

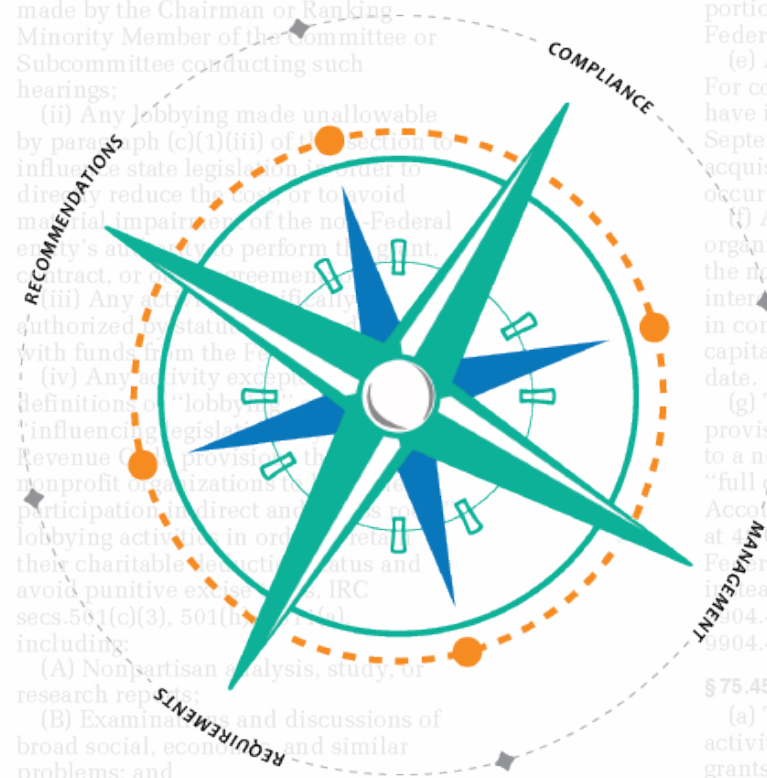
Overview of the Federal CSBG Act

NASCSP CSBG Orientation Training

March 27, 2017
Allison Ma'luf, Esq.

CAPLAW

Community Action Program Legal Services, Inc.





CAA Leader's Legal Guide

CAA Leader's LEGAL GUIDE

A publication by CAPLAW and the Community Action Partnership

(paragraph (c)(5) of this section) also applies to earnings on debt service reserve funds.

(2) The non-Federal entity will negotiate the amount of allowable interest cost related to the acquisition of facilities with asset costs of \$1 million or more, as outlined in paragraph (c)(7) of this section. For this purpose, a non-Federal entity must consider only cash inflows and outflows attributable to that portion of the real property used for Federal awards.

(e) Additional conditions for IHES. For costs to be allowable, the IHE must have incurred the interest costs after September 23, 1982, in connection with acquisitions of capital assets that occurred after that date.

(f) Additional condition for nonprofit organizations. For costs to be allowable, the nonprofit organization incurred the interest costs after September 23, 1982, in connection with acquisitions of capital assets that occurred after that date.

(g) The interest allowability provisions of this section do not apply to a nonprofit organization subject to "full coverage" under the Cost Accounting Standards (CAS), as defined at 48 CFR 9903.201-2(a). The non-Federal entity's Federal award, instead subject to CAS 414 (48 CFR 9904.414), and CAS 417 (48 CFR 9904.417).

\$75.450 Lobbying.

(a) The cost of certain influencing activities associated with obtaining grants, contracts, cooperative agreements, or loans is an unallowable cost. Lobbying with respect to certain grants, contracts, cooperative agreements, and loans is governed by relevant statutes, including among others, the provisions of 31 U.S.C. 1352, as well as the common rule, "New Restrictions on Lobbying" published at 55 FR 6736 (February 26, 1990).

Federal award or regulatory matter on any basis other than the merits of the matter.

(c) In addition to the above, the following restrictions are applicable to nonprofit organizations and IHES:

(1) Costs associated with the following activities are unallowable:

(i) Attempts to influence the outcomes of any Federal, state, or local election, referendum, initiative, or similar procedure, through written or cash contributions, endorsements, publicity, or similar activity;

(ii) Establishing, administering, or contributing to, or paying the expenses of a political party or political action committee; or

(iii) Influencing the outcome of elections in the United States, except to influence the outcome of an election in which the non-Federal entity is a candidate.

(4) Any communication or activity that is prohibited by the Code of Ethics for Federal Employees, 5 U.S.C. 405, or the Code of Ethics for Non-Federal Employees of the Federal Government, 41 CFR 101-11.6, is prohibited.

