

or an SBA Certified Section 503 Company under the Small Business Investment Act of 1958, as amended; or

(iii) Is a Community Housing Development Organization (CHDO) under 24 CFR 92.2, designated as a CHDO by the HOME Investment Partnerships program participating jurisdiction, with a geographic area of operation of no more than one neighborhood, and has received HOME funds under 24 CFR 92.300 or is expected to receive HOME funds as described in and documented in accordance with 24 CFR 92.300(e); or

(iv) Is a tribal-based nonprofit organization. Such organizations are associations or corporations duly organized to promote and undertake community development activities on a not-for-profit basis within an identified service area.

(3) A CBDO that does not qualify under paragraphs (c)(1) or (2) of this section may also be determined to qualify as an eligible entity under this section if the grantee demonstrates to the satisfaction of HUD, through the provision of information regarding the organization's charter and by-laws, that the organization is sufficiently similar in purpose, function, and scope to those entities qualifying under paragraphs (c)(1) or (2) of this section.

§ 1003.205 Eligible planning, urban environmental design and policy-planning-management-capacity building activities.

(a) Planning activities which consist of all costs of data gathering, studies, analysis, and preparation of plans and the identification of actions that will implement such plans, including, but not limited to comprehensive plans, community development plans and functional plans in areas such as housing and economic development. In addition, other plans and studies such as capital improvements programs, individual project plans, general environmental studies, and strategies and action programs to implement plans, including the development of codes and ordinances are also eligible activities. With respect to the costs of individual project plans, engineering and design costs related to a specific activity are eligible as part of the cost of such activity under §§ 1003.201 through 1003.204

and are not considered planning costs. Also, costs necessary to comply with the requirements of 24 CFR part 58, including project specific environmental assessments and clearances for activities eligible under this part are eligible as part of the cost of such activities under §§ 1003.201 through 1003.204.

(b) Policy—planning—management—capacity building activities including those which will enable the grantee to determine its needs, set long term goals and short term objectives, devise programs to meet these goals and objectives, evaluate the progress being made in accomplishing the goals and objectives. In addition, actions necessary to carry out management, coordination and monitoring of activities necessary for effective planning implementation are eligible planning activities, however the costs necessary to implement the plans are not.

§ 1003.206 Program administration costs.

ICDBG funds may be used for the payment of reasonable administrative costs and carrying charges related to the planning and execution of community development activities assisted in whole or in part with funds provided under this part. No more than 20 percent of the sum of any grant plus program income received shall be expended for activities described in this section and in § 1003.205—Eligible planning, urban environmental design and policy-planning-management capacity building activities. This does not include staff and overhead costs directly related to carrying out activities eligible under §§ 1003.201 through 1003.204, since those costs are eligible as part of such activities. In addition, technical assistance costs associated with developing the capacity to undertake a specific funded activity are also not considered program administration costs. These costs must not, however, exceed 10% of the total grant award.

(a) *General management, oversight and coordination.* Reasonable costs of overall program management, coordination, monitoring, and evaluation. Such costs include, but are not necessarily limited to, necessary expenditures for the following:

(1) Salaries, wages, and related costs of the grantee's staff, the staff of local public agencies, or other staff engaged in program administration. In charging costs to this category the grantee may either include the entire salary, wages, and related costs allocable to the program of each person whose primary responsibilities with regard to the program involve program administration assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes any program administration assignments. The grantee may use only one of these methods during the grant period. Program administration includes the following types of assignments:

- (i) Providing tribal officials and citizens with information about the program;
- (ii) Preparing program budgets and schedules, and amendments thereto;
- (iii) Developing systems for assuring compliance with program requirements;
- (iv) Developing interagency agreements and agreements with subrecipients and contractors to carry out program activities;
- (v) Monitoring program activities for progress and compliance with program requirements;
- (vi) Preparing reports and other documents related to the program for submission to HUD;
- (vii) Coordinating the resolution of audit and monitoring findings;
- (viii) Evaluating program results against stated objectives; and
- (ix) Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described in paragraph (a)(1) (i) through (viii) of this section.

(2) Travel costs incurred for official business in carrying out the program;

(3) Administrative services performed under third party contracts or agreements, including such services as general legal services, accounting services, and audit services; and

(4) Other costs for goods and services required for administration of the program, including such goods and services as rental or purchase of equipment, furnishings, or other personal property (or the payment of deprecia-

tion or use allowances for such items in accordance with OMB Circulars A-21, A-87 or A-122, as applicable), insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space. (OMB Circulars are available from the Executive Office of the President, Publication Service, 725 17th Street, N.W., Suite G-2200, Washington, DC 20503, Telephone, 202-395-7332.)

(b) *Public information.* The provisions of information and other resources to residents and citizen organizations participating in the planning, implementation, or assessment of activities being assisted with ICDBG funds.

(c) *Indirect costs.* Indirect costs may be charged to the ICDBG program under a cost allocation plan prepared in accordance with OMB Circular A-21, A-87, or A-122 as applicable.

(d) *Submission of applications for Federal programs.* Preparation of documents required for submission to HUD to receive funds under the ICDBG program. In addition, ICDBG funds may be used to prepare applications for other Federal programs where the grantee determines that such activities are necessary or appropriate to achieve its community development objectives.

§ 1003.207 Ineligible activities.

The general rule is that any activity that is not authorized under the provisions of §§ 1003.201 through 1003.206 is ineligible to be assisted with ICDBG funds. This section identifies specific activities that are ineligible and provides guidance in determining the eligibility of other activities frequently associated with housing and community development.

(a) The following activities may not be assisted with ICDBG funds:

(1) Buildings or portions thereof used for the general conduct of government as defined at § 1003.4 cannot be assisted with ICDBG funds. This does not include, however, the removal of architectural barriers under § 1003.201(c) involving any such building. Also, where acquisition of real property includes an existing improvement which is to be used in the provision of a building for the general conduct of government, the portion of the acquisition cost attributable to the land is eligible, provided