

**Memorandum**

MAR 31 1993

Date

Bryan B. Mitchell *Bryan Mitchell*
Principal Deputy Inspector General

From

Subject

Review of the Type of Costs Incurred Under AIDS Cooperative
Agreements Awarded to the Florida Department of Health and
Rehabilitative Services (A-04-91-04027)

To

Audrey F. Manley
Acting Assistant Secretary
for Health

The attached management advisory report provides information on the extent to which Federal funds awarded for Acquired Immunodeficiency Syndrome (AIDS) by the Public Health Service (PHS) are used for grant administration versus the direct provision of AIDS related services. We reviewed the distribution and use of Federal AIDS education funds for awards by the Centers for Disease Control and Prevention (CDC)¹ to the Florida Department of Health and Rehabilitative Services (HRS) during Fiscal Year (FY) 1989, in response to a request from former Congressman William E. Dannemeyer.

Education funding for AIDS was included in two cooperative agreements granted by CDC during FY 1989 to HRS. The awards totaled approximately \$13.4 million. The use of the awards was not limited to AIDS education but also included AIDS related activities such as surveillance and testing. The expenditure data available regarding the awards did not segregate educational activities, thus, our review addresses the total funds provided under the awards.

The funds under both cooperative agreements were awarded by CDC based on sections 301(a), 311(b) and 317 of the PHS Act. The funds were subsequently awarded by HRS to its district offices, and to county health units, and community based organizations. Funds received by the district offices were in turn awarded to community based organizations. Administrative costs were incurred at each level of passthrough. Neither of the awards limited the percentage of funds which could be used for administrative purposes.

Under both of the cooperative agreements, we noted that a high percentage of the expenditures was for administrative expenses and not for direct services. Of the total expenditures of \$10,674,608 for both awards, \$4,269,886 (40 percent) was expended for administration and \$6,404,722 (60 percent) was

¹In October 1992, CDC added the words "and Prevention" to its name.

expended for providing direct services to the targeted populations. Based on these results, we are expanding our review to other States to determine if their spending patterns are similar, and PHS in January 1993, requested CDC to perform and report in 3 months the results of a study of the proportion of its AIDS grant funding that is expended for administrative costs. We are pleased that PHS has initiated its study. We will coordinate our reviews in additional States with PHS to ensure consistency in the review methodology and the broadest possible coverage of the issue under study.

Precedents exist for limiting the percentage of funds which can be expended for administrative costs. We found 17 examples Governmentwide where the awarding agency restricted funds available for administrative costs. For example, the limits ranged from 0 percent for awards for emergency community services for the Homeless Program from the Department of Health and Human Services', Family Support Administration, to a high of 25 percent for State indoor radon grants from the Environmental Protection Agency's Office of Air and Radiation. Administrative costs incurred under the Substance Abuse and Mental Health Services Administration (SAMHSA)², block grant funds are capped at 5 percent.

We believe a similar limitation on administrative costs may be required for AIDS grants if the results of our review in Florida are typical of the spending patterns of other States. For example, in the case of AIDS awards to HRS, had the SAMHSA cap of 5 percent been in effect, administrative costs in FY 1989 would have been reduced by \$3,736,156, and these funds could have been redirected to provide AIDS related services to the targeted populations.

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If you have any questions or would like to discuss this matter further, please call me or have your staff contact Daniel W. Blades, Assistant Inspector General for Public Health Service Audits, at (301) 443-3582. To facilitate identification, please refer to Common Identification Number A-04-91-04027 in any correspondence related to this report.

²Effective October 1, 1992, SAMHSA changed its name from Alcohol, Drug Abuse, and Mental Health Administration.

