



KCRHA

King County Regional Homelessness Authority

Invoice & Indirect Costs

April 7, 2026: 2:00 pm – 3:00 pm

April 9, 2026: 3:00 pm – 4:00 pm

AGENDA



- ❖ Welcome
- ❖ Training Objectives
- ❖ Invoice
 - ❖ Invoice Submission Requirements
 - ❖ Supporting Documentation
 - ❖ Q&A
- ❖ Indirect Costs
 - ❖ Indirect vs Direct Costs
 - ❖ Calculating Indirect Costs
 - ❖ Q&A
- ❖ Q&A Session/Closing



Training Objectives

At the end of this training, you will know:

What are the Invoice Submission Requirements

What are the supporting documentation required with invoice submission

The difference between Indirect and Direct Costs

How to Calculate Indirect Costs





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Invoicing

Why are Invoice Submissions Required?



To request reimbursement for allowable expenditures.



To help funded agencies, KCRHA, and funders track budget spend down.



To meet funder and contract reporting requirements.

Contract Budgets and Payments

KCRHA compensate agencies for the satisfactory performance of contracted services.

The total compensated amount from KCRHA will not exceed the total budget amount listed on the PSA.

Contract fund awards may only be used for allowable costs incurred during the contract term.

Budget reallocations between two or more major budget categories that are less than 10% of the lesser budget category do not require a written amendment signed by both parties.

Budget reallocations between two or more major budget categories that exceed 10% or more than the lesser budget category require a written amendment.

Budget reallocations to a major budget category not included in your original approved budget require a written amendment signed by both parties.



Submission Requirements

All agencies are required to submit monthly invoices on the 10th business day of the month for the previous calendar month OR quarterly invoices on the 10th business day of the month for the previous quarter, unless otherwise specified in the contract.



Submission Requirements

Invoice submissions must include:

- 1) A posted General Ledger (GL), generated from the agency's accounting systems **detailing** the costs to be reimbursed.
 - For COC-funded contracts, GL should also include costs attributable to all CoC-match expenditures.
 - GL documentation must clearly identify the costs being charged to KCRHA for reimbursement, up to the total invoiced amount.
- 2) If the GL does not include sufficient detail to identify the FTE or staff costs to be reimbursed, Payroll Logs evidencing specific personnel.
- 3) De-identified, balanced Tenant Lists or Client Disbursement logs for rental assistance or direct client assistance costs using the form located on the [KCRHA website](#), as applicable.



Submission Requirements

- 4) Monthly HMIS Program Outcomes Reports, if applicable.
- 5) Quarterly Narrative Reports (QNRs), if applicable.
 - QNRs are due every four months from the effective date of the performance period.
 - **For example:** For a contract with a January 1 effective date, the QNR due dates are April, July, October, and January.
 - **For example:** For a contract with a June 1 effective date, the QNR due dates are September, December, February, and May.

Please see your PSA for specific submission schedules and required reports



Invoicing Itemization

Costs for the following budget line items need to be itemized in the invoice:

- 1) Salaries (Full- & Part-Time)
- 2) Other Employee Benefits
- 3) Operating Supplies
- 4) Repairs & Maintenance Supplies
- 5) Other Professional Services
- 6) Repairs & Maintenance
- 7) Other Miscellaneous Expenses
- 8) Administrative/Indirect Costs

Personnel Services	\$3,080.12
Case Manager/ Mental Health Specialist	\$2,095.15
Human Services Director -	\$0.00
Case Manager/ Mental Health Specialist	\$984.97
Case Manager/ Mental Health Specialist	\$0.00
Program Administrator	\$0.00



Invoice Certification for Federally Funded Contracts

Effective in Salesforce on March 9, 2026 – Federally funded contracts are required to certify invoices.

- Provision on PSA per 2 CFR 200.415 - all financial reports, payment requests, and cost certifications submitted by the Contractor related to Federal fund awards must include the following certification by an authorized official:

"By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements, and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil, or administrative penalties for fraud, false statements, false claims or otherwise.

This new requirement does not impact the KCRHA payment schedule



Records Retention Requirements

- Agencies are required to maintain all administrative documentation (including, but not limited to, invoices, receipts, GL, and bank statements) for a **minimum of six years**.
 - Exception 1: Documentation subject to an unresolved audit or investigation must be maintained until final resolution, which may exceed six years.
- If requested by KCRHA, agencies are required to **provide additional supporting documentation** to support reimbursements.



Updated 2026 Spending Priority

The **updated** chart below lists the current funder spending priorities. Please reference this chart when completing your invoices in Salesforce.

