

YHDP Round 8

Review of Eligible Activities and Costs

Agenda

Welcome and Objectives

- Overview of Training Goals
- Understanding Eligible Costs under YHDP Round 8

Budget Categories Overview

- Acquisition/Rehab/New Construction
- Leased Units and Structures
- Rental Assistance
- Supportive Services
- Special YHDP Activities
- Operating
- HMIS
- Administrative Costs

Closing and Next Steps

Objectives and Goals



After today's training you will understand eligible costs for each budget line item.



You will be able to develop a budget for your projects that is comprehensive and considers all costs related to delivering services.

Eligible YHDP Activities

Eligible activities, also referred to as eligible cost categories, are the allowable uses of YHDP Program funds. These Costs include:

- Acquisition/Rehabilitation/New Construction
- Leased Units/ Structures
- Rental Assistance
- Supportive Services
- Operating
- HMIS
- Administration

Eligible Costs by the Round 8 YHDP Program Components

Eligible Costs	Permanent Housing – PH: PSH	Permanent Housing – PH: RRH	TH	Joint TH/RRH	SSO	HMIS
Acquisition	X		X	X	X	
Rehabilitation	X		X	X	X	
New Construction	X		X	X		
Leasing	X	X*	X*	X	X	
Rental Assistance	X	X	X	X		
Supportive Services	X	X	X	X	X	
Operating Costs	X		X	X**		
HMIS	X	X	X	X	X	X
Project Administration	X	X	X	X	X	X

**Requires Special Activity approval*
*** Only can be applied to the TH portion of the project*

Acquisition

Grant funds may be used to pay up to 100 percent of the cost of acquisition of real property selected by the recipient or subrecipient for use in the provision of housing or supportive services for homeless persons.



Rehabilitation

Funds may be used to pay up to 100 percent of the cost to rehabilitate an existing structure used to provide PSH, TH or SSO. The recipient or subrecipient must own the property; it may not be leased. Allowable rehabilitation costs include:

- Bringing an existing structure up to state and local government health and safety standards;
- Installing cost-effective energy efficiency measures;
- Converting non-housing structures into housing; or
- Building an addition to an existing structure that increases the floor area by less than 100 percent.

New Construction

Funds may be used to pay up to 100 percent of new construction.

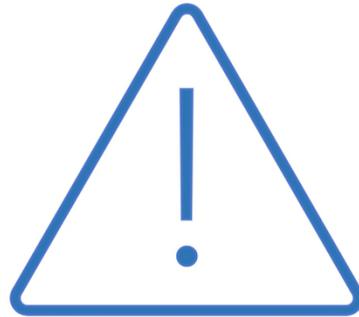
Costs may include:

- Acquiring land associated with the construction;
- Building a new structure; or
- Increasing the size of an existing structure by more than 100 percent.

Recipients must demonstrate that the costs of new construction are substantially less than for rehabilitation, or that there is a lack of appropriate units that could be rehabilitated at a cost less than new construction

RESTRICTIONS

YHDP acquisition, rehabilitation, or new construction may not be combined in a single structure or housing unit with CoC funds used for: leasing or tenant based rental assistance (TBRA), including short- or medium-term rental assistance.



Leased Units and Structure

- Leasing funds may be used to **pay rents** lease individual housing units, structures, or a portion of a structure.
- Rent can be paid for **vacant** units until new participant moves in.
- **Utilities** may be paid, so long as they are included in the cost of rent.
- **Security deposits**, in an amount not to exceed 2 months of actual rent. This includes an advance payment of the last month's rent that may be provided to the landlord in addition to the security deposit and payment of the first month's rent.
- **Payments on unoccupied** units while identifying a new program participants.
- Property Damage **is not** an eligible cost of Leasing, but payment for damages may come out of the security deposit. *(Damages may be paid for by Operating, or by Supportive Service with approved Special Activity)*
- Rent can be paid for units if participants are in an institution for up to 90 days.

Leased Units and Structure- Hotel/Motel

YHDP recipients elect to utilize Special Activities that may pay for short-term (up to three months) emergency lodging in motels or shelters as the transitional housing component in a Joint transitional housing-rapid rehousing (THRRH) project. The Special Activity must be approved prior to incurring any cost and recipient must demonstrate that use of the hotel or motel room is accessible to supportive services.

