

## Sub-Recipient Agreements

If a recipient intends to enter into a sub-recipient agreement, the recipient must seek and obtain IEDA's review and approval of the proposed sub-recipient agreement prior to entering into the agreement. Sub-recipient agreements must at a minimum meet the "Sub-Recipient Agreement Usage Parameter-Residential Sustainability" criteria found in the CDBG Management Guide.

## Residential Sustainability Administrative Costs

The following breakdown should assist in your efforts to distinguish costs (all of which are administrative in nature) between "**general administration**" and "**technical services**" (direct administration; soft costs; and/or carrying costs). **General administration** is a separate activity contained in the recipient's approved budget and as shown on Attachment A (CDBG) of your contract with IEDA. General administrative costs are paid for out of the general administration line item of the budget. Not all awards have an approved general administration budget.

**Technical Services** is a part of the rehabilitation line item. Technical Services costs are billed to the activity line item, not the General Administration line item.

The following breakdown is not all-inclusive. All costs must be allowable costs per Federal requirements.

### General Administration

- 1) Overall program coordination (e.g., establishing financial accounting documents and systems, management, internal controls and oversight responsibilities, etc.)
- 2) General administrative services (i.e., 3rd party contracts, accounting, legal, etc.)
- 3) Reporting to the IEDA (i.e., requests for funds, quarterly performance reports, etc.)
- 4) Advertising and marketing (general information, public outreach) about the activity or project
- 5) Direct costs and salaries of the recipient's staff directly involved in the administration of the activity or project
- 6) Indirect costs, such as office space rent, utilities, insurance, supplies, etc.
- 7) Costs incurred in the procurement of 3rd party administrative services, technical services or in the procurement / purchase of any indirect costs noted in #6 above
- 8) Internal monitoring and oversight of funded program activities
- 9) Coordination and resolution of monitoring and/or audit issues
- 10) Audit costs
- 11) Environmental Review (overall program)
- 12) Activities to affirmatively further fair housing (in a general way)
- 13) Preparation and adoption of Administrative Plans

## Technical Services (Project Specific)

- 1) All technical services necessary for individual, scattered site types of activities, whether accomplished internally with staff or contracted for (e.g., initial inspections, work write-ups, cost estimates, construction supervision, etc.)
- 2) Project specific A/E or design services (plans and specifications)
- 3) Financing costs (e.g., security agreements, filing / recording fees, appraisals, etc.)
- 4) Processing of individual applications for assistance \*
- 5) Third party verification of applicant's incomes \*
- 6) Income eligibility determination and verification of applicants \*
- 7) After-rehabilitation value determination
- 8) Activities to affirmatively further fair housing (project specific)
- 9) Underwriting costs and related fees associated with your financial assistance to individual projects
- 10) Project specific forms and documentation
- 11) Project specific environmental (i.e., SHPO clearance)
- 12) Costs of procuring construction services
- 13) Relocation services (advisory services, notices, locating replacement units, inspections, negotiations, counseling, etc.)
- 14) Homebuyer Education (as applicable)\*
- 15) Radon testing (IEDA method)

\* These could be performed as a general administrative expense

## Sub-Recipient Agreement Usage Parameters – Residential Sustainability

- IEDA must approval all Sub-recipient agreements prior to execution.
- Sub-recipient agreement use under the the CDBG program will be limited to Regional Planning Commissions/ Councils of Governments only (no non-profit or for-profit entities will be allowed to enter into sub-recipient agreements with any of the IEDA's recipients).
- The language of all sub-recipient agreements must include a clause(s) that clearly states that the recipient remains the responsible entity regarding the federal funds awarded to them. This includes financial accountability and oversight, monitoring, audits, etc.
- Where the sub-recipient is also the contractual administrative agent (general administration) for the recipient, the funds budgeted for general administration (federal and/or other funds) will not be allowed to be included in (governed by) the sub-recipient agreement.
- Where the sub-recipient is also the procured and contractual technical services provider and/or the lead hazard reduction oversight services provider for the recipient, the funds budgeted for these services (federal and/or other funds) will not be allowed to be included in (governed by) the sub-recipient agreement.
- All general administration and technical services (and/or lead hazard reduction oversight) provision related costs will all need to handled directly by the recipient through their otherwise normal internal approval and payment processes, separate from all costs allowed to be included under or governed by sub-recipient agreements.