



Connecticut Balance of State Continuum of Care

Ending Homelessness in Connecticut | Email: ctboscoc@gmail.com | Website: www.ctbos.org

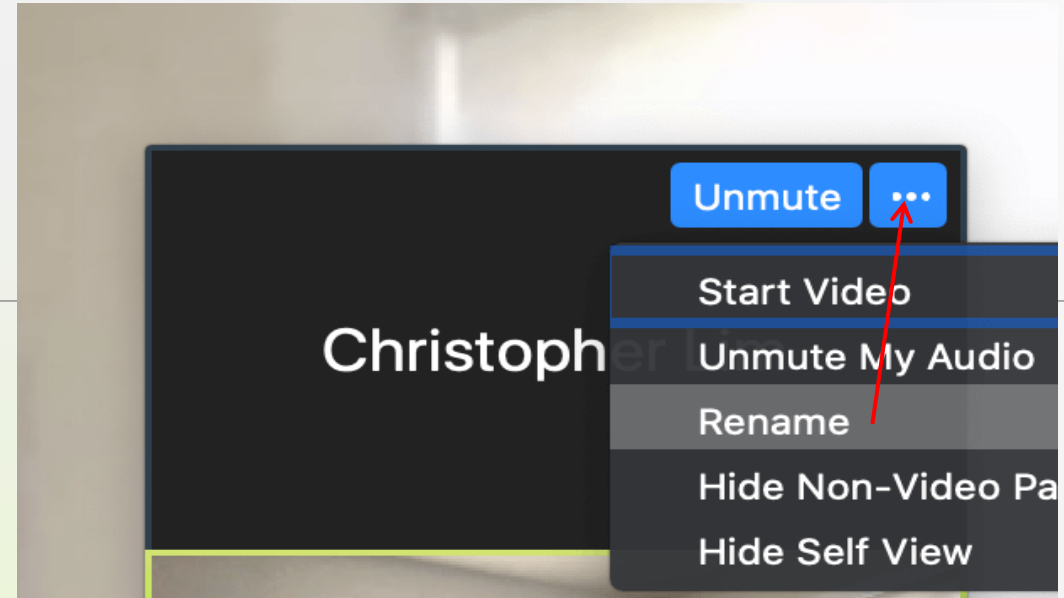
Continuum of Care (CoC) Fiscal Requirements – Admin & Indirect

4/22/26

*Training Provided by Housing Innovations
Howard Burchman & Lauren Pareti*

Welcome

- Introduce Facilitators
- Goals for the Session
- Housekeeping
 - PLEASE TURN YOUR CAMERAS ON AS MUCH AS YOU CAN.
 - Please put your name as you would like to be addressed as your screen name.
 - We will upload the slides to the chat box momentarily.
 - We love interaction – please raise hand, use emojis, type comments in the chat box or just unmute and talk!
 - The session is being recorded and will be posted to the web.
 - Today's session is 90 minutes





We Love Interaction

If you don't have a microphone or are having trouble with audio in Zoom, join via phone:

Phone: (309) 205-3325

Meeting ID: 824 3955 8723

Passcode: 997663



Who is with us today?

Please share in the chat box:

- Your agency and role/title
- Your location
- Something you are doing to enjoy the Spring.



Agenda

- Overview: Admin Direct vs. Indirect Costs
- Documenting Staff Time
- Project Administration Eligible Costs
- Indirect Costs
- Next Steps
- Resources

Overview: Project Administration (Direct) vs. Indirect costs

Project Administration (Direct)	Indirect Cost
Identified with a particular CoC project	Shared overhead costs that benefit multiple projects/activities – not easily assignable to a single grant.
EXAMPLE: Housing Coordinator salary (for Environmental Review)	EXAMPLE: Agency human resources staff salary
Charged to Admin Budget Line Item	Rate-based allocation
Documentation: Invoice, staff time sheets and logs	Approved indirect cost rate agreement or de minimis rate

How Are
Indirect and
Administrative
Costs Budgeted
Differently?