Leased Units and Structure

When using Leasing, rents must be reasonable in relation to rents charged for comparable units in the area. Generally, Leasing funds **would not** exceed the lower of Fair Market Rent (FMR) or the rent reasonableness limit for the unit. YHDP Projects may request the use of Special Activities to pay above the FMR for individual units if the amount paid is consistent with the reasonable rent standards.

Example: What is the Maximum Allowable Rental payment?

	1-Bedroom Unit	2-Bedroom Unit	3-Bedroom Unit
Reasonable Rent	\$600	\$1,300	\$1,950
Fair Market Rent	\$575	\$1,200	\$1,980
Maximum Allowable Contract Rent	\$575	\$1,300*	\$1,950*

* With use of Special Activity.

Leasing- Occupancy charge & Program Income

Occupancy Charges: Participants are not required to contribute towards their housing costs when assisted with Leasing funds. Recipients may elect to impose occupancy charge equal to no more than the highest of :

- 30 Percent of the household's adjusted income;
- 10 percent of the household's monthly gross income; or
- The portion of the household's welfare assistance, if any, that is designated for the payment of rent.

Program fees other than occupancy charges (e.g., fees for cleaning services, laundry, transportation, etc.) may not be charged to program participants.

Program Income: Collection of occupancy charges must be treated as Program Income. Program income earned during the grant term is to be retained by the recipient and used for eligible costs. These costs can be used on any eligible CoC activity regardless of the approved activities in your project budget but will be subject to the cost eligibility and cost restrictions of each budget line item.

Recipients/subrecipients cannot use program income to cover costs above FMR, even if reasonable.

Leasing- Service Delivery & Overhead

Service Delivery costs associated with administering and carrying out eligible activities are allowable within their respective budget line items.

For example, eligible service delivery costs for staff time under the Leasing BLIs would include:

- Processing rental payments to landlords,
- Verifying participant income and household composition,
- Assisting with housing location and navigation,
- Conducting HQS or NSPIRE inspections,
- Completing intake and eligibility determinations.

Staff costs also include technical functions such as rent reasonableness assessments

Overhead costs are expenses necessary to carry out eligible activities and may be charged as direct or indirect costs, depending on their nature.

Examples include:

- Office space (rent, utilities),
- Office supplies,
- Equipment used by staff performing eligible work.

Overhead costs must be reasonable, allowable, and allocable under 2 CFR part 200.

Leased Units and Structure- Restrictions

YHDP funds used for leasing may not be combined in a single structure or housing unit with CoC program funds used for:

- Rental assistance
- Acquisition, rehabilitation, or new construction

Leasing funds may **not be used** to lease units or structures owned by recipient, subrecipient, parent organizations, or any other related organizations, including partnerships, unless HUD authorized an exception for good cause.



Rental Assistance

CoC rental assistance funds can be used to pay a portion, or all of, a participant's rent. The length of time and amount of rental assistance that can be provided varies depending on program component, and the CoC Written Standards (for Joint TH/RRH & RRH).

While the budget amount is based on the Fair Market Rent (FMR), a recipient/subrecipient can pay more than the FMR if the rent is reasonable and if there are sufficient funds in the CoC Program budget to do so.

Rental Assistance- Types

Types of Rental Assistance-

- ***Tenant-based rental assistance.*** Tenant-based rental assistance is rental assistance in which program participants choose housing of an appropriate size in which to reside.
- ***Sponsor-based rental assistance.*** Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor.
- ***Project-based rental assistance.*** Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.

Rental Assistance- Costs

Eligible Costs Include:

- **Monthly Rent Payments** based on reasonable rent and FMR (Fair Market rent) or actual rent, depending on program design.
- **Vacancy Payments** of 30 to 90 days, based upon circumstances, when a unit becomes vacant, if it's being prepared for a new program participant.
- **Security Deposits** of up to the amount of 2 months rent.
 - In addition to a security deposit, you may make an advance payment for first and/or last month's rent.
- **Property Damage** of up to 1-month's rent and is a one-time cost per program participant, paid upon the program participant's exit from the unit.
- **Utility reimbursements**, paid directly to the participant or the utility company, if utilities are the responsibility of the participant and not included in the contracted rent.

Rental Assistance- Service Delivery

Costs associated with administering and carrying out eligible activities are allowable within their respective budget line items. For example, eligible service delivery costs for staff time under the Rental Assistance BLIs would include:

- Processing rental payments to landlords,
- Verifying participant income and household composition,
- Assisting with housing location and navigation,
- Conducting HQS or NSPIRE inspections,
- Completing intake and eligibility determinations.

Staff costs also include technical functions such as rent reasonableness assessments.

