1. **Indirect Cost**

   Indirect costs represent the expenses of doing business that are not readily identified within the budget submission (Appendix E) but are necessary for the general operation of the organization and the facilitation of the activities required by the grant. In theory, costs like heat, light, accounting and personnel might be charged directly if little meters could record minutes in a cross-cutting manner. Practical difficulties preclude such an approach. Therefore, cost allocation plans or indirect cost rates are used to distribute those costs to benefiting revenue sources. For the purpose of providing the most efficient and effective use of grant dollars **DCH limits the application of indirect costs to 9.27 percent.**

**NOTE: REVIEW CAREFULLY!**

In the event of a conflict between previously released information and the information contained herein, the latter shall control. A signed acknowledgment of this addendum (this page) must be attached to your RFGA response. Failure to include a signed acknowledgement of this addendum will disqualify applicant from further consideration on this grant award.

A signature on this addendum does not constitute your signature on the original RFGA document. The original RFGA response must also be signed in the proper places.