



Specially Adapted Housing (SAH) Program Builder Informational Series

Cost Breakdown and Disbursement Schedules

Cost Breakdown for SAH Construction Projects

An important requirement for SAH construction projects is submitting an itemized cost breakdown. Providing a cost breakdown will help determine if the construction cost is appropriate for the proposed scope of work.

As an approved SAH builder, it is important that you provide a cost breakdown for all construction and remodeling projects. The **cost breakdown** is an itemized list of work and associated costs for the construction project and is an **integral part** of developing the **disbursement schedule**.

Note: If a construction project indicates potential overcharging, this may limit the inclusion of Minimum Property Requirements (MPRs) or Reasonable Accommodations (RAs) that are essential to assisting SAH or SHA eligible Veterans with their independence needs.



Cost Breakdown Example A

There are various ways to develop a cost breakdown. Below is one of two examples we will show of a cost breakdown. This example breaks down the project cost based on the order in which the work will be completed, and the amounts to be paid for each disbursement after work is completed for each stage to include the 20 percent holdback.

Veteran: _____ Address: _____

		Stage 1	Stage 2	Stage 3	20% Hold back
	Item List			Amount	
1	Lot cost				
2	Lot survey				
3	Architect/Draftsman costs	\$ 2,500.00			\$ 500.00
4	Permits	\$ 750.00			\$ 150.00
5	Lot clearing and grading	\$ 2,412.00			\$ 482.40
6	Excavating foundation	\$ -			\$ -
7	Footings and foundation/slab	\$ 2,625.00	\$ 6,125.00		\$ 1,750.00
8	Framing (Materials/Labor)	\$ 14,771.00	\$ 14,771.00		\$ 2,954.20
9	Insulation	\$ 1,500.00	\$ 675.00	\$ 825.00	\$ 300.00
9	Trim (exterior)				\$ -
10	Windows and doors	\$ 5,245.00	\$ 5,245.00		\$ 1,049.00
	Total Amount	\$ 8,287.00	\$ 26,816.00	\$ 825.00	
		\$ 6,629.60	\$ 21,452.80	\$ 660.00	\$ 7,185.60

Draw 1	\$ 6,629.60
Draw 2	\$ 21,452.80
Draw 3	\$ 660.00
Retainage	\$ 7,185.60
Total disbursements	\$ 35,928.00

Cost Breakdown Example B

Below is an example of a cost breakdown that contains different stages. The stages of the disbursement schedule breakdown will be discussed next.

Description	Cost	Description	Cost	Description	Cost
Demo master	\$ 4,500.00	Master bath shower & flooring installed	\$ 7,771.00	Countertops installed	\$ 6,000.00
Framing	\$ 3,500.00	Master bedroom flooring installed	\$ 5,370.00	Kitchen sink installed	\$ 400.00
Electrical	\$ 3,000.00	Master bedroom fireplace tiled	\$ 550.00	Backsplash installed	\$ 2,800.00
Plumbing	\$ 2,500.00	Baseboards painted and installed	\$ 1,000.00	Kitchen faucet and disposal installed	\$ 600.00
Hot mop	\$ 800.00	Bathroom vanity installed	\$ 1,750.00	Kitchen/connecting room flooring installed	\$ 2,130.00
Shower & sink fixtures	\$ 2,000.00	Bathroom sinks and countertop installed	\$ 1,200.00	Baseboards painted and installed	\$ 900.00
(2) under mount sinks	\$ 200.00	Toilet installed	\$ 200.00	Entryway tiled	\$ 1,200.00
AC Unit	\$ 10,000.00	Shower and sink fixtures installed	\$ 1,250.00	Concrete slab and patio cover completed	\$ 11,000.00
Trash haul away/dump	\$ 500.00	Shower glass installed	\$ 2,500.00	Subtotal:	\$ 25,030.00
Lumber for framing	\$ 1,000.00	Bathroom drywalled and painted	\$ 3,500.00	Holdback:	80% \$ 20,024.00
ABS Drain	\$ 75.00	(6) LED can lights installed in master bedroom	\$ 2,400.00		20% \$ 5,006.00
Misc demo prep materials	\$ 400.00	Kitchen countertops and cabinets demo'd	\$ 2,000.00		\$ 25,030.00
(4) LED can lights installed in bathroom	\$ 1,800.00	Kitchen cabinets installed	\$ 11,000.00		
(3) LED can lights installed in hallway	\$ 900.00	Subtotal:	\$ 40,491.00		
(4) LED can lights installed in kitchen	\$ 1,800.00	Holdback:	80% \$ 32,392.80		
(4) Exterior lights Installed, power supplied	\$ 2,400.00		20% \$ 8,098.20		
Subtotal:	\$ 35,375.00		\$ 40,491.00		
Holdback:	80% \$ 28,300.00				
	20% \$ 7,075.00				
	\$ 35,375.00				
Stage 1	\$ 28,300.00			07/20/2021	
Stage 2	\$ 32,392.80				
Stage 3	\$ 20,024.00				
Final	\$ 20,179.20				
Total	\$ 100,896.00			07/20/2021	

