Final Transcript

HUD-US DEPT OF HOUSING & URBAN DEVELOPMENT: Applying and Computing the 10% De Minimis Indirect Cost Rate

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SPEAKERS

Robin Booth

PRESENTATION

Moderator

Ladies and gentlemen, thank you for standing by. Welcome to the Applying and Computing the 10% De Minimis Indirect Cost Rate conference call. At this time, all participants are in a listen-only mode. Later, we will conduct a question and answer session. [Operator instructions]. As a reminder, this conference is being recorded.

I would now like to turn the conference over to our host, Ms. Robin Booth. Please go ahead.

Robin Good afternoon and welcome to the applying and implementing the 10% de minimis rate webinar sponsored by the Office of Housing Counseling of the US Department of Housing & Urban Development.

This webinar is being recorded and will be available in four to five business days at HUD Exchange. The recording, the PowerPoint and a transcript will be available on the Exchange in about four to five business days. You should have received the PowerPoint presentation in a PDF format prior to the webinar. If in fact you did register and are logged in, you should be able to obtain it through a link within the chat box. An OHC Listserv will be sent out when the archives are posted and it'll let you know that this is now available.

As the moderator indicated, your lines are currently muted. You will have the opportunity to ask a lot of questions by unmuting those lines. But if for some reason your lines aren't automatically muted, if you press star six you can mute those lines so that we don't hear any static or background noise during the webinar.

As I indicated, handouts were sent out prior to the webinar so they are available in the control panel of your webinar chat box if you just click on the document.

As far as asking questions, you'll have three different ways that you can ask questions. I will be stopping periodically through the presentation and asking if there are any questions. If you would like to ask a live question, you can hit star zero and you will be put into the queue. And at the time that I request if there are any questions, the moderator will allow you to be able to ask your question by unmuting your line. Just as a note, if it is unmuted during the Q&A, meaning you do ask a live question, I would ask that you please don't use your speakerphone but to actually pick up your phone so that we can hear you well.

Other ways to ask questions, during the webinar we have staff onsite and available that can respond to any questions that you ask in the chat box of the control panel for the webinar. So, if you were to enter a question in the box, our staff will be able to ask those questions when necessary. If they're not able to ask those questions, I may ask that those questions be presented live and we'll attempt to answer them that way. If you have a question after the call, you can send those questions to

housing.counseling@hud.gov. We do ask that you put the webinar topic in the subject line just so it makes it easier to reference the question and direct it to the appropriate person.

Your lines have been muted, but as I said if for some reason they're not muted, please press star six and that will mute and unmute your phone line.

There will be a brief survey at the end of this session. We respectfully ask that you please complete that survey. That information is very valuable to us in assisting OHC to identify additional training needs, how to improve training, other topics that you would like to be discussed in the training, and the logistics of the training webinar. So, we would appreciate you responding to that survey and all your responses are reviewed and taken into account when planning future webinars.

As a certificate of training, you will receive an email that says this is your certificate. There will not be any attachments to the email. There will not be subsequent emails. Please either save that or print that email; that will be your verification or documentation that you participated in this training. And you should receive that from GoToWebinar, not from OHC or HUD,

within 48 hours. So once you receive that email, please save that email and/or print it and that becomes your documentation, evidence you've participated in this training.

Once again if you have any questions, subsequent to this webinar, you can send them at any time to housing.counseling@hud.gov. We do ask that you put the subject line item. You can access the transcript, the audio, as well as the PowerPoint for this on the HUD Exchange link and identified herein. And if you sign up, you can have an actual notification from Listserv letting you know when this has been posted. But you do have to sign up for that.

Thanks for attending and we'll now switch to actual training materials that you should have received prior to this training. My name is Robin Booth. My company, Booth Management Consulting, LLC, we are the quality control audit and technical assistance contractor for the Office of Housing Counseling, specifically for the comprehensive housing counseling grant. In addition to providing or facilitating these trainings, we also conduct the financial and administrative reviews. We provide technical assistance and develop action plans, all at the direction of OHC staff. So, if in fact you see us or you have other requests or other needs, all of those requests have

to go through OHC. We would ultimately be the contractor that will be performing your financial and administrative reviews or technical assistance during this fiscal year and potentially future fiscal years.

