

Development Cost Budget
Indian Low Income Housing Program

U.S. Department of Housing
 and Urban Development
 Office of Public and Indian Housing

OMB Approval No. 2577-0130 (exp. 7/31/98)

Copy Number:

Legal Name of Indian Housing Authority:	Budget Submission Sequence. No:	Project Number:					
Locality of Project (Site Address):	Production Method:	Program Type:					
	No. of Units:	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:33%; text-align: center;">Elderly</td> <td style="width:33%; text-align: center;">Nonelderly</td> <td style="width:34%; text-align: center;">Total</td> </tr> <tr> <td style="height: 20px;"></td> <td></td> <td></td> </tr> </table>	Elderly	Nonelderly	Total		
Elderly	Nonelderly	Total					

Status (Check one)

- | | | |
|---|---|---|
| <input type="checkbox"/> Planning Budget | <input type="checkbox"/> Contract Award/Contract of Sale (CA) | <input type="checkbox"/> Quarterly Development Cost Statement |
| <input type="checkbox"/> Development Program (DP) | <input type="checkbox"/> Between CA & Final | <input type="checkbox"/> Statement of Actual Development Cost (with ADCC) |
| <input type="checkbox"/> Between DP & CA | <input type="checkbox"/> Final | |

Subpart I. Budget

Line No.	Account Classification	Actual Development Cost Incurred to	Actual/ Estimated Additional to Complete	Total Development Cost		Previously Approved Budget
				Amount (3)+(4)	Per Unit	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Developer's Price						
1	1440 Site					
2	1450 Site Improvement					
3	1460 Dwelling Construction					
4	1465 Dwelling Equipment					
5	1470 Nondwelling Construction					
6	1430.1 Architectural and Engineering Services					
7	Other					
8	1482 Total Developer's Price					
Indian Housing Authority Costs: Administration						
9	1410.1 Nontechnical Salaries					
10	1410.2 Technical Salaries					
11	1410.3 Work - MH Contribution					
12	1410.4 Legal Expenses					
13	1410.9 Employee Benefit Contribution					
14	1410.10 Travel					
15	1410.12 Publications					
16	1410.14 Membership Dues and Fees					
17	1410.16 Telephone and Telegraph					
18	1410.19 Sundry					
19	1410 Total Administration					
20	1415 Liquidated Damages					
21	1418 Counseling Costs					
Interest						
22	Total Interest					
23	1425 Initial Operating Deficit					
Planning						
24	1430.1 Architectural and Engineering Fees					
25	1430.2 Consultant Fees					
26	1430.6 Permit Fees					
27	1430.7 Inspection Costs					
28	1430.9 Housing Surveys					
29	1430.19 Sundry Planning Costs					
30	Total Planning					

Submitted by (Signature)	Date	Title
*Recommended by (Signature of Authorized Official)	Date	Title
*Approved by (Signature of Authorized Official)	Date	Title

Line No.	Account Classification	Actual Development Cost Incurred to	Actual/ Estimated Additional to Complete	Total Development Cost		Previously Approved Budget
				Amount (3)+(4)	Per Unit	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Site Acquisition					
31	1440.1 Property Purchases (or Leases)					
32	1440.4 Surveys and Maps					
33	1440.5 Appraisals					
34	1440.6 Title Information					
35	1440.7 Site - MH Contribution					
36	1440.8 Legal Costs - Site					
37	1440.10 Option Negotiations					
38	1440.12 Current Tax Settlement					
39	1440.19 Sundry Site Costs					
40	Total Site Acquisition					
41	1450 Site Improvements					
42	1460 Dwelling Construction					
43	1465 Dwelling Equipment					
44	1470 Nondwelling Construction					
45	1475 Nondwelling Equipment					
46	1480 Contract Work In Progress					
47	1495 Relocation Costs					
48	Total Before Contingency					
49	Donations					
50	Total Before Contingency (Excluding Donations)					
51	Contingency: 1% or 5% (or less) of line 50					
52	Total Development Costs					

Subpart II. Detail of Construction and Equipment. Accounts 1450 through 1480.