(D) Any communication or activity that is prohibited by the Code of Ethics for Federal Employees, 5 U.S.C. 405, or the Code of Ethics for Non-Federal Employees of the Federal Government, 41 CFR 101-11.6, is prohibited.

congress, legislative body or a subdivision, or a cognizant staff member thereof, provided such information is readily obtainable and can be readily put in deliverable form, and further provided that costs under this section for travel, lodging or meals are unallowable unless incurred to offer testimony at a regularly scheduled Congressional hearing pursuant to a written request for such presentation made by the Chairman or Ranking Member of the Committee or Subcommittee conducting such hearings.

(5) Any lobbying made unallowable by paragraph (c)(1)(ii) of this section to influence state legislation in order to induce the exercise or to avoid the exercise of a power of a non-Federal entity to perform the grant, contract, cooperative agreement, or other agreement; or

(6) Any activity specifically authorized to be undertaken with funds from a Federal award. Any activity accepted from the non-Federal entity, or any other source, that requires the non-Federal entity to limit their participation in order to obtain the award, including activities that require the non-Federal entity to pay taxes, such as the Federal estate tax, or

(7) Information provided upon request by a legislator for technical advice and assistance, as defined by 41 CFR 101-11.6(2) and 26 CFR 56.4913-1(c)(3).

(iv) When a non-Federal entity seeks reimbursement for indirect (F&A) costs, total lobbying costs must be separately identified in the indirect (F&A) cost rate





History of the CSBG Act

Brief Overview



Economic Opportunity Act of 1964

Community Services Block Grant Act (1981)





Laws and Guidance

Federal

Federal Community Services Block Grant (CSBG) Act

- 42 U.S.C. § 9901, et. seq.
- States primarily responsible for grant administration

Federal Block Grant Regulations

- 42 C.F.R. Part 96

Information Memoranda (IMs)

- Non-binding guidance
- Example: Information Memorandum #82 (CSBG IM #82)



Laws and Guidance

State

State CSBG Laws

- Legislation (or “statutes”)
- Regulations

Organizational Standards

- Developed by the CSBG Organizational Standards Center of Excellence (COE)
- Published in IM 138
- For FY2016, OCS has the authority to require states to adopt the standards (P.L. 114-113, Div. H, Title II)



CSBG Organizational Standards

COE-Developed Tools

Serving our network of over 1000 Community Action Agencies across America in the fight to eliminate poverty ...

COMMUNITY ACTION PARTNERSHIP

THE NATIONAL ASSOCIATION | WASHINGTON, DC

Helping People. Changing Lives.



community Action

PARTNERSHIP

AMERICA'S POVERTY FIGHTING NETWORK

[HOME](#) | [ABOUT US](#) | [COMMUNITY ACTION NETWORK](#) | [NEWSROOM](#) | [EVENTS](#) | [PROGRAMS](#) | [GRASS ROOTS IN THE NEWS](#) | [JOB CREATION AND GREEN JOBS](#)

CSBG Organizational Standards, ROMA Next Generation, and Performance Management Activities

[COE-developed Tools](#) | [Technical Assistance Guides and Webinars](#) | [ROMA Next Generation Communications from OCS](#) | [Update Webinars](#) | [Other Resources](#) | [Archives](#) | [Contacts](#)

COE-Developed Tools

- ▶ COE-developed Organizational Standards

[Click here](#) for the Private and Public CEE Standards side by side
[Click here](#) for the Private and Public CEE Standards separated
- ▶ Self-Assessment Tools

PDF: [Click here](#) for the Self-Assessment Tool for Private CEEs in PDF
Word: [Click here](#) for the Self-Assessment Tool for Private CEEs in Word

PDF: [Click here](#) for the Self-Assessment Tool for Public CEEs in PDF

NATIONAL TRAINING CENTER

RESOURCES

LEARNING COMMUNITIES RESOURCE CENTER

THE PROMISE OF COMMUNITY ACTION

Community Action changes people's lives, embodies the spirit of hope, improves communities, and makes America a better place to live. We care about the entire community, and we are dedicated to helping people help themselves and each other



CAPLAW

Community Action Program Legal Services, Inc.

Legal and Financial Resources
for Community Action

HOME

ABOUT CAPLAW

TOOLS AND
RESOURCES

CAPLAW TRAININGS

CAPLAW NETWORKS

CONTACT US

CSBG Organizational Standards

1 CONSUMER INPUT AND INVOLVEMENT

2 COMMUNITY ENGAGEMENT

3 COMMUNITY ASSESSMENT

4 ORGANIZATIONAL LEADERSHIP

5 BOARD GOVERNANCE

6 STRATEGIC PLANNING

7 HUMAN RESOURCE MANAGEMENT

8 FINANCIAL OPERATIONS AND OVERSIGHT

9 DATA AND ANALYSIS

Welcome!

This webpage links resources developed by CAPLAW to specific Community Services Block Grant (CSBG) Organizational Standards to help Community Action Agencies (CAAs) in their compliance efforts. For some Standards that we regularly receive inquiries about, we also include links to resources developed by the national Community Action Partnership. All of the resources developed by the national Community Action Partnership on the Standards are available on its [website](#). Note: CAPLAW is in the process of revising some of its resources pursuant to updates in the law; however, the concepts in these resources generally remain applicable.