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**REVIEW OF THE TYPE OF COSTS
INCURRED UNDER AIDS COOPERATIVE
AGREEMENTS AWARDED TO THE
FLORIDA DEPARTMENT OF HEALTH
AND REHABILITATIVE SERVICES**



APRIL 1993 A-04-91-04027

**Memorandum**

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From Bryan B. Mitchell *Bryan Mitchell*
Principal Deputy Inspector General

Subject Review of the Type of Costs Incurred Under AIDS Cooperative
Agreements Awarded to the Florida Department of Health and
Rehabilitative Services (A-04-91-04027)

To Audrey F. Manley
Acting Assistant Secretary
for Health

This Office of Inspector General (OIG) management advisory report alerts you to the results of our review of the extent to which the Florida Department of Health and Rehabilitative Services (HRS) used Federal funds awarded for Acquired Immunodeficiency Syndrome (AIDS) for grant administration versus the direct provision of AIDS related services. Our review of two AIDS cooperative agreements (hereafter referred to as grants) awarded by the Public Health Service's (PHS) Centers for Disease Control and Prevention (CDC)¹ showed that 40 percent of the Fiscal Year (FY) 1989 expenditures were for grant administration. Based on these results, we are expanding our review to other States to determine if their spending patterns are similar, and PHS in January 1993, requested CDC to perform and report in 3 months the results of a study of the proportion of its AIDS grant funding which is expended for administrative costs.

In response to a congressional request, we reviewed two grants awarded to HRS in FY 1989 by CDC. The purpose of the grants was to fund AIDS education, and other AIDS related activities such as surveillance and testing. The HRS reported that \$10,674,608 was expended under the two grants in FY 1989. The expenditures were made by HRS, its district offices (DO), county health units (CHU), and community based organizations (CBO).

Our review of these expenditures showed that \$4,269,886, or 40 percent, was for grant administration, while \$6,404,722, or 60 percent, was for providing direct services to the targeted populations.

¹In October 1992, CDC added the words "and Prevention" to it's name.

Although all the organizations that received Federal funds under the two grants incurred some administrative costs, HRS (at the State agency level) accounted for 86 percent of all administrative costs incurred. Conversely, HRS accounted for the least in the way of direct services provided to the targeted populations--just 5 percent of the total expenditures for direct services.

OIG is expanding its review of AIDS grants to other States to determine if there is similar spending patterns in other States.

Considering the growing nature of the AIDS problem nationally, we believe the results of our review warrant further study to ensure that available Federal AIDS funds are directed, to the fullest extent possible, to the provision of services. Accordingly, we are expanding our review to other States to determine: (1) if the States spend a significant portion of Federal AIDS funds on grant administration rather than the provision of services; and, (2) if there is a need to develop methods to reduce the percentage of AIDS funds spent on grant administration, perhaps through the implementation of a cap.

Precedent exists within the Federal Government for limiting the percentage of funds which can be expended for administration. We found 17 examples where the Federal awarding agency restricted funds available for administrative costs. For example, the administrative cost limits ranged from 0 percent for awards for emergency community services for the Homeless program from the Department of Health and Human Services' (HHS) Family Support Administration, to a high of 25 percent for State indoor radon grants from the Environmental Protection Agency's Office of Air and Radiation. Administrative costs incurred under the Substance Abuse and Mental Health Services Administration (SAMHSA)² block grant funds are capped at 5 percent.

We believe a similar limitation on administrative costs may be required for AIDS grants if the results of our review in Florida are typical of the spending patterns of other States. For example, in the case of AIDS awards to HRS, had the SAMHSA cap of 5 percent been in effect, administrative costs in FY 1989 would have been reduced by \$3,736,156, and these funds could have been redirected to providing AIDS related services to the targeted populations.

²Effective October 1, 1992, SAMHSA changed its name from Alcohol, Drug Abuse, and Mental Health Administration.

BACKGROUND

In February 1990, former Congressman William E. Dannemeyer requested that we provide him with an analysis of AIDS education money spent by HHS during FY 1989. We were requested to provide a listing of each organization receiving funds "...all the way down the Federal funds food chain."

We discussed with congressional staff in March 1990, the difficulty of identifying indirect recipients and the Federal funding they receive. As an alternative, we agreed to conduct a case study to illustrate how AIDS grant funds were distributed and used. In conducting this case study, we chose HRS which was awarded about \$13.4 million under two FY 1989 grants. The CDC awarded the grants to HRS based on the authorizing legislation (PHS Act, section 301(a) as amended, Public Law 95-626). The use of grant funds was not limited to AIDS education, but also included AIDS related activities such as surveillance and testing. The grant expenditure data available did not segregate educational activities, thus, our review addresses the total funds provided under the two grants.