Implementing the 10% de minimis rate, as you all know, with the Uniform Grant Guidance now becoming effective, it became effective December 24, 2014, but at this point, almost all the agencies and all the various requirements are now implemented or have become effective for implementation. So, one of the key areas that came out of that new Uniform Grant Guidance that really benefits smaller agencies or local housing authorities that do not necessarily have a negotiated indirect cost rate and/or are looking at identified potential funding to help augment their administrative costs as they're providing the housing counseling services. Under this new guidance, the implementation of the 10% de minimis rate is to help alleviate or at least to provide some kind of resources or additional funding to help minimize or to offset some of the administrative costs associated with providing these housing counseling services.

What we want to do today is really streamline and focus in on, one, understanding what this rate is, and then providing you real-world

examples on how to compute the indirect cost using that 10% de minimis rate. The regulations are very specific as to which costs you can apply that 10% to, and having eligibility criteria to say who can in fact use that 10% de minimis rate. So, in addition to providing you those kind of definitions, our goal is to go through some real-world examples so that hopefully if in fact you are eligible and elect to use the 10% de minimis rate you're properly computing the indirect cost based on that rate.

First of all, understanding what the regulatory requirements are. Under the Uniform Grant Guidance 2 CFR Part 200, Subpart 200.56, it defines what's indirect costs and then the broad categories. Generally with this grant most of the costs are direct costs, usually some type of labor, and the corresponding fringe benefits. And of course the definition of direct costs are those costs that are directly associated with the performance of the grant, which tends to be the housing counseling and then to the extent you can justify their administrative salaries that for people that are performing other direct counseling work that they, too, can be charged as direct.

So, what happens to your administrative burden or the administrative costs you have just to exist so that you can perform housing counseling services? Therein comes the concept of indirect cost because these are

costs that have been incurred, meaning you've incurred those costs but they really benefit the entire, if not the entire organization, they benefit multiple programs. So you cannot charge them as direct costs on this particular grant but they are in fact costs that you incur that indirectly do benefit the grant.

So, under this indirect cost umbrella, the regulations have identified two broad categories: your facilities costs, which in a for-profit world sometimes they're referred to as overhead costs; and then your administration. Within the indirect costs, you have your facilities which deals more with your buildings, your equipment, capital improvements, operations and maintenance. And then your administrative costs, which almost every organization has, because these are the costs that are just associated with running your organization, so these are general administration and expenses that really do not fall under the category of facilities. And they are your two broad categories of indirect costs for purposes of federal awards.

This figure shows you examples of what would fall into each cost. If you look at administrative and think about the costs that are being illustrated, they do benefit the whole organization. Your accounting costs, your

management, your payroll, your mail services, HR, these are costs that aren't direct to a particular grant, but the benefit the grants indirectly because they're associated with running your operations. And the same regards your indirect costs, your facilities, if you have a janitorial staff, paying your utilities, your security, if you have a security personnel and rent and mortgage. These are indirect costs that once again benefit the whole organization but are necessary for the organization to operate in order for you to provide the direct housing counseling services.

So, this illustration really just shows you what falls into those pools. What the government has pretty much said is we recognize that in order for you to really provide services that we would otherwise provide, had we the resources, in this instance it's housing counseling services, you do have administrative costs that you cannot bill to us currently because the regulations require that you had what's called a negotiated indirect cost rate agreement. So, when they looked at the changes to the regulations, they said we need to provide some type of administrative financial relief to organizations that meet the eligibility requirement but that will allow them to at least offset some of their costs.

This has been—there was research and they conducted various amounts of surveys to come up with the 10% as being the benchmark for what that de minimis rate would be. But it's really the government's good faith effort to alleviate some of the administrative burden associated with providing the types of services they would otherwise provide had they the resources.

So under the Part 2 CFR 200.414, specifically any non-federal entity, so non-profit organizations that have never received a negotiated indirect cost rate agreement, one of the biggest eligibility requirements that your organization has never received or negotiated an indirect cost rate with any federal agency. In some instances there's negotiated rates with non-federal agencies, well these would be negotiated rates with federal entities or cognizant [ph] agencies.

It's important that, for instance, if you're new to an organization or your organization has been in existence over an extended period of time that you verify with accounting whether the organization has ever had a negotiated indirect cost rate agreement with a federal agency. Because, you have to certify, in order to elect this 10%, you have to certify through your awarding process that you've never received it. So, you don't want to inaccurately certify to that claim that you've never received an indirect

cost rate agreement. So, it's important that you coordinate with senior management accounting to make sure that in fact you have never or the organization has never negotiated an indirect cost rate agreement.