Rental Assistance- Overhead

Overhead costs are expenses necessary to carry out eligible activities and may be charged as direct or indirect costs, depending on their nature.

Examples include:

- Office space (rent, utilities),
- Office supplies,
- Equipment used by staff performing eligible work.

Overhead costs must be reasonable, allowable, and allocable under 2 CFR part 200.

Rental Assistance- Prohibited Costs

CoC program funds used for rental assistance may not be combined in a single structure or housing unit with CoC program funds used for:

- Leasing;
- Operating; or
- Acquisition, rehabilitation or new construction if TBRA (including short- or medium-term rental assistance).

Note: Recipient may request the use of a Special Activity that would allow Rental assistance to be combined with leasing or operating funds in the same unit, provided that the recipient submits a project plan that includes safeguards to ensure that no unit receives a doublesubsidy, defined as rent in excess of the pro-rata reasonable rent for the unit.

Eligible Costs – Supportive Services

In general, grant funds may be used only on those services listed in the CoC Program interim rule to pay for a wide range of supportive services. There are 17 eligible supportive service cost categories within the Supportive Services Budget. All services must be necessary for a young person to obtain or maintain housing.

Assessing Service Needs

Assistance with moving Costs

Case Management

Child Care

Education Services

Employment Assistance and Job Training

Food

Housing Search and Counseling Services

Legal Services

Life Skills Training

Mental Health Services

Outpatient Services

Outreach Services

Substance abuse treatment Services

Transportation

Utility Deposits

Direct Provision of Services

Overhead costs directly related to carry out these activities would also be an eligible cost.

Supportive Services Costs

Assessment of Service Needs

- Costs of annual assessment of participant service needs.

Assistance with Moving

- Reasonable one-time participant moving costs including truck rental and moving company costs. May charge cost of disposing participant furniture that is too old/damaged to donate.

Food

- Costs of providing meals or groceries to participants.

Utility Deposits

- One-time costs of participant's utility deposit fees paid to utility companies.

Case Management Costs

Assist Participants to Obtain
and Maintain Housing

Costs for providing Case Management may include:

Assessing, arranging, coordinating, and monitoring participant counseling to meet the housing needs of the participant.

Developing, securing, and coordinating individualized services to meet the housing needs of a participant.

Using the CoC's centralized/coordinated assessment system.

Obtaining federal, State, and local benefits for a participant to meet their housing needs.

Monitoring and evaluating participant progress to meet their housing needs.

Providing participant information and referrals to other providers to meet their housing needs.

Providing ongoing risk assessment/safety planning with victims of domestic violence/dating violence/sexual assault/stalking.

Developing an individualized participant housing and service plan, including planning a path to permanent housing stability.

Education Services Costs

Screening to improve participant knowledge and basic educational skills including instruction/training in consumer ed, health ed, substance abuse prevention, literacy, ESL, and GED.

Assessment and testing to improve participant knowledge and basic educational skills including instruction/training in consumer ed, health ed, substance abuse prevention, literacy, ESL, and GED.

Individual/group instruction to improve participant knowledge and basic educational skills including instruction/training in consumer ed, health ed, substance abuse prevention, literacy, ESL, and GED.

Tutoring to improve participant knowledge and basic educational skills including instruction/training in consumer ed, health ed, substance abuse prevention, literacy, ESL, and GED.

Books, supplies, and instructional material to improve participant knowledge and basic educational skills including instruction/training in consumer ed, health ed, substance abuse prevention, literacy, ESL, and GED.

Counseling to improve participant knowledge and basic educational skills including instruction/training in consumer ed, health ed, substance abuse prevention, literacy, ESL, and GED.

Referral to community resources to improve participant knowledge and basic educational skills including instruction/training in consumer ed, health ed, substance abuse prevention, literacy, ESL, and GED.

Employment Assistance cost



Costs of establishing/operating employment assistance/job training programs including classroom, on-line and/or computer instruction, on-the-job instruction, and increasing earning potential.



Costs of providing reasonable stipends to participants in employment assistance and job training programs.



Costs of acquiring learning skills including those skills that can be used to secure and retain a job, including the acquisition of vocational licenses/certificates.



Costs of employment screening, assessment or testing services to assist individuals in securing employment.

Employment Assistance Continued



Costs of structured job skills and job-seeking skills services that assist individuals in securing employment



Costs of special training and tutoring, including literacy training and pre-vocational training services that assist individuals in securing employment.



Costs of books and instructional material that assist individuals in securing employment.