Administrative costs are a separate budget line item (BLI) – up to 10% of sum of all other BLIs.

Indirect costs are not a separate BLI - charged against other BLIs – reducing renewal funds for the direct costs.

How are Indirect and Administrative Costs Charged Differently?

Administrative costs are billed as direct costs - They must be billed based on actual costs incurred with backup for staff hours and benefits and reimbursable expenses

Indirect costs are billed based on a percentage of adjusted direct costs – once the rate is established (or the de minimis rate accepted) the costs can be billed without the necessity of backup documentation

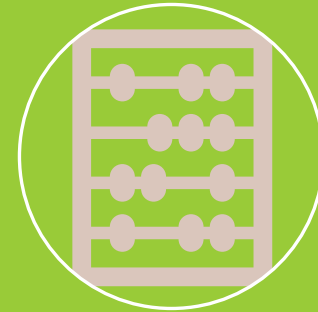
Administrative billing requires documentation



If billing for staff, must have time sheets or similar documentation to support charges



If also claiming indirect costs, must be certain that no costs charged to admin are also claimed as indirect



All expenses must be linked to eligible administrative activity



Documenting Staff Time Required for Direct Costs



Timesheets suffice for employees who work in a single project and a single budget line



For employees who work on more than one Budget Line Item (e.g. Admin and Services) timesheets must be supported by personnel activity logs



Time sheets must reconcile to activity logs (e.g., case notes for service staff, maintenance logs for operations staff)

Sample Rapid Rehousing Project (CT0123) - Personnel Activity Log

Staff Name	Staff Title	Activity Date	Eligible Activity	Brief Description	Hours
Jane Doe	Project Manager	3/10/19	Project Administration	Completion of Annual Performance Report	8
Jane Doe	Project Manager	3/15/19	Project Administration	Compliance review of participant charts	6
Jane Doe	Project Manager	3/18/19	Supportive Services	Supervision meeting with Case Manager	1
Jane Doe	Project Manager	3/18/19	Rental Assistance	HQS Inspection	1.5

By signing below, I hereby certify that the tasks described in this log have been completed.

Staff Signature:

Date:

Supervisor Signature:

Date:

Sample Personnel Activity Log – NOT REQUIRED FOR INDIRECT

E-LOCCS Drawdowns – Back-up Documentation



- Maintain back-up documents for audit and HUD monitoring.
- Generally, HUD does not require submission of back-up when drawing down – may request during monitoring
- Back-up documentation examples:
 - ✓ Worksheet documenting costs incurred – amounts must match draw down.
 - ✓ Invoices and receipts – amounts must match worksheet & draw down.
 - ✓ Time and effort records for staff salaries & benefits.
 - ✓ Approved indirect allocation plan for a negotiated rate (NICRA)
- Drawdowns are typically for expenses already incurred.

A blue pen with a silver tip is positioned diagonally across the left side of the image. The background is a light blue document with a bar chart pattern. The title 'POLL: True or False' is centered at the top of the right side of the image.

POLL: True or False

Administrative costs can be billed as a percentage of the Total CoC Budget and do not require back up documentation?

Agency-wide compliance staff reviews client charts and provides tools and guidance to a staff in a CoC and other projects - a time sheet suffices as back up for charges to the Admin Budget Line Item.

A Housing Coordinator completes Environmental Reviews and HQS inspections for a single CoC grant. A time sheet suffices as back up for charges to the Admin and Rental Assistance Budget Line Items.

A blue ballpoint pen with a silver tip is positioned diagonally across the top left of the page. The background is a light blue document with a bar chart consisting of several vertical bars of varying heights. The title 'POLL - Answers' is written in a large, black, sans-serif font, with the word 'Answers' in red. A thin horizontal line is positioned below the title.