Line No.	Account Classification	Actual Development Cost Incurred to	Actual/ Estimated Additional to Complete	Total Development Cost		Previously Approved Budget
				Amount (3)+(4)	Per Unit	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Site Improvement (1450)					
51	Demolition					
52	1450.1 Work-MH Contribution					
53	1450.2 Materials, Supplies and Equipment-MH Contribution					
54	1450.3 On-site Street Improvements					
55	1450.4 Other					
56	Total Site Improvement					
	Dwelling Structures (1460)					
57	1460.1 Work - MH Contribution					
58	1460.2 Materials, Supplies and Equipment-MH Contributions					
59	1460.3 Other					
60	Total Dwelling Structures					
	Dwelling Equipment (1465)					
61	1465.1 Dwelling Equipment Nonexpendable					
62	1465.2 Dwelling Equipment Expendable					
63	1465.3 Dwelling Equipment-MH Contribution					
64	Total Dwelling Equipment					
	Nondwelling Structures (1470)					
65	1470.1 Work-MH Contribution					
66	1470.2 Materials MH Contribution, Supplies & Equipment					
67	1470.3 Other					
68	1470.9 IHS Off-site Water & Sewer					
69	Total Nondwelling Structures					
	Nondwelling Equipment (1475)					
70	1475.1 Office Furniture and Equipment					
71	1475.2 Maintenance Equipment					
72	1475.3 Community Space Equipment					
73	1475.4 Computer Equipment					
74	1475.7 Automotive Equipment					
75	1475.9 Expendable Equipment					
76	1475.10 Nondwelling Equipment-MH Contribution					
77	Total Nondwelling Equipment					
	Contract Work in Progress (1480)					
78	1480.1					
79	1480.2					
80	1480.3					
81	Total Contract Work in Progress					
82	Total Construction & Equipment					

Subpart III. Cost of Relocation and Existing Improvements	
a. Acquisition Cost:	
b. Demolition Cost:	
c. Relocation Cost:	
d. Total:	

Subpart IV. Detail of Donations (Not MH Contributions) - Itemized			
	Source of Funds	Account Number	Amount
1.			
2.			
3.			
4.			
Total Donations			

Subpart V. Detail of MH Contributions					
MH Contribution	Account	Amount	MH Contribution	Account	Amount
a. Total Cash			Materials	1450.2	
b. Total Land	1440.7			1460.2	
Work--Family	1450.1			1470.2	
	1460.1		e. Total Materials		
	1470.1		Equipment	1450.2	
c. Subtotal Family				1460.2	
				1465.3	
Work--IHA Cost	1410.3			1470.2	
d. Total Work				1475.10	
			f. Total Equipment		

Total MH Contributions (Sum of a, b, d, e and f above)

Total MH Contributions of work, materials and equipment to be utilized by the Contractor in performance of the contract work (sum of c, e, f.)
 (Should equal the difference between Total Contract Price and the Price Payable to Contractor.)

Total MH Cash Contribution to be applied toward payment of development cost (a, above)

Public reporting burden for this collection of information is estimated to average 6 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0032), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Do not send this form to the above address.

(NB: The new Paperwork Reduction Act requires additional information to be included here. Please see Gloria Diggs or Kay Weaver for details.)

Instructions for Preparing Development Cost Budgets

A. General.

1. Prepare an original and two copies for all Development Cost Budgets required by the Indian Housing Handbook under the grant program. Submit to the HUD Field Office.

- a. For the first budget (Planning Budget), complete only columns (4) and (5) of Subparts I & II.
- b. For subsequent budgets, complete as described below.
- c. Round off all amounts to the nearest dollar.
- d. Where descriptions or supplementary data are required, use an attached sheet, identifying the applicable item.

