

Project Administrative & Indirect Costs

Updated 7/19/18

Project Administrative Costs:

- HUD establishes a maximum rate of 10% for project administrative costs (i.e., admin costs may not exceed 10% of the aggregated amount requested for all other budget line items). For example, a project that requests \$500,000 annually for rental assistance and supportive services can request up to \$50,000 additional for admin. Total CoC budget = \$550,000 in this example.
- Some CoCs limit administrative costs to a level below 10%.
- Project administrative costs do not include staff time and overhead directly related to carrying out CoC Program eligible activities, because those costs are eligible on the relevant budget line item, not on the project administrative costs line. For example, the cost of conducting Housing Quality Standards (HQS) inspections and determining rent reasonableness are eligible on the rental assistance line NOT the admin line. The costs of office supplies and supervision for case managers are eligible on the supportive services line NOT the admin line.
- Applicants should note that though admin is budgeted as a % of the total amount requested for the other CoC project budget line items, it cannot be billed that way, and **costs must be allocated only to these eligible activities:**
 - General management oversight and coordination
 - Salaries, wages, and related costs of recipient staff, sub recipient staff, or other staff engaged in program administration including:
 - Preparing program budgets and schedules and amendments to those budgets and schedules
 - Developing systems for assuring compliance with program requirements
 - Monitoring program activities for progress and compliance with program requirements
 - Preparing reports and other documents directly related to the program for submission to HUD
 - Coordinating the resolution of audit and monitoring findings
 - Evaluating program results against stated objectives

- Managing or supervising persons whose primary responsibilities with regard to the program include such assignments
- Travel costs incurred for monitoring of sub recipients;
- Administrative services performed under third-party contracts or agreements, including general legal services, accounting services, and audit services; and
- Other costs for goods and services required for administration of the program, including rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space.
- Costs of providing training on CoC requirements and attending HUD-sponsored CoC trainings
- Costs of carrying out the HUD required environmental review responsibilities.

Indirect Costs:

- Indirect costs are those that cannot be relatively easily and with a high degree of accuracy directly assigned to an eligible CoC activity, such as rental assistance, leasing, operating or supportive services.
- Rather, indirect costs are incurred for common or joint objectives and cannot be readily associated with a particular CoC program budget line item.
- Salaries for IT staff who maintain the agency's network, or costs associated with payroll management are examples of indirect costs.
- Indirect costs are distinct from and can be budgeted in addition to the project administrative costs described above.
- To charge more than the 10% de minimis indirect cost rate, the agency must have an indirect cost rate proposal that is in accordance with federal OMB requirements.
 - If HUD conditionally awards the grant, agencies will be required to submit the rate proposal in e-snaps during the post-award process.
 - Applicants with an approved indirect cost rate must submit a copy of the approval with their application to the CoC and must attach the approval to their project application in eSnaps.
- Indirect costs are applied to each budget line (e.g., Supportive Services) not on the project admin costs line. For example, projects claiming the 10% de minimis rate would include that 10% indirect rate on their CoC budget line items (e.g., supportive services, operating). Projects with an approved federal indirect rate of 19% would include that 19% indirect rate on their CoC budget line items.