

OFFICE OF THE GOVERNOR

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ALABAMA DEPARTMENT OF ECONOMIC
AND COMMUNITY AFFAIRS

Bill JOHNSON
DIRECTOR

STATE OF ALABAMA

June 23, 2008

MEMORANDUM

TO: Persons Interested in the State CDBG Program

FROM: Bill Johnson *dmi*
Director

SUBJECT: Clarification of Policy Letter 12(a) on allowable administrative cost for Economic Development Projects

This policy applies to all new CDBG Economic Development grants awarded after the date of this letter.

In general, the fee scale in policy letter 12(a) for CDBG project administration costs, i.e., program management, advertisements, audit, and eligible pre-agreement costs does not apply to Economic Development projects. Project administration costs for Economic Development projects will be determined for each project based on the complexity of the project and the extent of the administrative services required to carry out the project.

BJ:MEN:sp