POLL - Answers

Administrative costs can be billed as a percentage of the Total CoC Budget and do not require back up documentation? **FALSE**

Agency-wide compliance staff reviews client charts and provides tools and guidance to a staff in a CoC and other projects. A time sheet suffices as back up for charges to the Admin Budget Line Item. **FALSE**

A Housing Coordinator completes Environmental Reviews and HQS inspections for a single CoC grant. A time sheet suffices as back up for charges to the Admin and Rental Assistance Budget Line Items. **FALSE**

Administrative Funding



Admin funding is a direct cost

Eligible Admin costs include:

- General management, oversight and coordination
- Costs required for administration of the program including rental/purchase of equipment, insurance, utilities, office supplies, rental and maintenance of office space
- Training on CoC requirements
- Environmental review
- Cannot exceed 10% of CoC grant

Eligible Costs – Project Administration



General management, oversight, and coordination:

- ✓ Preparing program budgets and schedules
- ✓ Developing compliance systems
- ✓ Monitoring compliance
- ✓ Developing agreements with subrecipients and contractors
- ✓ Preparing reports and documents for HUD
- ✓ Coordinating audit and monitoring findings resolution
- ✓ Evaluating the program against stated objectives
- ✓ Managing/supervising the functions above
- ✓ Third party contracts: Legal, accounting, and audit services
- ✓ Rental or purchase of equipment, insurance, utilities, office supplies, rental/maintenance of office space

YHDP Project Admin Special Activities – Requires Notice to HUD

Eligible on YHDP Project Admin BLI:

- Project admin funds used to employ youth with lived experience for project implementation, execution, and improvement
- Project admin funds used to attend non-HUD sponsored or approved conferences (must be relevant to youth homelessness)
- Employ youth who are receiving housing/services, from the recipient organization.
 - *maintain documentation of nature of work; not in a position that creates a conflict of interest – eligible BLI determined by task performed*



Sharing – Project Administration



- Recipients must share at least 50% of project administrative funds with its sub-recipients.
- HUD does not mandate methodology for fund distribution:
 - ✓ May share 50% of funds with one subrecipient
 - ✓ May share among multiple subrecipients

When are Indirect Costs Allowable?

- 200.414 - To the extent that indirect costs are reasonable, allowable and allocable, they are a legitimate cost of doing business payable under a U.S. Government contract or grant.
 - 200.404 - A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.
 - Allocable – Tied to a cost objective, contract, grant or service
 - Allowable – Determined by OMB Guidelines, Uniform Guidance, and Grant Provisions

Indirect Costs

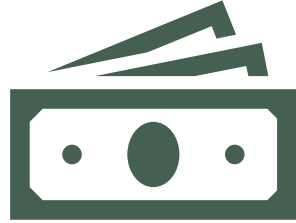
Indirect Costs are expenses serving general needs of the organization - difficult to precisely allocate to individual projects

- Examples: General Administration, Fiscal Services, Human Resources, Information Technology
- Each organization determines which costs will be billed as direct or indirect
- Once classified, expenses must be treated consistently – NO expense can be billed as both direct and indirect

Indirect Costs (2)

All recipients and subrecipients may elect to claim indirect costs

- May either negotiate a rate (NICRA) or
- May claim the 15% de minimis indirect rate (increased effective 10/1/24)



Negotiated Indirect Cost Rate

Costs/methodology for deriving costs must be approved by 'cognizant agency' – HHS for HUD

Grantees must determine:

1. Whether to charge indirect
2. Whether to seek a negotiated rate or accept the de minimis rate
3. Methodology for determining rate