Spending priorities are subject to change at the election of our funders. Changes to the spending priorities will be communicated to the affected agencies via email upon notification from our funders.

Fund Source	Expenditure Period	Required % of Fund Award	Spending Deadline
CDBG-KC-26*	Jan 1 – June 30	100%	6/30/2026
CDBG-CV-KC WA-26	Jan 1 – June 30	100%	6/30/2026
STATE-KC-26	Jan 1 – Dec 31	50%	6/30/2026
ESG-KC-26	Jan 1 – July 31	85%	7/31/2026
SESG-KC-26	Jan 1- July 31	65%	7/31/2026

*** First Priority Spending**



Invoicing in Salesforce



Agencies are **strongly encouraged** to **allocate** their disbursement requests to the fund source corresponding to the expenses charged in their GL reports.



Where your agency's allocations require adjustment due to changes in spending priorities, the Compliance Team will make adjustments **after** consulting with and receiving approval from your agency.



Fund Source Year Allocations

Apply the following rules to ensure you allocate costs to the correct fund source.

- 2025 expenditures can only be allocated to 2025 fund sources
 - 2025 fund sources end with a '-25.'
- 2026 expenditures can only be allocated to 2026 fund sources.
 - 2026 fund sources end with a '-26.'

For example: STATE-KC-**26** is a **2026** fund source.



KCHRA Allowable Cost Checklists

Allowable Cost Checklists Available in the Salesforce Resource Library

- Continuum of Care (CoC)
- City of Seattle General Funds (COS GF)
- Emergency Solutions Grant (ESG)
- Consolidated Homeless Grant (CHG)

Allowable Cost Checklists are reviewed and updated annually as new funding guidelines are published.





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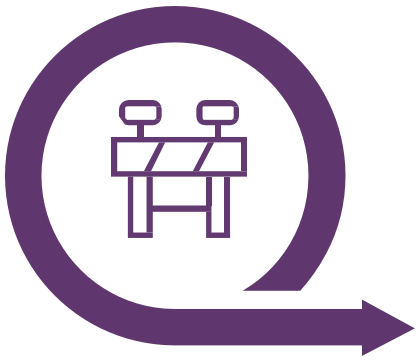
Q & A



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Indirect Costs

Indirect & Direct Costs



Direct Costs

+



Indirect Costs

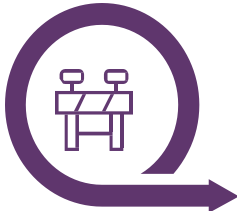
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True Costs

Direct Cost + Indirect Cost = True Cost of Service

Direct Costs



Direct Costs

Direct costs are those costs **directly attributable** to the performance or the provision of services for a specific project or organizational activity.

[2 CFR 200.413](#) “[T]hose costs that can be identified specifically with a particular final cost objective.”

Direct Costs

Typical examples of direct costs may include:



Salaries, Wages And
Benefits Of Employees
Providing Services
Directly To Clients Under
The Grant



Materials And Supplies
Used Directly By The Grant



Travel Expenses – Include
Travel Used To Provide
Services To Clients And For
Required Training By Direct
Staff



Equipment – Used In
Providing Services For The
Grant



Rent And Occupancy –
Square Footage Used By
Direct Staff Or Used In
Providing Services For The
Grant (only if allocation
determined to assign these
cost specific to the Grant)

Direct Costs

Direct costs may include administrative costs, so long as:

- Such administrative costs or activities are directly attributable to the project; and
- They are applied consistently under a written cost allocation plan.

For example, to ensure consistent application, an organization cannot treat a cost as indirect for one purpose and direct for another when the circumstances are the same. (See generally [2 CFR 200.405](#))



Administrative Costs as Direct Costs

Administrative costs can be claimed as a direct cost when they are directly tied to a cost objective:



Property Insurance



Rent, Utilities



Office Supplies, Office
Space, Utilities, Postage



Administrative Support
Such As Clerical



General And Facility
Costs That Can Be
Directly Tied To A Cost
Objective, And Meets
“Reasonable And
Necessary” Test Of
Carrying Out A Program

Indirect Costs



Indirect Costs

Indirect costs are those costs **not readily identified** with a specific project or organizational activity but incurred for the joint benefit of both projects and other activities.

[2 CFR 200.414](#) “[T]hose costs incurred for a common or joint purpose benefitting more than one cost objective and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the result achieved.”