Costs of counseling or job coaching services that assist individuals in securing employment.



Costs of referral to community resources that assist individuals in securing employment.

Child Care

Costs of establishing/operating a licensed child-care for children from families experiencing homelessness. Children must be under 13 unless disabled who must be under 18.

Costs of providing child-care vouchers including providing meals and snacks for children from families experiencing homelessness.

Costs of comprehensive/coordinated developmental activities for children from families experiencing homelessness.

Housing Search and Counseling Services Costs

Tenant counseling that assist participants to locate/obtain/retain suitable housing.

Assisting individuals and families to understand leases that assist participants to locate/obtain/retain suitable housing.

Securing utilities that assist participants to locate/obtain/retain suitable housing.

Making moving arrangements that assist participants to locate/obtain/retain suitable housing.

Mediation with property owners and landlords on behalf of participants that assist participants to locate, obtain, and retain suitable housing. *Eviction costs are not eligible.*

Credit counseling, accessing a free personal credit report, and resolving personal credit issues that assist participants to locate, obtain, and retain suitable housing.

Payment of rental application fees that assist participants to locate, obtain, and retain suitable housing. Background checks are eligible if part of rental application fee or as a program eligibility requirement.

Life Skills Costs

Costs of teaching critical skills that may never have been learned or have been lost during the course of physical or mental illness, domestic violence, substance abuse, and homelessness. These services must be necessary to assist the program participant to function independently in the community:

Budgeting of resources and money management

Household management

Conflict management

Shopping for food and other needed items

Nutrition management

Use of public transportation

Parent training

Legal Services

Costs of fees charged by licensed attorneys/person(s) under supervision for advice and representation for matters that interfere with homeless individual or family's ability to obtain and retain housing including receiving and preparing cases for trial, provision of legal advice, representation at hearings, and counseling including:

Child Support

Guardianship

Paternity

Emancipation

Legal separation

Orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking

Appeal of veterans and public benefit claim denial

Landlord tenant dispute

Resolution of outstanding criminal warrant

Costs of filing fees and other necessary court costs.

Mental Health Services

Costs of Direct Services provided by licensed professionals:

Outpatient crisis interventions treatment of mental health conditions

Individual, family, or group therapy sessions

Prescription of psychotropic medications or explanations about use and management of medication

Combinations of therapeutic approaches to address multiple mental health conditions

Outpatient Health Services

Costs of Direct outpatient treatment provided by
licensed medical professionals for:

Medical conditions

Assessment of an individual's health problems and development of a treatment plan

Assisting individuals to understand their health needs

Assisting individuals to obtain and utilize appropriate medical treatment

Preventative medical care and health maintenance services

Provision of medication

Providing follow-up services

Preventative and non-cosmetic dental care

Outreach Services

Costs of the following to engage persons for the purpose of providing **immediate support** and **interventions** as well as **identifying potential program participants**:

Outreach worker's transportation and cell phone

Initial assessment

Crisis counseling

Urgent physical needs such as meals, blankets, clothes or toiletries

Connecting people with information and referrals

Publicizing the availability of housing and/or services in the geographic area

Substance Abuse Treatment Services

Costs of participant intake and assessment for substance abuse treatment.

Costs of participant outpatient substance abuse treatment.

Costs of participant group and individual counseling for outpatient substance abuse treatment.

Costs of participant drug testing for outpatient substance abuse treatment.

Transportation



Costs of participant's travel on public transportation or in a vehicle provided by the recipient/subrecipient to and from medical care, employment, child-care, or other eligible services. Transportation for clients must be logged and verifiable. Recipient policy should ensure costs allocated and tracked appropriately.



Mileage allowance costs for service workers (using their own vehicles) to visit participants and to carry out housing quality inspections. Logs should be kept.



Cost of purchasing or leasing a vehicle in which staff transports participants and/or staff serving program participants.



Cost of gas, insurance, taxes, and maintenance for a vehicle provided by the recipient/subrecipient that transports participants and staff serving participants to and from medical care, employment, child-care, or other eligible services.



Costs of recipient or subrecipient staff to accompany or assist participants to utilize public transportation.



One-time direct payment (not to exceed 10% of Blue Book value) on behalf of a participant to a third party that repairs or maintains a personal vehicle needing repairs or maintenance required to operate. Recipient/subrecipient may require program participant to share in the cost of car repairs or maintenance as a condition of receiving assistance. Public transportation options must be considered non sufficient within the area.

