allow** for responses and discussion among the participants.

**State:** This next slide provides information about what is *usually* included, *often* included, and *often excluded* in administrative costs.

[Display Slide 8]

**State:** Remember, these are not written in stone. These are typical guidelines. Every program must make the decisions.

## *Defining Costs – Heather Jones*

<b>Time Needed:</b>	15 minutes
<b>Objective:</b>	This section will present expert advice on defining costs.
<b>Procedure:</b>	There will be a brief presentation by Heather Jones.

**Moderator: John**

[Display Slide 9]

**Explain:** I would like to introduce Heather Jones. She is going to provide expert guidance about defining expenses. Heather is the LIHEAP Manager from the Missouri Department of Social Services, Family Support Division. She has a few worksheets to help in the planning and budgeting process; these will be available on the flash drive for you after the session.

[Display Slides 10 - 12]

**Allow** Heather to speak for 10 minutes.

**Ask:** Do you have any questions you would like to ask Heather? (Allow 5 minutes for questions and answers.)

*[John and Iris – please provide 1 - 2 questions to ask Heather if the audience does not have any questions immediately.]*

**Thank** Heather for speaking to the group today.

## *Closing*

<b>Time Needed:</b>	5 minutes
<b>Objective:</b>	Close the presentation
<b>Procedure:</b>	Take time for additional questions or comments.

**Moderator: John**

[Display Slide 13]

**Ask:** Are there any other questions or comments about defining administrative costs or the regulations for LIHEAP?

**Allow** several minutes for any last questions or comments.

**Remind** participants that copies of the materials from this session are available on their USB drive.

**Thank** the participants for attending the session.