Indirect Costs*

Typical examples of indirect costs for many non-profit organizations may include:



Depreciation On Buildings And Equipment



Costs Of Operating And Maintaining Facilities



General Administration And General Expenses, Such As The Salaries And Expenses Of Executive Officers, Personnel Administration, And Accounting



Office Supplies, Office Space, Utilities, Postage



Administrative Support Such As Clerical



Property Insurance



Rent And Occupancy – Square Footage Used By Direct Staff Or Used In Providing Services For The Grant (only if not already included in Direct Cost)



*See generally [2 CFR 200.414\(b\)](#)

Indirect Costs: Major Nonprofits

(Major nonprofits are defined as those receiving more than \$10 million in direct Federal funding)

For major nonprofit organizations that have federally funded projects, indirect costs **must** be classified into two categories: **Facilities** and **Administration**.

- **Facilities** = depreciation on buildings, equipment, and capital improvements, interest on debt associated with certain buildings, equipment and capital improvements, and operations and maintenance expenses.
- **Administration** = general administration and general expenses such as the director's office, accounting, personnel, and all other types of expenditures not listed specifically under one of the subcategories of “Facilities” (including cross allocations from other pools, where applicable). (See generally [2 CFR 200.414\(a\)](#))



Direct and Indirect Costs

Direct - Indirect - Facilities - Administrative Costs

Key Take-Away One: There is no one-size-fits-all use of any of these terms.

- There are many organizational types and structures ranging from small and large non-profit conglomerates to local and state governments.
- Cost accounting methods vary based on organizational structure.
- While program costs must be consistently categorized within an organization, a cost classified as a direct program cost by one organization may be considered an indirect program cost by another organization.



Allowable Direct and Indirect Costs

Direct - Indirect - Facilities - Administrative Costs

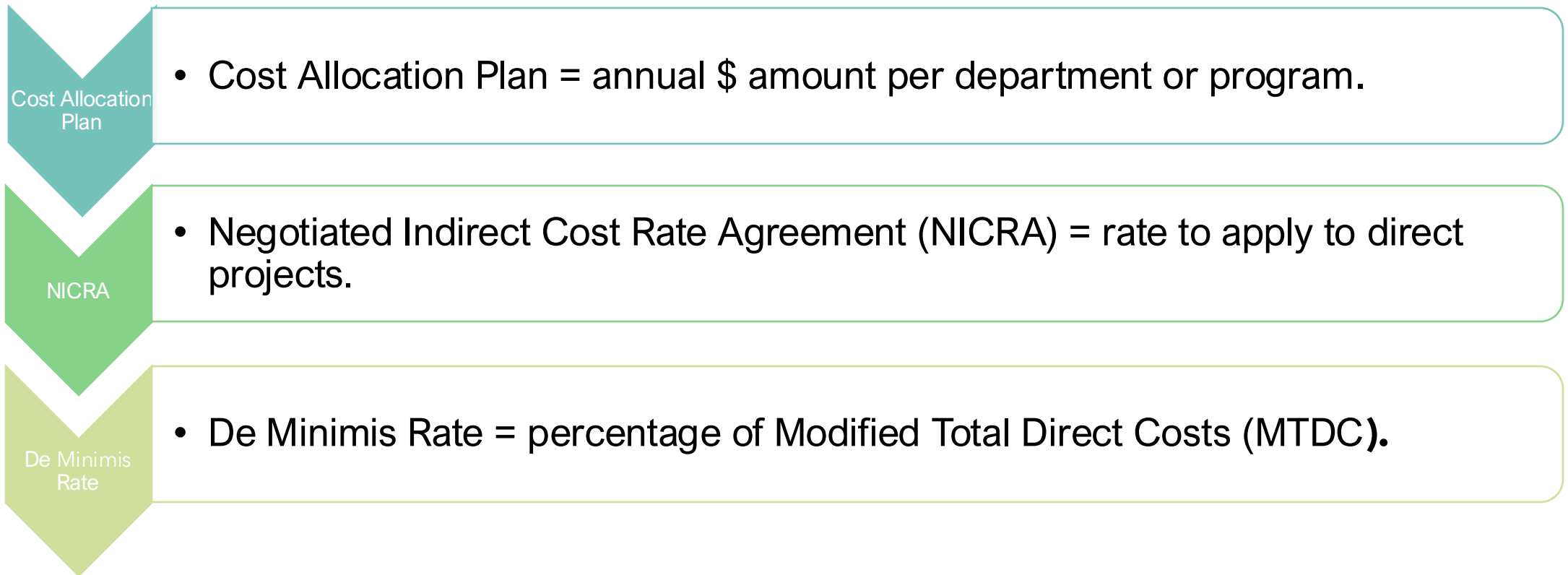
Key Take-Away Two: In all cases, costs must be allowable based on the fund source and, per uniform guidance, must be:

