



Guidance Regarding Reimbursement of Salary and Direct Costs to Consultants by Awardees Using Technical Assistance Awards From the CDFI Fund

Source Documents

Title 4, General Provisions, Sec. 405 of the CDFI Fund's Appropriation Laws for FY 2004 and FY 2005 (Consolidated Appropriations Act, 2004 and Consolidated Appropriations Act, 2005) states that: "None of the funds provided in this Act may be used, directly or through grants, to pay or to provide reimbursement for payment of the salary of a consultant (whether retained by the Federal Government or a grantee) at more than the daily equivalent of the rate paid for level IV of the Executive Schedule, unless specifically authorized by law."

Schedule 5-A (Uses of TA Funds) of the CDFI Fund's Assistance Agreement states:

"The Awardee shall not use any of the [Fund's] Assistance to pay or provide reimbursement for payment of the salary of a consultant at more than the daily rate equivalent of the rate paid for level IV of the Executive Schedule, unless specifically authorized by law. For calendar year 2004, this daily rate equivalent is **\$523.08**. The current federal reimbursement rates may be found at the Office of Personnel Management website at www.opm.gov/Federal_Salaries_Wages/"

Salary of the Consultant

A TA award from the CDFI Fund may be used to cover the salary portion of a consultant's fee up to the following limitations:

- **FY 2004 Awardees:** The maximum daily rate a consultant may be paid for her/his time using FY 2004 Fund award dollars is \$523.08. This equates to \$65.39 per hour.
- **FY 2005 Awardees:** The FY 2005 ES-4 salary is \$140,300 per year. The maximum daily rate a consultant may be paid for her/his time using FY 2005 Fund Award dollars is \$539.62. This equates to \$67.45 per hour.

An Awardee may pay a consultant more than the daily or hourly rate equivalent of the ES-4 salary, but may only use CDFI Fund award dollars up to the ES-4 salary equivalent rate as quoted above.

Direct Costs Incurred by the Consultant in the Provision of Services to an Awardee:

- A consultant's hourly rate typically consists of direct labor, other direct costs, overhead, and profit. The hourly direct labor portion represents the salary of the consultant, and according to *Title 4*, cannot exceed the hourly amounts stated above.
- Other direct costs (costs other than direct labor costs and that are directly related to the contractual activity) may include, but are not limited to:
 - Travel costs associated with meetings with the Awardee (airfare, lodging, meals or per diem) in accordance with the Awardee's normal travel policies;
 - Printing and shipping costs associated with documents related to the provision of the service for which the consultant was hired; and
 - Telephone charges related to the provision of the service for which the consultant was hired.
- Subcontractors: Payments by a consultant to subcontractors are governed by the same rules.

For More Information

Please consult OMB's webpage and review OMB circulars A-87 and A-122 for definitions of direct and indirect costs and other topics related to administration of federal grants to non-profit organizations. Please go to: www.whitehouse.gov/omb/circulars/index.html for a list of circulars.

You may also contact Larry Green, Financial Manager of the CDFI Fund, at greenl@cdfi.treas.gov for further explanation of this document.