2. Budgets should cover all of the housing to be built under a single project number, whether on one or several sites.

a. Show in the block at the top of page 1 of the Budget under "Budget Sub. No." the sequential number of the Budget being submitted.

b. For any project, the Planning Budget is "budget No. 1" the next and succeeding budget submissions would be 2,3, etc.

c. Show in the block at the top of page 1 of the Budget under "Elderly", the total of all units designed specifically for the elderly including any such units which have more than one bedroom.

3. For descriptions of the cost accounts to be used, see HUD Handbook 7510.1, Low-Rent Housing Accounting Handbook. The HUD Field Office will assist IHAs upon request in the distribution of costs of individual accounts.

B. Subpart I. Budget

1. Column Entries.

a. For the initial Planning Budget, complete columns (4) and (5) and leave other columns blank.

b. For subsequent budgets, use column (3) to show the latest readily available figures from the books of accounts for Accounts 1410 through 1440, and Account 1495. In the heading of column (3), show the date as of which figures were taken. Use column (4) to show additional costs for completing the development work (Account 1410 through 1440 and 1495).

2. **Site Improvements; Construction and Equipment.** Enter, as applicable, in lines 2 through 5 and/or 41 through 45 the amounts stated for site improvements construction and equipment including related (MH) contributions from Subpart II and as further described below.

3. Turnkey and Conventional Projects.

a. **Turnkey.** The account classifications for Developer's Price, lines 1 through 8, are to be completed only for projects being developed under the Turnkey method. Where the developer is not providing the site, no entry will be made in line 1, Account 1440; instead, just as for conventional projects, lines 31 through 40 will be completed. For a developer-provided site, entries will be made for site acquisition costs to the IHA, e.g., appraisals (line 33) where required (see paragraph 9 below). The Total Developer's Price will be the price agreed upon at the Feasibility Conference by the developer, the IHA, and HUD. The amounts entered for site, architectural and engineering services should be the amounts to be included with the Preliminary Contract of Sale for the eventuality of separate purchase by the IHA. The amount entered for Other should be the sum of (1) the Developer's Fee and Overhead, (2) Interim Financing, and (3) Closing Costs. In the case of turnkey projects, planning costs approved by the HUD Field Office will allow for entries in lines 24 and 25 as well as in line 6, in addition to the required services for which entry will be made in line 27.

b. **Conventional.** For conventional projects, lines 1 through 8 will remain blank and instead, those accounts will be completed utilizing lines 24 through 45. For lines 41 through 45, the Schematic Design Documents and Architect's Estimate of Project Construction Cost will provide a basis for reasonable estimates for costs of Site Improvements - Account 1450, Dwelling Structures - Account 1460, and Nondwelling Structures - Account 1470. Any comments from the HUD Field Office as a result of the prior submission of these documents shall be incorporated into the Budget. Close attention shall be given to the amounts for Dwelling Construction and Dwelling Equipment to be included in the Budget. The HUD Field Office may be requested to assist in preparing appropriate estimates for Dwelling and Nondwelling Equipment - Accounts 1465 and 1475. The estimate shall be accompanied by supporting data showing items and the cost of each.

4. **1410. Administration (lines 9 through 19).** IHAs with experience in the development and management of low-income housing should estimate administration costs on the basis of such experience, as applicable, for the current development method. For turnkey projects, there will be less administration activity normally than for conventional projects. The amounts for the various subaccounts shall be the costs of the items of expense which are directly traceable to and essential in the planning, construction and completion of the project, and the prorata amounts of the IHA's total administration costs in respect to the items which are not wholly traceable to the project. Administration (1410) and Planning (1430) Costs ordinarily terminate with the End of the Initial Operating Period. After this date only costs of personnel employed in development work specifically applicable to the particular project (e.g., employee or architect engaged in warranty inspections) may be charged to these accounts.

a. **1410.3. Work - MH Contribution (line 11).** This account shall be charged with that portion, if any, of the MH contribution attributed to work furnished to the IHA (for which the contractor is not responsible) for administrative purposes by or on behalf of the Homebuyer Families.