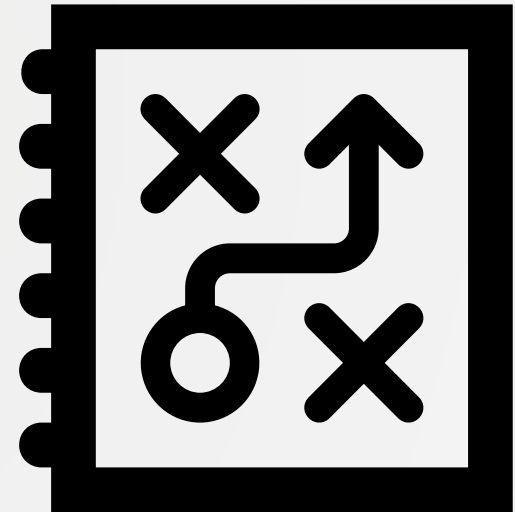
15% De Minimis Rate

200.414(f) any non-Federal entity that has never received a negotiated indirect cost rate... may elect to charge a de minimis rate of **15% of modified total direct costs** (MTDC) which may be used indefinitely

Organizations with Approved NICRA [Negotiated indirect cost rate agreement]

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- Must use negotiated rate - may not use de minimis.
- If a subrecipient, may charge indirect rate based on NICRA for their portion of grant.
- If billing for administrative costs, must ensure that costs billed as admin are not included in indirect cost base.



Facilities:

- Depreciation on buildings, equipment and capital expenditures
- Interest on debt associated with buildings, equipment and capital expenditures
- Operations and maintenance expenses
- Rent, utilities, insurance, maintenance for shared spaces

Administration:

- Executive staff
- Accounting/Finance/payroll
- Human Resources
- Information technology
- Purchasing, transportation, staff expenses that support multiple program areas

Components of Indirect Costs (200.414)

15% De Minimis Rate

Recipients and Subrecipients may claim de minimis rate if:

- They do not currently have and have never had a NICRA.
- They will use the rate indefinitely and consistently for all Federal awards until they choose to negotiate a rate.

Poll



Which of these is **not** an eligible project administrative expense (choose all that apply)?

- Developing systems to ensure compliance with HUD requirements
- Salary expenses for case management Supervision
- Preparing an APR

Which of these statements is **true** (choose all that apply)?

- Grant recipients cannot disallow subrecipients from charging indirect.
- An agency with a NICRA can opt to claim de minimis.
- A recipient must share 50% of the admin BLI equitably among all subrecipients.



Poll - ANSWERS

Which of these is not an eligible project administrative expense (choose all that apply)?

- Developing systems to ensure compliance with HUD requirements
- Salary expenses for case management Supervision – **Not eligible on admin BLI**
- Preparing an APR

Which of these statements is true (choose all that apply)?

- Grant recipients cannot disallow subrecipients from charging indirect. **True**
- An agency with a NICRA can opt to claim de minimis.
- A recipient must share 50% of the admin BLI equitably among all subrecipients.

How to Classify expenses as direct or indirect



There is no universal rule.

- Costs incurred for the same purpose must be treated consistently
- If staff costs are charged to indirect so are the costs of supporting that staff including space, supplies and communication

(200.412)

Possible Classification of Expenses

Expense	Admin	Indirect
Executive Director, support staff, related expenses	X	X
Fiscal office, CFO, financial staff, audit expense	X	X
Information technology – CIO, IT infrastructure	X	X
Monitoring of subrecipients, including travel costs	X	
Environmental Reviews	X	
Training on CoC Requirements	X	
APR	X	
General legal services	X	X
Costs for goods and services required for program administration	X	X

Modified Total Direct Costs (MTDC)



15% de minimis rate is not applied to the total CoC budget



Rather, it may be based only on Modified Total Direct Costs



For example, if the total budget is \$125,000 and MTDC is \$100,000, maximum allowable indirect costs are $\$100,000 \times .15 = \$15,000$

Exclusions from MTDC

Equipment

Capital expenditures

Charges for patient care

Rental costs

Tuition reimbursement

Scholarships and fellowships

Participant support costs

Portion of each subaward and subcontract in excess of \$50,000 (increased effective 10/1/24)