OBJECTIVES, SCOPE AND METHODOLOGY

Our review was performed to determine the extent to which Federal AIDS funds awarded by PHS to HRS were used for grant administration versus the provision of AIDS related services. Our review covered two grants made by CDC to HRS during FY 1989. The two grants, (1) AIDS, Prevention and Surveillance Project, and (2) Prevention of Perinatal Infection of Human Immunodeficiency Virus (HIV) AIDS, had 1-year budget periods ending December 31, 1989 and September 28, 1990, respectively.

To accomplish our objective, we visited CDC and obtained copies of the grant documents and other information from the grant files. In addition, we visited HRS headquarters in Tallahassee, Florida and reviewed their grant files. We reviewed expenditure reports and met with HRS officials to determine the amount and use of funds expended by HRS. We also assessed procedures used by HRS to distribute and control funds awarded to subrecipients which included 38 CBOs, 10 DOs, and 4 CHUs. On a selected basis, we traced the funds to these subrecipients. We visited six CBOs, three DOs and the four CHUs. At each of these subrecipients, we reviewed budget, expenditure, and operational data to determine the amount and nature of expenditures.

Additionally, to determine what precedents exist for the use of limitations or caps on administrative costs, we researched and reviewed the use and restrictions placed on awards as contained in the Federal Catalog of Domestic Assistance for FY 1990. Statistical data on PHS AIDS awards and awardees was obtained from the PHS Grants Management Information System.

We then estimated the additional Federal funds that would have been available for AIDS related services by applying various judgementally selected limits for administrative costs and comparing those figures to \$4,269,886, the administrative costs spent for the two AIDS awards to HRS.

RESULTS OF REVIEW

Reported expenditures under the two AIDS grants totaled \$10,674,608 in FY 1989. Our review of these expenditures showed that only 60 percent (\$6,404,722) was expended on providing direct services to the target populations, whereas 40 percent (\$4,269,886) was expended on grant administration, as shown below.

FY 1989 EXPENDITURES			
<u>Unit</u>	<u>Direct</u>	<u>Admin.</u>	<u>Total</u>
HRS	\$ 346,101	\$3,687,564	\$ 4,033,665
DOS	389,159	192,365	581,524
CHUs	3,837,722	275,935	4,113,657
CBOs	1,831,740	114,022	1,945,762
Total	<u>\$6,404,722</u>	<u>\$4,269,886</u>	<u>\$10,674,608</u>
	60%	40%	100%

The following chart illustrates another way of analyzing the expenditure patterns of HRS and the subrecipients by comparing the percentages of direct and administrative expenditures to the total amount of grant expenditures by each of the organizations that spent grant funds.

PERCENTAGE OF DIRECT VERSUS ADMINISTRATIVE COSTS			
<u>Unit</u>	<u>Direct</u>	<u>Admin.</u>	<u>Total</u>
HRS	9%	91%	100%
DOS	67%	33%	100%
CHUs	93%	7%	100%
CBOs	94%	6%	100%

It is clear from the above charts that all of the organizations that received grant funds incurred administrative costs. It is also clear that the direct service organizations, such as the CHUs and the CBOs, spent far less on administrative costs than did HRS. In terms of total expenditures, HRS, excluding its DOs:

- accounted for 86 percent of the total administrative costs incurred under the two grants as compared to 6 percent for the CHUs and 3 percent for the CBOs.
- accounted for 38 percent of the total expenditures but only 5 percent of the direct costs.
- spent only \$9 for the direct provision of services for every \$100 of grant funds that it retained and subsequently spent.

Clearly, if there is to be a reduction in administrative costs of providing AIDS related services to the targeted populations, consideration must be given to first reducing the administrative costs charged by the State agency. It must be pointed out, however, that since neither of the grants limited the percentage of funds which could be expended for grant administration, HRS did not violate any Federal regulation or guideline by directing such a significant portion of available AIDS funds to activities other than providing direct services.

Details on the two grants follow.