b. **1410.1 and 1410.2 (lines 9 and 10).** The following supporting data shall accompany the estimates for Non-technical and Technical Salaries: List, by job title, each IHA employee whose salary, or portions thereof, will be chargeable to these accounts. For each, show the annual rate of the gross salary, the estimated length of time the employee will spend in connection with the development of the project, and the total of the gross salary which is properly chargeable to either of these accounts. If only a portion of the employee's time will be chargeable to this project, show the percentage that will be so chargeable and show, in a footnote, the percentage distribution to other projects and the accounts to which distributed.

c. **1410.19 (line 18).** The estimate for the Sundry Account shall include supporting data as follows: List and show the cost of each item of administrative and general expense for which a specific account is not provided in the 1410 group of accounts. If only a portion of the cost of any item will be chargeable to this project, show the percentage and amount that will be so chargeable and show, in a footnote, the percentage distribution to other projects.

5. **1418. Counseling Costs (line 21).** This account shall be charged with the cost (not to exceed \$500 multiplied by the number of homes in the project) of counseling to be provided to participating Families.

6. **1420.7 Interest - Income from Investments (line 22).** The amount included for this account shall be computed as prescribed in HM 7510.1, Chapter 3, Section 15.

7. **1425. Initial Operating Deficit (line 23).** In the absence of dependable previous experience data on which to base a preliminary

estimate of the initial operating deficit, an allowance not to exceed \$50 per dwelling unit may be used unless more is specifically authorized by HUD.

8. 1430. Planning (lines 24 through 30). For turnkey projects generally, architectural-engineering services will be included in the Developer's price except for periodic inspection of construction by an independent architect employed by the IHA (Account 1430.7).

a. 1430.1. Architectural and Engineering Fees (line 24). Architectural and engineering fees shall not exceed those set forth in the Schedule of Fees of the Architect's Contract.

b. 1430.2. Consultant Fees (line 25). The architect's contract provides that consultants retained by the architect must be paid under the terms of the architect's contract. Fees to be paid to other consultants should be included under this account and shall be accompanied by supporting data.

c. 1430.6. Permit Fees (line 26). If building or other similar fees have to be paid by the IHA, include the estimated amount under this account.

d. 1430.7. Inspection Costs (line 27). This estimate shall be accompanied by supporting data consisting of an itemized breakdown of the costs chargeable to this account. Include in the breakdown, by job title, a list of employees of the architect or (when use of IHA employees has been previously approved) of the IHA who will perform inspection work for the project, and show for each the same information as required by Paragraph 4b above.

e. 1430.9. Housing Surveys (line 28). The cost of all housing surveys and comprehensive planning shall be charged to this account. Include in this account the cost of housing surveys and the printing of reports in connection with them.

f. 1430.19. Sundry Planning Costs (line 29). In the absence of actual experience, the IHA should request the advice of HUD for this estimate.

9. 1440. Site Acquisition (lines 31 through 40). For provisions of cost accounts under this heading which are not explained below, see Accounting Handbook, HM7510.1, Chapter 3, Section 15.

a. 1440.1. Property Purchases (or Leases) (line 31). See Indian Housing Regulations and the Handbook as to limitations on size and cost of sites, terms of leases, requirements for appraisals and appraisal standards and special MH project requirements.

b. 1440.5. Appraisal Fees (line 33). This account shall be charged with (1) the costs incurred by the IHA, if any, for appraisals of land or improvements for sites to be provided by the IHA and (2) with costs incurred for obtaining appraisals of a developer-owned site for a turnkey project. No appraisal fee shall be included if the appraisals were conducted by the Bureau of Indian Affairs.

c. 1440.6. Title Information (line 34). No charge shall be made to this account where a BIA Title Status Report is utilized in accordance with the Interdepartmental Agreement.

10. 1470. Nondwelling Structures (line 44). Under 1470 establish a separate subaccount for any contributions for off-site improvements (i.e., water and sewer, solid waste).