Salaries, Benefits, Labor, Supplies, and Materials

Costs of labor or supplies and materials incurred by the recipient/subrecipient in directly providing eligible services to participants. Community meeting expenses directly related to services provided are eligible. Work related telephone, cell phone and internet services for staff are eligible.

Costs of salary and benefit packages of the recipient and subrecipient staff who directly deliver eligible services to participants. Review job description to know what it entails. Fringe includes health, dental, life, flex, pension, social security, and medicare costs.

Indirect costs for overhead related to carrying out Supportive Services activities. Allocation must be consistent with an indirect cost rate proposal or cost allocation plan.

Supportive Services Only (SSO) Facility

Day-to-day operation costs of a supportive service facility including maintenance, repair, building security, furniture, utilities, and equipment. The facility must solely address the special needs of participants to obtain and maintain housing and is not contained in a housing structure.

Supportive Services Budget Planning

Recipients will be expected to determine and provide detail on the amount of funds committed to staff costs and to activity costs during the project application phase. Contact TA or assigned DDO with question in allocating funds in this budget line item.

Special YHDP Activities- Supportive Services Expenses

Certain Special Activities will have a Supportive Service budget connection. If project applications included notification to HUD, recipients may pay for additional cost associated with the cost following cost objectives:

Assistance w/ Moving Costs

- Provide moving expense more than one time to a program participant
- Security deposits (not to exceed 2 months of rent) —Only required in the SS budget if there is no RA budget
- Pay for damage to units (not to exceed 2 months rent) - Only required in the SS budget if there is no RA budget
- Housing start-up expenses (not to exceed \$300 per participant)
- Cost of Internet (costs must be reasonable)
- Payment of rental arrears (up to 6 months)
- Payment of utility arrears (up to 6 months)
- Payment of utilities
- Owner incentive and retention payments, per unit that does not exceed 3 times the monthly rent, includes:
 - signing bonuses
 - repairs to bring a unit that failed inspection into compliance with program requirements,
 - or holding fees to reserve a unit for an individual or family experiencing homelessness

Special YHDP
Activities-
Supportive Services
Expenses(continued)

Operating Costs (under Supportive Service)

- Provide payments for families that provide housing under host homes and kinship care

Life Skills

- Costs to provide household cleaning supplies

Housing & Counseling Services

- Purchase cell phone and service (cost must be reasonable and housing related)

Transportation

- Pay gas a mileage for participant personal vehicle for trips for eligible services
- Payment of insurance, registration and past driving fines

Legal Services

- Payment of Legal fees

Special YHDP
Activities-
Supportive Services
Expenses(continued)

- **Remember all services must be necessary to assist program participants to obtain and maintain housing.**
- Recipients and subrecipients must maintain records establishing how they determine paying the costs was necessary for the program participant to obtain and retain housing
- Recipients must conduct an annual assessment of the needs of the program participants and adjust costs accordingly.

Operating Costs

Operating costs relates to the day-to-day operation costs of recipient/subrecipient owned transitional housing or permanent housing structures or units.

These costs include:

- Maintenance and repair costs
- Replacement reserves
- Building Security
- Utilities – Electricity, gas and water
- Furniture, that remains with the project, except for mattresses which can remain with the program participant
- Equipment such as staff phones and computers, small appliances for participants

Operating Costs- Ineligible Costs

CoC operating costs may **not** be used for:

- A project that also would include CoC program funds for rental assistance;
- Emergency shelter;
- Supportive services-only facilities, as those costs may be covered by the SSO component; or
- Costs for maintenance and repair of housing that are included in the lease.

Contributing Client-Level Data to HMIS by Recipients

Costs of contributing data to the HMIS designated by the CoC

Costs of purchasing/leasing hardware to contribute data to HMIS.

Costs of purchasing software or software licenses to contribute data to HMIS.

Costs of purchasing or leasing equipment, including telephones, fax machines, and furniture to contribute data to HMIS.

Costs of obtaining technical support to contribute data to HMIS.

Costs of leasing office space to contribute data to HMIS.

Charges for electricity, gas, phone service, and high-speed data transmission necessary to operate or contribute data to the HMIS.

Staff travel costs to travel to and attend HUD-sponsored and HUD-approved training on HMIS and programs authorized by Title IV of the McKinney-Vento Homeless Assistance Act

Staff travel costs to conduct intake to contribute data to HMIS.

Participation fees charged by HMIS Lead as authorized by HUD if recipient or subrecipient is not the HMIS Lead.