Examples of
CoC costs
excluded from
MTDC

Rental Assistance

- Short, medium, & long-term rental assistance
- Security deposits
- Property damages

Leasing

- Rent
- Utilities
- Security deposits

Examples of
CoC costs
excluded from
MTDC (2)

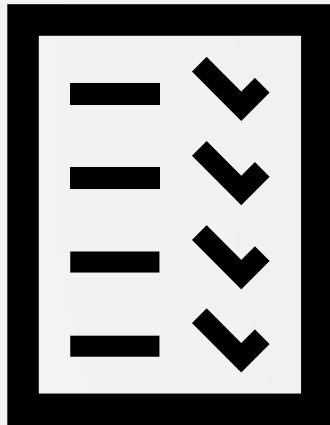
Supportive Services

- Childcare
- Moving
- Education/Employment
- Food
- Mental Health/Outpatient/Substance Use Treatment
- Utility Deposits

Example of Indirect Cost Rate calculation

Grant Totals		Calculations for Indirect			Adjusted Budget		
Item	Total	Excluded	Included	Rate	Indirect cost	Adjusted direct	Total
Case managers	\$50,000	\$0	\$50,000	15%	\$7,500	\$42,500	\$50,000
Rental asstnce	\$85,000	\$85,000	\$0	15%	\$0	\$85,000	\$85,000
Subgrant, legal	\$75,000	\$25,000	\$50,000	15%	\$7,500	\$67,500	\$75,000
Admin Staff	\$15,000	\$0	\$15,000	15%	\$2,250	\$12,750	\$15,000
Total	\$225,000	\$110,000	\$115,000		\$17,250	\$207,750	\$225,000

Where should you charge these indirect expenses?



Transactional cost of processing rental assistance costs through organization's fiscal office? **Rental Assistance**

The office of the organization's chief technology officer? **Proportionately across BLIs**

Costs of budgeting of CoC grant, drawing down and closing out HUD grant? **Proportionately across BLIs**

Leasing cost of vehicles used by case managers in different programs? **Supportive Services**

Space costs for client services waiting area? **Supportive Services**

Indirect Costs and CoC Project Applications

Organizations must indicate to HUD at time of initial or renewal application intent to charge indirect costs

- With advance HUD approval, unrecovered indirect costs can be applied to matching funds requirement

If organization has a negotiated rate, a copy of the agreement must be attached to HUD application



Using Unrecovered Indirect as Match

2 CFR 200.306 “Unrecovered indirect costs, including indirect costs on cost sharing or matching may be included as part of cost sharing or matching only with the prior approval of the Federal awarding agency.

Unrecovered indirect cost means the difference between the amount charged to the Federal award and the amount which could have been charged to the Federal award under the non-Federal entity's approved negotiated indirect cost rate.”

Using Unrecovered Indirect as Match – Example

Project Hope NICRA is 25%. Total CoC Grant is \$100K.

Charge \$15K indirect to CoC Grant. Indicate \$10K as match for unrecovered indirect.

Project Application - Sources of Match Details

- 1: **Type of commitment:** Cash
- 2: **Source:** Private
- 3: **Name of Source:** Project Home unrecovered indirect
- 4: **Value of Written Commitment:** \$10,000



Admin and Indirect

- You may claim indirect costs on allowable admin costs
- Because HUD has classified admin funds as direct costs, the 10% limit on admin funding does not apply to costs billed as indirect
- Any cost charged to the admin funding line must have back-up in terms of time sheets & activity logs for salaried staff, invoices and allocation methodology for costs such as audits that are shared between programs
- Costs paid for by indirect fees do not require documentation
- Make certain that costs paid for with indirect funds are not also covered by direct costs

Poll: Indirect Costs

True or False

- Many costs can be charged as either direct or indirect – each recipient determines what, if any, costs will be billed as indirect.
- Recipients claiming the 15% de minimis indirect rate are allowed to claim 15% of their total CoC budget as indirect costs.
- Documentation of expenses is required for costs billed to admin.
- To claim indirect costs on a CoC grant, a recipient must first inform HUD in the project application.