Disbursement Schedule for SAH Construction Projects

The disbursement schedule is another important requirement for SAH construction projects.

Once you have completed the cost breakdown, you will use that to assist you in creating a proposed disbursement schedule.

Each stage of the disbursement schedule must have value-added work, and the final stage will be a 20 percent hold back, unless it will be a turnkey project with only one payment.

Each disbursement amount will be paid to you upon a satisfactory compliance inspection, and the hold back amount will be released after the compliance and inspection **and** the VA inspection are completed and approved.

Veteran: Example Name

Stage	Percent	Grant Funds	Minus 20% Holdback	\$25.00 Wire Fee	Total Stage Payment
Stage 1	4%	\$15,340.00	\$3,068.00	\$25.00	\$12,247.00
Stage 2	44%	\$35,622.94	\$7,124.59	\$25.00	\$28,473.35
Stage 3	31%	\$25,733.39	\$5,146.68	\$25.00	\$20,561.71
20% Holdback			\$15,339.27	\$25.00	\$15,314.27
Total	100%	\$76,696.33			

Draw Payments will be based upon completed work in place as determined by the VA assigned Compliance Inspector.

A twenty percent (20%) holdback has been applied to all draw payments. The twenty percent holdback will be disbursed at completion of project.

Work to be completed each Stage

- Stage 1 **Demo and Prep.**
- Stage 2 **Master Bathroom Rough In and Concrete**
- Stage 3 **Master Bathroom finishes and Exterior Doors.**

Project complete per plans and specs.

Completion of all interior and exterior work. Final Acceptance by owner. Clear Final inspection by VA SAH Agent.

BUILDER NAME/CONTACT:
John Doe

Builder Phone: 888-888-8888

Builder Signature

_____/_____/_____
Date:

Disbursement Schedule for SAH Construction Projects, Cont.

You are expected to carry the cost of construction through the first stage, which may include payments for plans and permits along with the other completed work.

If the project cost exceeds the available grant funds, then the Veteran will be responsible for the difference and this amount must be incorporated into the schedule, with Veteran's funds being released prior to VA grant funds.

Disbursement Schedule:	
Disbursement #: 1	Associated Inspection #: 1
Disbursement Amount:	
Payee:	
Payment Type: Check	Funds From: Grant

Disbursement Schedule and VA's Payment Procedures

Be detailed in the description of work expected to be completed in each stage and include an amount commensurate to the work. Typically, the first disbursement should not exceed 20 percent.

Once the grant is approved, VA will finalize this schedule on a different form. VA will send the form to you and the Veteran for acceptance. Any changes after grant approval will require a change order, which is discussed more in the Change Order lesson.

Note: In certain scenarios a third-party external escrow may be utilized.

Construction Impact on Veteran

Often, Veterans remain in the home being remodeled, and consideration should be given to the phases of construction and their impact on the Veteran's activities of daily living.



Veteran Contributions



Remember the following as it relates to the cost breakdown:

- Twenty percent (20%) of construction funds will be held back until the project is completed. These funds are payable only after receiving a satisfactory final compliance inspection report and SAH Agent final field review.
- The Veteran will contribute to the construction cost if the project goes over the grant amount.

Compliance Inspection and Disbursements



Disbursements will be authorized by VA upon the completion of each stage of construction and a satisfactory compliance inspection by the VA compliance inspector.

It is important that builders anticipate the need for a compliance inspection and communicate the completion of each stage in a manner that does not create construction delays.



How to Learn More...

To learn more about builder-specific requirements like compliance inspections and final field reviews, check out the other titles in our Builder Informational Series.