Other criteria; it must be used indefinitely once elected. So, once you elect to use it you have to use it indefinitely or until you actually do negotiate an indirect cost rate agreement with the federal agency. And just a reminder, this is on federal awards only. None of these regulations or this 10% de minimis rate impact non-federal awards. So, this is for federal awards only. Once you elect this, you are expected to use this 10% de minimis rate on all of your federal awards or until such time that you negotiate an indirect cost rate agreement.

You also can only apply that 10% to what's called modified total direct cost, or MTDC, which we will discuss later in the presentation. That's important because if you incorrectly determine what the modified total direct cost is and you multiplied the wrong amount by 10%, then that means that you're overstating what the indirect costs that you're allowed to have on that particular grant. That's why it's very important for you to understand what's included in modified total direct cost. And there are

certain expenses or costs that are expressly excluded, and we'll go over that, as I said, later in the presentation.

If your entity receives over $35 million in direct funding, you cannot use this rate. That's because generally if you're getting that much funding, you're a state or local government, you should have negotiated an indirect cost rate. So you really don't meet the first eligibility criteria. That's generally. But even if you're not a state and local government, but you have over $35 million in direct funding from the federal government, you cannot elect this 10% de minimis rate.

You also have to make sure that you have documentation supporting the methodology, how you came up with determining what's in the modified total direct cost. And basically what that means is we need to see what expenses you included to come up with your modified total direct costs, because as I said, that's the number that you will multiply that 10% by in order to determine how much of actual indirect costs you can have on that grant. So, you do have to be able to show which costs you included in your modified total direct cost. And, if subject to a financial and administrative review, we will verify that those costs that you included are in fact consistent with cost principles under Subpart E which says that

those costs have to be allowable, they have to be reasonable, and have to be allocable.

Now, as you hear me talk about the de minimis rate, you may say to yourself, this appears to be accounting or finance related. And I would suggest to you that it is. So, if in fact your organization is considering implementing or electing this 10% rate, we strongly encourage you to work with someone in your organization on the accounting and finance side, or if you're a small organization where there's one or two individuals, hopefully you have someone on your board of directors with an accounting and finance background where you can review with them your budget or your computation of the modified total direct cost and they can help you to make sure that you're computing the right rate.

Although it's not in depth accounting, if in fact you feel like you don't necessarily understand enough to be able to really implement the 10% de minimis rate in addition to this training, in addition to other guides and resources, it would be wise to consult with your accounting and finance individuals and/or board of directors who may be able to assist you with understanding the concepts.

Modified total direct cost, as you can see this is very important because this becomes the total that you actually multiplied this 10% by to get your indirect cost. So according to CFR 200.68, all direct—these are the costs that can be included in your modified total direct cost, all direct salaries and wages and those fringes, materials and supplies, services, travel, sub-awards and sub-contracts, so like sub-grantees, but only up to the first $25,000 awarded to each individual sub-grantee. We're going to go through some illustrations where we'll show you how that looks just if you're looking at a budget and you're doing the computation.

So, if there's a cost that you're considering that's not included in this modified total direct cost definition, then it's more probable that that cost should not be included in your modified total direct cost. And we'll talk about some of the costs that are not to be included in the particular modified total direct cost. But you still have to meet—no matter what cost it is, yes you can have salaries and wages, yes you can have services, yes you can have travel included in your modified total direct cost, but it still has to meet the cost principles that those costs are reasonable. It can't be excessive or excessively high or what appears to be unreasonable or inconsistent with, for instance, general salaries paid to your housing counselors. If salaries look excessively high, even though salaries is

allowable under the total direct cost, they still have to be necessary and reasonable, consistent with Subpart E of the CFR or specifically Section 200.403.

And that's why I said some of these concepts are accounting related, but the biggest thing is understanding that your organization can in fact at least get a 10% relief of burden. So, if you have a $25,000 grant with HUD, and you want to take advantage of this 10% de minimis rate, you can in fact recover some of your administrative burden on this particular grant. We'll go over, as I said, some computations later in the presentation.

So, let's talk about what's allowable and what these costs are. We talked about in your MTDC, or your modified total direct cost base, you can include direct salaries and wages. So, that's any wages paid or accrued for employees working on any federal funded programs, notice federal funded programs. But once again, that gets back to the fact that this whole 10% rate is applicable to federally funded programs. So, any non-federal programs wouldn't be included in any of these computations.

