

## Questions resulting from teleconference on Monday June 25, 2012.

### From Rebecca Hammond – City of DeBary

Just to confirm we are able to use consultants that the City has continuing service contracts with, correct? If so, we are going to request Task Orders from our consultants for our two projects and forward those with the continuing service contracts to June for GTR approval. Please advise. Thank you for your help.

### Reply from ECFRPC

For our purposes, if the consultants were selected according to your purchasing policies, then yes, they should be fine. Please send the contractor information to us prior to executing those additional POs/contracts addendums so we can get pre-approval from our GTR, Naomi. I might be in contact with you if HUD needs additional information regarding their selection, but I don't think that will come up.

### From Jessica Dlugolinski – City of DeBary

Thanks for the meeting yesterday. I think we need to move forward with caution on the below two discussions. Personally, Orlando does not intend to charge indirect costs nor costs dated before the date our sub-grant. However, in the best interest of the grant/consortium I feel these two items could get us into trouble if not clarified soon:

1. **Indirect Costs** - Slide says 28%. How was that rate determined? Whom does it apply to? How specifically would any subs claim indirect costs (rate x what)? Is there a cap for the entire region's indirect costs?
2. **Date of Expenditures** - Typically the date of expenses claimed for either reimbursement from grants or towards match on grants has to be after the executed grant agreement date and before the grant's end date. I understand RPC has an agreement with HUD, but each sub-grantee currently does not have an executed grant agreement. **It is necessary to get in writing from HUD that they will accept expenditures from subs that were after the HUD/RPC's grant execution but prior to the sub-grants being executed.**

First, please understand for budgetary controls it is critical entities have a sub-grant in place before allowing even the ordering of purchases. Sub-grants serve as the evidence that it is safe to spend and the activity is "funded." Otherwise you are asking entities to front cash & commitments without a formal agreement that indicates they are going to get reimbursed or that the activity is funded.

Second, please know it is difficult enough for subs to project a required in-kind match without having to worry about when the start date of the in-kind match is. For instance, if you are telling subs now they can claim in-kind salaries and benefits from Feb 1 and then later HUD says no because of the timing of the sub-grants - some subs may be in a position of having to provide a cash match instead to meet the match requirements.

## **Reply from ECFRPC**

For those sub-grantees that submitted indirect costs in their budget as part of the HUD Sustainability grant application, indirect costs can be claimed at your indirect rate (if approved by your cognizant agency). If you do not have an approved indirect cost rate with a Federal cognizant agency, you should use our HUD approved rate provided in our presentation. If you did submit indirect costs as part of your original budget in our application, please email me to ensure we are using the same total indirect charge amount.

As you may have read in an email from Fred Milch, we have discussed with HUD the period of allowable expenditures. We will include language in our sub-grantee agreements to address the total allowed expenditures for reimbursement from this preliminary period. This additional language will assist us in addressing any concerns for your compliance requirements in accordance with OMB Circular A-133.

## **From Discussion Group during meeting**

In clarification of the meeting slides, please refer to the 2012 General Schedules at [www.opm.gov](http://www.opm.gov) for pay rate guidelines and maximums for contractors you select. In error, I listed that the reference for payrates was GSA, but that should have been GS. I apologize for any confusion that may have resulted from the slides in reference to the reporting of hours and pay rates for in-kind. In-kind personnel rates should be presented at your current pay rates. In-kind pay rates for volunteers, consultants or contractors should be at the rates provided in the 2012 General Schedules.

Please also refer to [www.gsa.gov](http://www.gsa.gov) for allowable per diem rates for travel (if requested in your budget as an authorized expenditure).

Please feel free to contact me with any additional questions you may have throughout this process.

Thank you.

June Lorah  
East Central Florida Regional Planning Council  
(407)301-8650  
[june@milestoneps.com](mailto:june@milestoneps.com)