Aids Prevention and Surveillance Project

The AIDS Prevention and Surveillance Project, totaling about \$12.9 million, was awarded to HRS by CDC for the budget period January 1 through December 31, 1989. During this period, a total of \$10.2 million was expended; the balance of the award was unobligated. Of the \$10,231,295 expended, \$4,100,949 (40 percent) was expended for administration and \$6,130,346 (60 percent) was expended for providing direct services to the targeted populations.

Project dollars flowed through four separate types of entities. The HRS, the initial recipient, awarded funds to DOs, CHUs, and CBOs. The DOs distributed some of the funds received from HRS to CBOs.

The HRS and its DOs expended \$4,461,066 of the total project expenditures of \$10,231,295. Of this amount, \$3,725,806 (84 percent) was for administrative expenditures and \$735,260 (16 percent) was for direct expenses, such as public information tapes, videos, pamphlets, condoms and rent on an

HIV prevention center. The HRS accounted for \$3,533,441 of the administrative expenditures.

The HRS administrative expenditures included salaries and wages, travel, equipment, supplies and related indirect costs for administration, distribution, and monitoring of the funds. Additionally, HRS administrative expenditures included activities such as training, the provision of technical assistance and the distribution of condoms and educational materials to the CHUs. According to HRS officials, the administrative costs resulted from the extensive award process followed by HRS to assure that prospective subrecipients are capable of performing under the contract. Moreover, HRS policies and procedures require the review of invoices, time sheets, and travel vouchers prior to reimbursement of subrecipients.

The end service organizations spent far less on administrative costs. Of the total \$3,824,467 awarded to CHUs, \$3,563,346 (93 percent) was for direct expenditures and \$261,121 (7 percent) was for administrative costs. Of the total \$1,945,762 awarded to CBOs for AIDS related activities, \$1,831,740 (94 percent) was for direct expenditures and \$114,022 (6 percent) was for administrative costs.

Prevention of Perinatal Infection of HIV/AIDS

The Prevention of Perinatal Infection of HIV/AIDS, totaling \$490,000, was awarded to HRS by CDC for the budget period September 29, 1989 through September 28, 1990. During this period, a total of \$443,313 was expended; the balance of the award was unobligated. Of the \$443,313 expended, \$168,937 (38 percent) was for administrative costs, and \$274,376 (62 percent) was for providing direct services to the targeted populations by the Broward and Dade CHUs.

Of the \$168,937 in administrative costs under the project, \$154,123 was for HRS' administration of the grant. The HRS did not have any direct expenditures under this grant because the purpose was to conduct surveys at two CHUs--Broward and Dade. The administrative expenditures included HRS' costs for administering and monitoring the funds and for administrative expenditures awarded the CHUs.

Conclusions

According to PHS, AIDS is a growing national problem, and significant Federal funds have been devoted to combating it. For example, according to information in the PHS Grants Management Information System, PHS awarded over \$850 million for AIDS related projects in FY 1991 as follows:

PHS AIDS PROJECT AWARDS FY 1991		
<u>PHS Component</u>	<u>Number of Projects</u>	<u>Dollars (Millions)</u>
National Institutes of Health	733	\$152.13
Alcohol, Drug Abuse and Mental Health Administration	378	119.21
Food and Drug Administration	3	.05
Centers for Disease Control	579	311.97
Health Resources and Services Administration	481	259.10
Office of the Assistant Secretary for Health	50	2.52
Agency for Health Care Policy and Research	19	5.29
Totals	<u>2,243</u>	<u>\$850.27</u>

Federal spending is expected to rise further to meet the growing need for AIDS related services. By the end of 1993, PHS estimates a total of 360,000 to 460,000 cases of AIDS will have been diagnosed in the United States and 280,000 to 370,000 people will have died from the disease. In the health care initiatives included in the President's Economic Program which was recently released to the nation, AIDS funding is prominently mentioned.

In view of the significant amount of Federal funds involved in AIDS grants and the growing need for AIDS related activities and services, we believe it imperative that available AIDS funds are used in the most efficient and effective manner possible. The results of our review indicate that this may not be occurring. In response to our review, PHS requested on January 15, 1993, that CDC perform and report in 3 months the results of a study of the proportion of its AIDS grant funding which is expended for administrative costs and determine an appropriate and acceptable level of administrative costs for AIDS grants awarded by CDC.