Staff Salaries of Recipients Contributing Data to and Operating an HMIS

Salaries of staff completing data entry into HMIS.

Salaries of staff monitoring and reviewing data quality of HMIS.

Salaries of staff completing data analysis of HMIS.

Salaries of staff reporting to the HMIS lead to operate HMIS.

Salaries of staff training staff on using the HMIS.

Salaries of staff implementing and complying with HMIS requirements to operate HMIS.

Indirect costs for overhead related to carrying out HMIS. Allocation must be consistent with an indirect cost rate proposal. An approved indirect cost rate can be applied to other BLI's in order to capture costs associated with those cost categories.

HMIS Leads Only (HMIS only project)

Costs of hosting and maintaining HMIS software or data.

Costs of backing up, recovering, or repairing HMIS software or data.

Costs of upgrading, customizing, and enhancing the HMIS.

Costs of integrating and warehousing data, including development of a data warehouse for use in aggregating data from subrecipients using multiple software systems.

Costs of administering the system.

Costs of reporting to providers, the CoC, and HUD.

Costs of conducting training on using the system, including traveling to the training.

What are Administrative Costs?

Administrative costs cover expenses related to the overall planning, oversight, and coordination of the project.

Applicants are not required to provide HUD an admin budget

Maximum amount of admin is 10% of the award

Admin consists of specific costs

General Management, Oversight, and Coordination



Up to 10% of costs of overall program management, coordination, monitoring, and evaluation. Recipients required to share at least 50% of admin funds with subrecipients.



Indirect costs for overhead related to carrying out Project Administration activities. Allocation must be consistent with an indirect cost rate proposal or cost allocation plan.

Administrative Costs- Salaries, Wages, and Fringe

Preparing program budgets and schedules and amendments to those budgets and schedules. Developing systems for assuring compliance with program requirements. Developing agreements with subrecipients and contractors to carry out program activities.

Monitoring program activities for progress and compliance with program requirements.

Preparing reports and other documents directly related to the program for submission to HUD but not for correspondence with clients. Coordinating the resolution of audit and monitoring findings.

Evaluating program results against stated objectives.

Managing or supervising persons whose primary responsibilities are project administration such as supervisors of case managers but not case managers themselves.

All costs must be prorated if perform administrative work on other projects.

Administrative Costs- Special Activities

YHDP grants with administrative funds may be used for capacity building activities for Youth Action Board members or recipient staff who are also youth with lived experience.

Support costs associated with involving youth with lived experience in project implementation, execution, and improvement.

Attend conferences and trainings that are not HUD-sponsored or HUD-approved, provided that the subject matter is relevant to youth homelessness trainings.

Administrative Costs- General

Administrative Travel

- Travel costs incurred for monitoring of subrecipients and attending HUD CoC trainings such as P2P and Start-up

Third-Party Administrative Services Costs

- Administrative services performed under third-party contracts or agreements, including general legal services, accounting services, and audit services. Must be prorated if services benefit other projects.

Environmental Reviews

- Costs of carrying out the environmental review responsibilities under 24 CFR § 578.31.

Training on Continuum of Care Requirements

- Costs of providing training on CoC requirements
- Costs of attending HUD-sponsored CoC trainings such as HUD P2P and start up trainings.

Stipends to People with Lived Experience

- Stipends paid to people with lived experience who actively conduct eligible administrative activities would be an eligible administrative cost.

Administrative overhead costs

Project Administrative costs do not include staff and overhead costs directly related to carrying out the activities previously discussed in this presentation, those costs are eligible as part of those activities.

Project Administrative overhead costs include:

Other costs for goods and services required for administration of the program.

Rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of administrative office space.

Insurance services required for administration of the program. Must be prorated if space is used for administrative of other projects.

Utilities required for administration of the program.

Office supplies required for administration of the program.

Rental and maintenance (but not purchase) of office space required for administration of the program.

Must be prorated space used for administration of other projects.

Indirect Costs

Indirect costs are not the same as Administrative costs.

- Administrative costs can be directly allocated to that specific activity.
- Indirect costs are those that support the overall operation of the organization and cannot be directly linked to a specific project or activity. Examples may include:
 - Administrative and support staff,
 - Facilities maintenance,
 - Shared utilities, or
 - Central office operations.

While indirect costs **cannot be listed as a standalone budget line item**, recipients may incorporate them by applying a negotiated indirect cost rate or de minimis rate (15%) to eligible direct costs. These blended costs should be reflected within the appropriate BLIs.



Questions?