That compensation still has to be to individual employees for work performed. That's why it's called direct salary. So, it still has to meet the same definitions of direct salaries and wages, it's just that now you know that you can include it when you're going to compute your indirect costs. You can use direct administrative and clerical salaries. Once again, they still have to meet that requirement that even though it's administrative they are integral part of the project or program and that they're administrative services directly related to the performance of the actual grant.

You still have to meet the same requirements, but it's just letting you know that you can include these salaries in your computation.

Applicable fringe benefits; they are allowable in proportion to the salary charge to the award. They do have to be made under formally established and consistently applied organizational policies and procedures. So, if you don't pay fringe benefits to anybody else or you can't evidence that you have fringe benefits as a part of your policies and procedures, we could still say that those fringe benefits should not be included in your modified total direct cost. But if in fact you computed those fringe benefits, and when we say fringe benefits, we're still talking about your employee

retirement, your employer-paid taxes, any health insurance, life insurance, tuition, and things like that. They're still your fringe benefits. If in fact you do have fringe benefits, and they are consistently applied across your organization, you can include them in your modified total direct cost.

You can include service contracts or consultant fees but they have to be reasonable in relation to the services. So, if you're paying excessively high consultant fees, within the federal requirements there are salary limitations for consultants. It changes each year. For the FY 2016 funds, the annual rate or the annual ceiling for any salary limitation for a consultant is $133,444 in salary or an hourly rate of $63.94 [ph]. So, if you propose a consultant whose hourly rate is $75 as a part of your modified total direct cost, we would actually only recognize up to $63.94. The rate amount in excess of $63.94 would be excluded from your modified total direct cost. So, you do need to know what those limitations are for consultants.

For materials and supplies, they can't cost more than $5,000 per unit because the federal government considers any materials and supplies per unit that cost more than $5,000 to be capital supplies. And as you'll see any capital expenditures are excluded from you MTDC. So, you just need

to recognize if there's any one particular supply or one material that costs more than $5,000 you can't include that in the modified total direct cost. Unlike the salary limitation or even sub-grantee awards, you can't say well, I'm just going to include the first $5,000 of that cost and then exclude the rest of that cost. No, because the unit itself is more than $5,000 the entire cost has to be excluded because it's being treated as a capital expenditure.

Travel costs are included. But once again, they're still going to be governed by per diem rates whether they're reasonable and whether they're allowable. So, yes you can include travel costs but you can't include a first-class ticket travel cost. You still have to meet those same cost principle requirements with travel and that they'd be reasonable and generally consistent with per diem and GSA established rates.

For sub-awards and sub-contracts, as I said, you can only include up to the first $25,000 of each sub-award. So if you have multiply sub-grantees then you have to actually itemize out each sub-grantee and what the award amount is. And to the extent that a sub-grantee is getting more than $25,000, you have to exclude the amount over that $25,000.

Now, what's expressly excluded? There's certain costs that you cannot include in the MTDC at all. Starting with equipment, this goes back to those supplies and materials that cost $5,000 or more, which would be under capital expenditure. Same thing with equipment, it's defined as any property that has an acquisition cost, meaning it costs $5,000 or more. Generally it is excluded from the base, even if it costs less than $5,000. So, you have to look at equipment and say if it has an expected life of more than a year, if it's $3,500 then it moves from just being equipment to being a capital expenditure which is the next class of cost that you have to exclude, so then you would still exclude that from your MTDC.

Sub-awards and sub-contracts, as I said, the portion of any sub-award per sub-grantee that exceeds $25,000 has to be excluded. Other costs excluded, we get this all the time, rental costs. Rental costs have to be excluded from the MTDC. Rental costs, you can't include rent expense within your MTDC, the concept being that rent expense, you can't include that when you're computing your indirect costs, using the MTDC and the 10% de minimis rate.

In conjunction with all of that, you still have to exclude any costs that are expressly unallowable. So you know you can include equipment, you

cannot include capital expenditures, you cannot include rent, you can include costs for sub-grantees in excess of $5,000, that's $25,000 per sub-grantee, but you know you also cannot include, because they're unallowable, advertising, legal fees, organizational costs, fines and penalties, relocation and taxes. So, in addition to those costs that are excluded in the definition of the MTDC, you also have to exclude known unallowable costs. And these are unallowable costs that are defined in the actual Uniform Grant Guidance.

