

**ELECTRONIC CODE OF FEDERAL REGULATIONS****e-CFR data is current as of April 28, 2016**[Title 24](#) → [Subtitle B](#) → [Chapter IX](#) → [Part 1003](#) → [Subpart F](#) → §1003.501

Title 24: Housing and Urban Development

[PART 1003—COMMUNITY DEVELOPMENT BLOCK GRANTS FOR INDIAN TRIBES AND ALASKA NATIVE VILLAGES](#)[Subpart F—Grant Administration](#)**§1003.501 Applicability of uniform administrative requirements and cost principles.**

(a) Grantees and subrecipients shall comply with the requirements and standards of 2 CFR part 200, except for the following sections:

- (1) Paragraph (a) of §200.302, “Financial management.”
- (2) Section 200.306, “Cost sharing or matching.”
- (3) Section 200.307, “Program income” applies as modified by §1003.503.
- (4) Section 200.308, “Revisions of budget and program plans.”
- (5) Section 200.311, “Real property,” except as provided in §1003.600.

(6) Section 200.313, “Equipment” applies, except that in all cases in which the equipment is sold, the proceeds shall be program income.

(7) Section 200.314, “Supplies,” applies, except in all cases in which the supplies are sold, the proceeds shall be program income.

(8) Section 200.325, “Bonding requirements” applies. However, there may be circumstances under which the bonding requirements of 2 CFR 200.325 are inconsistent with other responsibilities and obligations of the grantee. In such circumstances, acceptable methods to provide performance and payment assurance may include:

(i) Deposit with the grantee of a cash escrow of not less than 20 percent of the total contract price, subject to reduction during the warranty period, commensurate with potential risk; or

(ii) Letter of credit for 25 percent of the total contract price, unconditionally payable upon demand of the grantee, subject to reduction during the warranty period commensurate with potential risk.

(9) Paragraphs (b) through (d) and (f) of §200.328, “Monitoring and reporting program performance.”

(10) Section 200.333, “Retention requirements for records” applies. However, the retention period referenced in 2 CFR 200.333 pertaining to individual ICDBG activities starts from the date of the submission of the final status and evaluation report as prescribed in §1003.506(a) in which the specific activity is reported.

(11) Section 200.343, “Closeout.”

(b) *Cost principles.* (1) All items of cost listed in 2 CFR part 200, subpart E, which require prior Federal agency approval are allowable without the prior approval of HUD to the extent that they comply with the general policies and principles stated in 2 CFR part 200, subpart E, and are otherwise eligible under subpart C of this part, except for the following:

(i) Depreciation methods for fixed assets shall not be changed without the approval of the Federal cognizant agency.

(ii) Fines, penalties, damages, and other settlements are unallowable costs to the ICDBG program.

(iii) Costs of housing (e.g., depreciation, maintenance, utilities, furnishings, rent), housing allowances and personal living expenses (goods or services for personal use), regardless of whether reported as taxable income to the employees (2 CFR 200.445), require HUD prior approval.

(iv) Organization costs (2 CFR 200.455) require HUD prior approval.

(2) No person providing consultant services in an employer-employee type of relationship shall receive more than a reasonable rate of compensation for personal services paid with ICDBG funds. In no event, however, shall such compensation exceed the equivalent of the daily rate paid for Level IV of the Executive Schedule.

(Approved by the Office of Management and Budget under control number 2577-0191)

[62 FR 12349, Mar. 12, 1998, as amended at 80 FR 75944, Dec. 7, 2015]

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