11. 1495. Relocation (line 47). See the Indian Housing Handbook and HUD Relocation Handbook 1371.1, if applicable.

12. Donations. For donations, see account 2850 in HUD Handbook HM 7510.1, Chapter 3, Section 2. A donation represents a cash donation and the reasonable value of property donated to the project. An MH contribution is not a donation. Any cost met from cash donations and the value of any donations in kind will be included under the appropriate cost account and itemized in Subpart IV. Since donations cannot be included in the Total Development Cost, the total of donations will be subtracted from it and the result will be shown in line 50, "Total Before Contingency (Excluding Donations)."

13. Contingency. Enter not more than 5 percent for conventional projects, nor more than 1 percent for turnkey, of the Total Before Contingency, unless specifically approved by the Field Office based on adequate documented justification.

C. Subpart II. Detail of Construction and Equipment. Accounts 1450 through 1480.

1. General. The components of site improvement, construction and equipment costs will be identified in this Subpart. Each particular MH Contribution account (lines 52, 53, 57, 58, 63, 65, 66, and 76) shall be charged with that portion of the Total Development Cost attributed to it under the account classification in which it is listed. Donations will be included as described in paragraph B.12 above. Any off-site construction costs included in the proposed budget for which repayment will not be made by others will be described in an attachment and an explanation of why repayment will not be made by others will be included.

2. Column Entries. For the initial Planning Budget complete columns (4) and (5) and leave the other columns blank. For subsequent budgets:

(a) Enter in Columns (3), (4), and (5) required amounts for Accounts 1450 through 1480 as of the same date used for the entries in these columns in Subpart I.

(b) For a Contract Award Budget, list each proposed construction contract to be included under Account 1480 in Column (2) by name of contractor and type of work. Opposite each such listing, enter in Column (4) the appropriate amount from the corresponding Form HUD-52396, Analysis of Proposed Main Construction Contract.

(c) List all work and equipment not included under a formal construction contract (e.g. utilities extension/connection costs) by type under the applicable account. Identify by showing vendor name in column (2) and adding "NIC" after the item.

(d) Show approved force account work as separate labor and material cost items at each applicable construction or equipment account, and identify each by adding "(FA)" after the item.

(e) Distribution of Construction Contract Amount(s). Show on the Final Budget all construction contract amounts (including all approved changes) which were initially reflected at Account 1480 at contract award. Each final construction contract amount should be distributed to the appropriate subsidiary account (Accounts 1450 through 1475) after the final billing under each contract has been paid. All such costs will therefore be entered in column (3) as an actual cost incurred. The Final Budget shall be accompanied by supporting data listing (a) the name of the contractor and type of work performed under each construction contract executed; (b) each original contract amount established and shown on form HUD 52396 at Contract Award stage; (c) a listing and identification of account classification for each change order approved for each construction contract; and (d) each final contract amount, including all change orders.

D. Subpart III. Cost of Relocation and Existing Improvements.

Enter information only with the Contract Award Budget. If the site was wholly vacant at the time it was acquired, enter "Site Wholly Vacant" on the total line and make no other entries. If the site included dwelling and/or nondwelling structures at acquisition, the amount entered on the first line shall be determined by prorating the total acquisition cost of the site in the ratio that the appraised value of the improvements bears to the total appraised value of the site. On the second line, show the total amount included under Subpart II for demolition work (line 51), if performed under separate contract or the estimated amount if performed under a single construction contract. On the third line, show the amount included in Subpart I, line 47, Column (5). Attach schedules detailing all costs comprising these amounts.

E. Subpart IV. Detail of Donations (Not MH Contributions).

For the detail of donations, enter an itemized description of donations identifying applicable account (paragraph C.1. above) and deduct the total donations from the Total Development Cost as described in paragraph B.12. above. MH Contributions are not donations.

F. Subpart V. Detail of MH Contributions.

Provide the detail of MH Contributions by showing for the various accounts, as applicable, the amounts comprising each form of MH Contribution.