Answers:

Poll: Indirect Costs

- Many costs can be charged as either direct or indirect – each recipient determines what, if any, costs will be billed as indirect - **True**
- Recipients claiming the 15% de minimis indirect rate are allowed to claim 15% of their total CoC budget as indirect costs - **False**
- Documentation of expenses is required for costs billed to admin - **True**
- To claim indirect costs on a CoC grant, a recipient must first inform HUD in the project application - **True**



Next Steps if you don't have a NICRA and did not claim 15% de minimis

- Can elect to claim 15% de minimis in next project application.
- Do not charge indirect until that grant has been executed.
- Identify the costs that will be charged to indirect cost base – do not include ineligible costs in MTDC
- Ensure only allowable costs are charged.

Indirect Cost Information Form

OMB Number: 2501-0044

Expiration Date: 2/28/2027

Program/Activity Receiving Federal Grant Funding:

Applicant Name:

Indirect Cost Rate Information for the Applicant/Recipient:

Please check the box that applies to the Applicant/Recipient and complete the table only as provided by the instructions accompanying this form.

The Applicant/Recipient will not charge indirect costs using an indirect cost rate.

The Applicant/Recipient will calculate and charge indirect costs under the award by applying a de minimis rate as provided by 2 CFR 200.414(f), as may be amended from time to time.

The Applicant/Recipient will calculate and charge indirect costs under the award using the indirect cost rate(s) in the table below, and each rate in this table is included in an indirect cost rate proposal developed in accordance with the applicable appendix to 2 CFR part 200 and, if required, has been approved by the cognizant agency for indirect costs.

Mark the one (and only one) checkbox that best reflects how the indirect costs of the Applicant/Recipient will be calculated and charged under the award. Do not include indirect cost rate information for subrecipients.

The table following the third checkbox must be completed only if that checkbox is checked. When listing a rate in the table, enter the percentage amount (for example, "15%"), the type of direct cost base to be used (for example, "MTDC"), and the type of rate ("predetermined," "final," "fixed," or "provisional").

If using the Simplified Allocation Method for indirect costs, enter the applicable indirect cost rate and type of direct cost base in the first row of the table.

If using the Multiple Allocation Base Method, enter each major function of the organization for which a rate was developed and will be used under the award, the indirect cost rate applicable to that major function, and the type of direct cost base to which the rate will be applied.

If the Applicant/Recipient is a government and more than one agency or department will carry out activities under the award, enter each agency or department that will carry out activities under the award, the indirect cost rate(s) for that agency or department, and the type of direct cost base to which each rate will be applied.

To learn more about the indirect cost requirements, see 2 CFR part 200, subpart E, and the applicable appendix that is listed under 2 CFR 200.414(e).

Submission Type:

Effective Date:

Certification of Authorized Representative for the Applicant/Recipient:



OOPS!

Next steps if your most recent project application showed incorrect cost base

- Do not charge more than allowed.
- Ensure the next project application calculates MTDC correctly.

Additional Fiscal Training

HUD CoC Fiscal Requirements, Parts 1 & 2

Slides, part 1: [CT BOS Fiscal Compliance 2025](#)

Recording, part 1: [Fiscal Requirements Recording](#)

Slides, part 2: [CT BOS Fiscal Compliance, Part 2 – PDF](#)

Recording, part 2: <https://youtu.be/pdwl5vGDPVM>



Federal Requirements



- [CoC Program Interim Rule](#)
- [Uniform Administrative Requirements, Cost Principles, & Audit Requirements for Federal Awards](#)
- [HUD CoC Program Notices](#)
- [HUD AAQ](#)
- [HUD CoC FAQs](#)
- [YHDP HUD Resources for Youth Service Providers](#)



Final Questions & Suggestion?

THANK YOU FOR PARTICIPATING

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