

## COMMUNITY DEVELOPMENT AND PLANNING

### RESPONSE TO OMB REVIEW #16-765D

#### CDBG Program Specific Performance Agreement – Pinellas Opportunity Council – Chore Services

**Comment:**

**The staff report mentions that only 35 elderly individuals are expected to receive service. Why is there a discrepancy between the number of individuals benefiting from the Chore Services Program in the Staff Report and the number of individual benefiting from the program shown in the County's Action Plan (68 individuals)?**

**Response:**

The 68 individuals served in the Action Plan is a scrivener's error and will be corrected. The agency originally requested \$50,000 but was awarded \$30,000; thus, the number of anticipated individuals benefiting from the program needed to be reduced.

**Comment:**

**The Action Plan does not mention "administration fees" in its description of operating expenses? What are "administration fees" (Page 3, Section, A.1), how are they calculated and why are they considered operating expenses?**

**Response:**

Administrative fees are indirect costs that an agency pays for administrative functions such as financial management, human resources management and IT management. The Federal OMB Super Circular provides guidance on Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and defines indirect costs in Section 200.414 which: 1) allows grant recipients to charge allowable costs to the grant award; and 2) requires pass-through entities to accept an agency's federally approved and negotiated indirect cost rate (NICR) or to use a 10% de Minimis Rate for administrative costs if the agency does not have a NICR. Administrative fees are considered operating expenses because the agency must incur these costs in order to implement a project or program.