We believe, that the results of our review indicate that further study is needed to determine if other States' spending patterns are similar to HRS'. We are expanding our review of the use of AIDS grant funds to additional States. We are pleased that PHS has initiated its study. We will coordinate our reviews in additional States with PHS to ensure consistency in the review methodology and the broadest possible coverage of the issue under study.

In our expanded review, we will evaluate the feasibility of limiting the percentage of grant funds which can be expended for administrative costs. There is precedent for such a limitation or cap. We found 17 examples, Governmentwide, of agencies limiting the percentage of funds which can be expended for administrative costs. Details for the 17 are found in the Appendix. The limiting percentages ranged from a low of 0 percent to a high of 25 percent.

The SAMHSA, in accordance with section 1915 (d) of the PHS Act, had a 5 percent cap on administrative costs on block grants. Had this 5 percent cap been placed on the two AIDS grants awarded to HRS, administrative costs would have been limited to \$533,730, resulting in an additional \$3,736,156, (\$4,269,886 spent on administrative costs minus the proposed cap of \$533,730) being available for the provision of AIDS related services to the targeted populations. Had the cap been placed at 25 percent, (the highest cap that we identified) a still significant amount of funds, \$1,601,234, could have been redirected to AIDS related services.

We will report the results of our expanded review to PHS in a separate report.

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If you have any questions or would like to discuss this matter further, please call me or have your staff contact Daniel W. Blades, Assistant Inspector General for Public Health Service Audits, at (301) 443-3582. To facilitate identification, please refer to Common Identification Number A-04-91-04027 in any correspondence related to this report.

APPENDIX

EXAMPLES OF
ADMINISTRATIVE COST RESTRICTIONS
FY 1990

DEPT/AGENCY: HHS/Public Health Service

CFDA NUMBER: 13.151

PROGRAM DESCRIPTION: Project Grants for Health Services
to the Homeless

TYPES OF ASSISTANCE: Project Grants

RESTRICTION/CAP: Not more than 10 percent of the
approved grant funds may be expended for administrative
costs (PHS Act, section 340[1]).

AUTHORIZATION: PHS Act, section 340, as amended;
Stewart B. McKinney Homeless Assistance Act of 1987,
Public Law 100-628

DEPT/AGENCY: HHS/Public Health Service

CFDA NUMBER: 13.992

PROGRAM DESCRIPTION: Alcohol and Drug Abuse and Mental
Health Services Block Grant

TYPES OF ASSISTANCE: Formula Grants

RESTRICTION/CAP: Up to 5 percent may be used for
administering funds allotted to the State (42 U.S.C.A.
300X-3[d]).

AUTHORIZATION: PHS Act, as amended, Title XIX, Part B,
Subpart 1, 42 U.S.C. 300X

EXAMPLES OF
ADMINISTRATIVE COST RESTRICTIONS
FY 1990

DEPT/AGENCY: HHS/Public Health Service

CFDA NUMBER: 13.994

PROGRAM DESCRIPTION: Maternal and Child Health Services
Block Grant

TYPES OF ASSISTANCE: Formula Grants

RESTRICTION/CAP: No more than 10 percent of each
State's allotment may be used for administration
(42 U.S.C.A. 704[d]).

AUTHORIZATION: Social Security Act, Title V, section
501(a), as amended; Omnibus Reconciliation Act of 1989,
Public Law 101-239, 42 U.S.C. 701

DEPT/AGENCY: HHS/Public Health Service

CFDA NUMBER: 13.165

PROGRAM DESCRIPTION: Grants for State Loan Repayment

TYPES OF ASSISTANCE: Project Grants

RESTRICTION/CAP: The State must absorb administrative
costs (PHS Act, section 338I[d]).