If you notice the note at the bottom, some costs are unallowable by law or regulation. So you can't include those costs, gifts, donations, alcoholic drinks, entertainment. That's why I prefaced all of this with saying know what you can include, and if it's not listed as something you can include, then generally it's not something you should be including in your MTDC. We started off identifying what was defined as being included in your MTDC, stick with that, and then if a cost doesn't fall within one of those categories, you can generally say that that cost should not be included. If you use that approach, then it minimizes the error of you incorrectly computing the indirect costs because you've used the wrong modified total direct cost base.

Now, I've said all of that. How does that look in numbers? Beginning with this first scenario where you're an intermediary, you have various sub-awards, in this scenario you see we have some direct salaries that we have and we've included them in direct costs. When we look at our budget to determine which of these costs can we include for the MTDC, we know we can include the direct salaries, so that immediately means the first two items can be included. We know that fringe benefits can be included, so they have been included here. We know supplies, we're assuming there's no one supply that's $5,000 or more, so those supplies can be included.

But we see this equipment and we know that the equipment cannot be included, so notice that although it is a part of the total direct cost, which you can charge to the grant—you can include it when you're computing your indirect cost.

We can include all of the sub-awards. We look at each sub-award, we have ABC grantee, they're getting $75,000, only $25,000 is eligible. Remember per sub-grantee, that's a maximum amount. We have another sub-grantee that the award amount is $20,000, well we're only going to include $20,000. We're not going to include $25,000 because that's not

what he was awarded. So, if it's less than $25,000 we just include the actual amount of the award. The third sub-award, they're receiving $25,000, we can include the entire $25,000. So, although the total direct cost is $285,000, the modified total direct cost which is what we use to apply that 10%, is $215,000. So the actual indirect cost that you can request and charge on this grant is $21,500, giving you a total grant amount of $306,500. If had you not implemented the 10%, you would have only had a grant for $285,000, but if you're eligible and you can compute the 10% de minimis rate, you can see how this at least helps to alleviate some of the administrative burden.

What generally has to happen with the HUD grants is you have to back into that so that you make sure you don't exceed the HUD grant award amount. You take your direct cost and you figure out up to 10%, how much of my cost can I include and then add that 10% and still stay within budget.

Just to go over how we computed it in that example we just saw. The first thing we did was we determined the modified total direct cost, we did this by setting up those separate columns, looking at each cost, and then determining what's eligible to be in the MTDC and what's not. Any

major equipment, greater per piece we didn't include that. And we didn't include any sub-contracts in excess of $25,000. So, here is just another illustration of the computation that we just went over in the discussion. Then here you see the actual application of the 10% to this modified total direct cost base to get what's your indirect cost for this particular scenario.

The next one we changed the scenario a little bit. We have portions of awards exceeding $25,000. We have a consultant fee that exceeds the annual amount of the $133,444 for FY 2016. So, when we look at this budget line item by line item, we have direct salaries of $450, all of those salaries can be included in the MTDC. We have fringe benefits, all of those fringes can be included. Travel, assuming that it's all reasonable and consistent with per diem and those things, all of that's eligible.

Equipment with a short life, and that's why we said with a short life, because remember—and this is multiple pieces of equipment. With a short life you can include because it's treated more like materials or supplies. But once again you have to have the supporting documentation to be able to prove this is something with the short life and it's not one particular piece of equipment for $5,000. But this may be multiple things

that you buy. It may be five or six pieces of equipment and it all has a short life, and that's why you're being able to include it in your MTDC.

Equipment, and we're assuming this—and this is on the next slide, we tell you what A, B and C means. A, the equipment has a short life and is included. The B equipment had a service life greater than a year, so we exceeded it.

And then the consultant fees, the annual amount, it exceeded the annual amount of $133,444. So here where we have sub-awards, sub-award C, we know that this is one sub-award we can only claim up to $25,000. We're claiming these materials and supplies because we're assuming there's not one piece of unit that's $5,000 or more.

We're excluding all capital outlier or capital improvements. We're excluding rent because as you know rent is not allowed in your MTDC. And we're excluding the excess for consultants for this one particular consultant, this is one consultant. Their salary exceeds the maximum amount that you can charge for that year, which is $133,444.