- [200.403\(a\)](#) Reasonable and necessary
- [200.403\(b\)](#) Conform to limitations or exclusions
- [200.403\(c\)](#) Consistent with policies and procedures for federally and non-federally financed activities
- [200.403\(d\)](#) Applied with consistent treatment
- [200.403\(e\)](#) Determined according to generally accepted accounting principles (GAAP)
- [200.403\(f\)](#) Not included as match or cost-share for any federally funded program, unless you have written documentation of federal approval
- [200.403\(g\)](#) Adequately documented



Reimbursement of Indirect Costs

There are three acceptable methods to request reimbursement of indirect costs:



Cost Allocation Plan

A cost allocation plan summarizes, in writing, the methods and procedures that an organization will use to allocate direct and indirect costs to various programs, grants, contracts, and agreements.

There are three acceptable methods to calculate the indirect cost rate in a cost allocation plan:

Simplified
Allocation
Method

Multiple Rate
Allocation
Method

Direct
allocation
Method



Negotiated Indirect Rate Agreements (NICRA)

Both governmental and nonprofit entities that receive federal awards can negotiate indirect cost rates with their cognizant agency for use across all federal awards.



NICRA

- The “cognizant agency” is the federal agency that provides the highest dollar value annually in awards to an organization.
- If the agency has a federally negotiated rate, the agency must apply the federally negotiated rate across all federal awards.



Negotiated Indirect Rate Agreements (NICRA)

In some instances, non-federal KCRHA fund sources also allow for the application of the federally negotiated rate to non-federal fund sources, at the non-profit's election.

Example

- Seattle General Funds (COS-GF) Local Fund – allows for actual indirect costs, which include a federally negotiated rate agreement.



Negotiated Indirect Rate Agreements (NICRA)

A NICRA allows an organization to use a portion of their unrecovered indirect costs, like administrative expenses, as a match requirement for grants (see [2 CFR 200.306\(c\)](#)).

- **Unrecovered Indirect Cost** is the difference between the amount charged to the Federal award and the amount that could have been charged to the Federal award under the recipient's or subrecipient's approved indirect cost rate agreement.
- Subject to prior approval of the Federal agency or pass-through entity.



De Minimis Rate

Under the Uniform Administrative Guidance, eligible organizations can claim **up to 15 percent of their Modified Total Direct Costs (MTDC) as indirect costs** if the following criteria are met (see [2 CFR 200.414\(f\)](#)).

The subrecipient:

- 1) Does not currently have and has never received a negotiated indirect cost rate;
- 2) Is not a state, local government, or Indian tribe receiving more than \$35M in direct federal funding;
- 3) Will use the rate indefinitely and consistently for all federal awards until the entity negotiates a rate; and
- 4) Will comply with [2 CFR §200.403](#) factors affecting the allowability of cost.



Modified Total Direct Costs (MTDC)

INCLUDES

- All direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards.
- Subawards and subcontracts up to the first \$50,000 of each subaward or subcontract (regardless of the period of performance.)



Modified Total Direct Costs (MTDC)

EXCLUDES

- Equipment
- Capital expenditures
- Charges for patient care
- Rental costs
- Tuition remission
- Scholarships and fellowships
- Participant support costs
- Portion of each subaward and subcontract above \$50,000
- Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.



KCRHA Indirect Cost Calculator

De Minimis Rate Calculator	
Instructions:	
1. Enter the Total Federal Award amount.	
2. Enter de Minimis Rate.	
3. Itemize and enter costs excluded from your base.	
4. Direct and Indirect Costs will auto calculate. Please note, the cell with calculations are highlighted in gray.	
Input:	
Total Federal Award:	\$ -
De Minimis Rate	0%
Excluded Costs (per 2 CFR 200.1):	
[Cost Category 1]	\$ -
[Cost Category 2]	\$ -
[Cost Category 3]	\$ -
(Add more rows as needed)	\$ -
Total Excluded Costs:	\$ -
Calculations:	
Indirect Cost Base (MTDC):	\$ -
Calculated Indirect Cost:	\$ -
Direct Cost:	\$ -
Indirect Cost:	\$ -
Total Award:	\$ -

[KCRHA Indirect Cost Calculator](#)





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Q & A



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Updates

Updates

- Biannual training sessions to support Partners during the contract performance period.
 - Mandatory contract and compliance training sessions
- The Invoicing Frequently Asked Questions (FAQs) document was updated in April 2026 to reflect a new question
 - Can be found in the Salesforce Resource Library
- Upcoming Training
 - CoC Contract Renewals on April 30, 2026
 - Email with Registration Link coming soon





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Q & A Session



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