AUTHORIZATION: 338H of PHS Act, 42 U.S.C. 254q-1,
Public Law 100-177

EXAMPLES OF
ADMINISTRATIVE COST RESTRICTIONS
FY 1990

DEPT/AGENCY: HHS/Public Health Service

CFDA NUMBER: 13.196

PROGRAM DESCRIPTION: Cooperative Agreements for Drug Abuse Treatment Improvement Projects for Target Cities

TYPES OF ASSISTANCE: Project Grants

RESTRICTION/CAP: States are allowed to request actual costs up to 5 percent of the total amount awarded for administrative expenses (PHS Act, section 1915(d)).

AUTHORIZATION: PHS Act, section 509G, 42 U.S.C. 290aa-14

DEPT/AGENCY: HHS/Public Health Service

CFDA NUMBER: 13.199

PROGRAM DESCRIPTION: HIV Home and Community-Based Health Services

TYPES OF ASSISTANCE: Formula Grants

RESTRICTION/CAP: States may not expend more than 5 percent of their grant for administrative expenses (PHS Act, section 2404(b)).

AUTHORIZATION: PHS Act, Title XXIV, Part A, sections 2401-2415, Public Law 100-607, 42 U.S.C. 300dd 1-14

EXAMPLES OF
ADMINISTRATIVE COST RESTRICTIONS
FY 1990

DEPT/AGENCY: HHS/Office of Human Development Services

CFDA NUMBER: 13.633

PROGRAM DESCRIPTION: Special Programs for the Aging -
Title III, Part B - Grants for Supportive Services and
Senior Centers

TYPES OF ASSISTANCE: Formula Grants

RESTRICTION/CAP: States may use the greater of
5 percent or \$300,000 for State agency activities. Up
to 10 percent of the funds awarded may be used for the
administration of area plans, and an adequate
proportion of the funds awarded to area agencies
(exclusive of the amounts used for area agency
administration) must be used for access, legal and in-
home services (42 U.S.C.A. 3024[d][1] and
3028[b][1][A]).

AUTHORIZATION: Older Americans Act of 1965. Title III,
Parts A and B, Public Law 100-628; 42 U.S.C. 3022-3030d

DEPT/AGENCY: HHS/Office of Human Development Services

CFDA NUMBER: 13.614

PROGRAM DESCRIPTION: Child Development Associate
Scholarships

TYPES OF ASSISTANCE: Formula Grants

RESTRICTION/CAP: Up to 10 percent of the total awarded
to each State may be used for administrative costs
(Human Services Reauthorization Act of 1986, Title VI,
Public Law 99-425, section 603[b][2]).

AUTHORIZATION: Human Services Reauthorization Act of
1986, Title VI, Public Law 99-425, 42 U.S.C. 10903-
10905

EXAMPLES OF
ADMINISTRATIVE COST RESTRICTIONS
FY 1990

DEPT/AGENCY: HHS/Office of Human Development Services

CFDA NUMBER: 13.656

PROGRAM DESCRIPTION: Temporary Child Care and Crisis Nurseries

TYPES OF ASSISTANCE: Project Grants

RESTRICTION/CAP: Of the funds awarded to each State no more than 5 percent may be used for administrative costs (42 U.S.C.A. 5117c[a][2][A]).

AUTHORIZATION: Temporary Child Care for Children with Disabilities and Crisis Nurseries Act of 1986, as amended, Title II, Public Law 99-401; Public Law 100-403, 42 U.S.C. 5117a, 5117b, 5117c.

DEPT/AGENCY: HHS/Office of Human Development Services

CFDA NUMBER: 13.673

PROGRAM DESCRIPTION: Grants to States for Planning and Development of Dependent Care Programs

TYPES OF ASSISTANCE: Formula Grants

RESTRICTION/CAP: No more than 10 percent of a State's funds may be used for administrative costs (42 U.S.C.A. 9875[e][2]).

AUTHORIZATION: Human Services Reauthorization Act of 1986, Title III, Public Law 99-425, 42 U.S.C. 9871

EXAMPLES OF
ADMINISTRATIVE COST RESTRICTIONS
FY 1990

DEPT/AGENCY: HHS/Family Support Administration

CFDA NUMBER: 13.789

PROGRAM DESCRIPTION: Low-Income Home Energy Assistance

TYPES OF ASSISTANCE: Formula Grants

RESTRICTION/CAP: Up to 10 percent of the funds may be used for State planning and administration (42 U.S.C.A. 8624[b][9][A]).