So, here, even though the direct costs are $1,004,000, what we can compute using that 10% is only $725,044. Once we exclude all of those things that are not eligible for the MTDC and we get to this number, this is how we actually get the indirect costs. You can see that an error, like if you don't know what's eligible or what can be included in the MTDC and you include all your direct costs, for the government you would have been claiming $100,400, as opposed to $72,000. That's why we have to be able to see which costs you've included in your MTDC to make sure you're not including costs that should not be included.

In addition, even under these requirements, you're still required to maintain your records for three years. So, if three years later we come back and let's say when we looked here, for instance, that equipment that you said had a short life you have to have the documentation for us to be able to go back and review those equipment purchases, verify what the equipment was, what the estimated use for life was, so that we can verify that that in fact should have been included in the MTDC.

And you still have to maintain those records for three years. It's three years from the end of the fiscal year accounting period in which you requested that indirect cost rate. So even though it's not a negotiated

indirect cost rate, but you're using that 10%, you still have to maintain the records for at least three years from the end of whatever fiscal year or accounting period covered by that particular rate or the 10%.

Some of the frequently asked questions; who needs an indirect rate? Any organization that's getting any awards of reimbursable grants and contracts, notice that this is for reimbursable grants and contracts not from fixed price where this wouldn't be applicable. Really it's to help you augment or subsidize or offset some of those administrative costs associated with being in operation, so that you can in fact perform the direct services.

What is an indirect rate? It's simply a percentage that can help to distribute the cost of operating, the cost of running your organizations over the various grants and programs or cost centers. So, it's just a percentage. And in this instance, because it's not a negotiated indirect cost rate, the government is allowing you to just elect that 10% rate, it's just the government is recognizing for every federal award dollar that falls within the modified total direct cost we'll give you 10% of that.

If we accept the de minimis rate under this grant, will we now have to accept this rate for all federal awards or is there another option we can pursue at this time given the length of time needed in order to actually negotiate an indirect cost rate? Yes, you do, as we said previously, if in fact you accept this rate, you have to continue using it on federal awards, unless and until you negotiate an indirect cost rate agreement. If you elect this, you have to keep using this on federal awards, until you negotiate an indirect cost rate agreement. You don't have any other option.

If we accept the rate under this grant, will we now have to accept this rate for all federal awards? And the difference between this question and the last one is that the last one was looking for other options, or if they were—in that scenario they were in the process of negotiating an indirect cost rate agreement. Until you have a negotiated indirect cost rate agreement, you can elect the 10% de minimis rate and yes, you have to continue to use it unless and until you get a negotiated indirect cost rate.

Can the amount of sub-awards be included in a modified total direct cost base? I think we've answered that. Yes, it can be but only up to the first $25,000 for each sub-award.

Can sub-grantees elect to use the 10% de minimis rate? Yes, sub-grantees can elect it and intermediaries or parents they have to allow them to elect it. Of course that puts the burden on the intermediary or the parent to be able to make sure that they've actually computed the modified total direct cost correctly so that they're applying the 10% to the right modified total direct cost. However, you cannot tell a sub-grantee that they cannot elect it. We do encourage intermediaries to have a part of their process for this, not only verifying that they've correctly computed the modified total direct cost, but that they certify or self-certify that they meet the eligibility criteria. Ultimately that they've never had a 10% de minimis rate, they don't receive more than $35,000 federal award, those kinds of things.

So, for the parent it's important for you to have in your files, from them, some kind of certification that they meet the eligibility requirement and if they're willing to sign off and give you that, then you have to allow them to elect that 10% de minimis rate.

I know I didn't ask if there were any questions during the presentation. Kayla, are there any questions in the queue?

Moderator [Operator instructions]. We do have one person queuing up. So it will be just one moment while an operator collects their name. It does look like they took themselves out of queue.

Robin Okay, well we did have some questions answered in the chat, in the control panel, in the webinar chat. I'm just clarifying that utilities cannot be included in the modified total direct cost. There was a question relative to that. And just clarifying how much can be included for pass-through entities, and we responded that there's a maximum of $20,000 per sub-award. That information was clarified.

If there are no other questions, and you realize you have a question subsequent to this call, please feel free to send it to housing.counseling@hud.gov. And just include the 10% de minimis rate or the entire name of the webinar in the subject line item, and it will be directed to the appropriate personnel and you will receive a response in a timely manner.

I thank you all for your time today. And please enjoy your Thanksgiving weekend. Thank you.

Moderator Ladies and gentlemen, that does conclude our conference for today.

Thank you for your participation and for using AT&T Executive

TeleConference. You may now disconnect.