AUTHORIZATION: Low-Income Home Energy Assistance Act of 1981; Omnibus Reconciliation Act of 1981, Title XXVI, section 2602(a), Public Law 97-35, 42 U.S.C. 8621, as amended; Public Law 98-558, Title XXVI; Public Law 99-425

DEPT/AGENCY: HHS/Family Support Administration

CFDA NUMBER: 13.792

PROGRAM DESCRIPTION: Community Services Block Grants

TYPES OF ASSISTANCE: Formula Grants

RESTRICTION/CAP: No more than the greater of \$55,000 or 5 percent of the State's allocation may be used for administrative expenses at the State level (42 U.S.C.A. 9904[c][2][B]).

AUTHORIZATION: Human Services Reauthorization Act of 1986, Title III, Public Law 99-425

EXAMPLES OF
ADMINISTRATIVE COST RESTRICTIONS
FY 1990

DEPT/AGENCY: HHS/Family Support Administration

CFDA NUMBER: 13.796

PROGRAM DESCRIPTION: Emergency Community Services for the Homeless

TYPES OF ASSISTANCE: Formula Grants

RESTRICTION/CAP: States are required to use 100 percent of their allocations for grants or contracts to eligible entities. No funds may be used for State administrative costs (Stewart B. McKinney Homeless Assistance Act of 1987, Public Law 100-77, Subtitle D, section 753[b][3]).

AUTHORIZATION: Stewart B. McKinney Homeless Assistance Act of 1988, Title VII, Subtitle A, section 704, Public Law 100-628

DEPT/AGENCY: EPA/Office of Air and Radiation

CFDA NUMBER: 66.032

PROGRAM DESCRIPTION: State Indoor Radon Grants

TYPES OF ASSISTANCE: Project Grants

RESTRICTION/CAP: State expenditures for general overhead and program administration cannot exceed 25 percent in a budget period (15 U.S.C.A. 2666[i][3]).

AUTHORIZATION: Toxic Substances Control Act, as amended, Title III, Indoor Radon Abatement Act, section 306, Public Law 100-551, 15 U.S.C. 2666

EXAMPLES OF
ADMINISTRATIVE COST RESTRICTIONS
FY 1990

DEPT/AGENCY: HUD/Community Planning and Development

CFDA NUMBER: 14.228

PROGRAM DESCRIPTION: Community Development Block Grants

TYPES OF ASSISTANCE: Formula Grants

RESTRICTION/CAP: Each State may use up to \$100,000 plus two percent of its grant to administer the program and must match each Federal dollar in excess of \$100,000 used for administration with a dollar of its own (42 U.S.C.A. 5306[e][3][A]).

AUTHORIZATION: Housing and Community Development Act of 1974, Title I, as amended, Public Law 93-383, 42 U.S.C. 5301

DEPT/AGENCY: DOE/Conservation and Renewable Energy

CFDA NUMBER: 81.042

PROGRAM DESCRIPTION: Weatherization Assistance for Low-Income Persons

TYPES OF ASSISTANCE: Formula Grants

RESTRICTION/CAP: Up to 10 percent of each grant may be spent by a State and its subgrantees for administrative expenses. A State may not use more than 5 percent of the total State grant for such purposes (42 U.S.C.A. 6865[a][1]).

AUTHORIZATION: Human Services Reauthorization Act of 1984, Public Law 98-558

EXAMPLES OF
ADMINISTRATIVE COST RESTRICTIONS
FY 1990

DEPT/AGENCY: Education/Office of Assistant Secretary
for Elementary and Secondary Education

CFDA NUMBER: 84.227

PROGRAM DESCRIPTION: Secondary Schools - Basic Skills
Demonstration Assistance

TYPES OF ASSISTANCE: Project Grants

RESTRICTION/CAP: Not more than 5 percent of the grant
may be used for administrative costs (20 U.S.C.A.
3266[d]).

AUTHORIZATION: Elementary and Secondary Education Act
of 1965, Title VI, Part B, section 6101, as amended,
Public Law 100-297, 20 U.S.C. 3261