Click on the Category and Standard number to view the Standard and available resources.

This resource was created by Community Action Program Legal Services, Inc. (CAPLAW) in the performance of the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Community Services Cooperative Agreement - Grant Award Number 90ET0441-02. Any opinion, findings, and conclusions, or recommendations expressed in this material are those of the author(s) and do not necessarily reflect the views of the U.S. Department of Health and Human Services, Administration for Children and Families.

Google Custom Search



CAPLAW Events



Did you miss a webinar in the Essential Governance Policies series? View all three webinars on-demand in the webinar archives!

[View the Archives](#)

CAPLAW Tools and Resources

- [CAPLAW Model Policies](#)
- [CAPLAW Publications](#)
- [CAPLAW Self Assessment Tools](#)
- [CAPLAW Training Modules](#)
- [Resources by Topic](#)



CAPLAW

Community Action Program Legal Services, Inc.

Legal and Financial Resources
for Community Action

HOME

ABOUT CAPLAW

TOOLS AND
RESOURCES

CAPLAW TRAININGS

CAPLAW NETWORKS

CONTACT US

CSBG Organizational Standards

Click on the Category and Standard number to view the Standard and available resources.

1 CONSUMER INPUT AND INVOLVEMENT

2 COMMUNITY ENGAGEMENT

3 COMMUNITY ASSESSMENT

4 ORGANIZATIONAL LEADERSHIP

5 BOARD GOVERNANCE

6 STRATEGIC PLANNING

7 HUMAN RESOURCE MANAGEMENT

8 FINANCIAL OPERATIONS AND OVERSIGHT

9 DATA AND ANALYSIS

Standard 1.1

Standard 1.2

Standard 1.3

Private

The organization has a systematic approach for collecting, analyzing, and reporting customer satisfaction data to the governing board.

Public

The department has a systematic approach for collecting, analyzing, and reporting customer satisfaction data to the tripartite board/advisory body, which may be met through broader local government processes.

Resources

CAPLAW Resource:

- [Tools for Top-Notch CAAs](#). This six-section Tool is intended to assist boards and management in their collaborative efforts to build well-governed and effective CAAs. *Section 1. Making Board Meetings Matter* of this Tool addresses the structure of board meetings and provides some guidance as to the content and timing of both financial and programmatic reports to the board.

Google Custom Search



CAPLAW Events



Did you miss a webinar in the Essential Governance Policies series? View all three webinars on-demand in the webinar archives!

[View the Archives](#)

CAPLAW Tools and Resources

- [CAPLAW Model Policies](#)
- [CAPLAW Publications](#)
- [CAPLAW Self Assessment Tools](#)
- [CAPLAW Training Modules](#)
- [Resources by Topic](#)



Laws and Guidance

Fiscal Controls

Requirements for States

- Establish controls and procedures regarding disbursement of and accounting for CSBG funds
- Obtain an independent audit of CSBG funds at least annually

- 42 U.S.C. § 9916(a)(1)(A)

Applicability of the Uniform Guidance

- States must ensure that the “cost and accounting standards of the federal Office of Management and Budget” apply to CAAs

- 42 U.S.C. § 9916(a)(1)(B)



Laws and Guidance

Fiscal Controls

OMB Uniform Guidance:

- Subpart A – Acronyms and Definitions
- Subpart B – General Provisions
- Subpart C – Pre-Federal Award Requirements and Contents of Federal Awards
- Subpart D – Post Federal Award Requirements
- Subpart E – Cost Principles
- Subpart F – Audit Requirements

- 2 C.F.R. Part 200



Laws and Guidance

Fiscal Controls

Only Uniform Guidance provisions that automatically apply to all block grants:

- Subpart A – Acronyms and Definitions;
- Subpart B – General Provisions;
- Public notice requirements in Section 200.202 in Subpart C;
- Rules for pass-through entities on subrecipient monitoring and management in Sections 200.330-200.332 of Subpart D; and
- Subpart F – Audit Requirements

Cost principles (Subpart E) also apply to subrecipients of CSBG funds (CAAs)

– 2 C.F.R. § 200.101(d)



Laws and Guidance

Performance Management

CSBG Network-Wide Accountability and Management System

- National Community Action Theory of Change
- CSBG Organizational Standards
- Results Oriented Management and Accountability (ROMA)
- Model State Plan
- CSBG Annual Report
 - OCS IM #152 – New CSBG Annual Report (cleared by OMB)
- State and Federal Accountability Measures
 - Including American Consumer Satisfaction Index (ACSI)



Quiz #1: Laws and Guidance

Which of the following is legally binding on a CAA? (Select all that apply)

- a. The Economic Opportunity Act of 1964
- ☒ b. The federal CSBG Act
- ☒ c. HHS block grant regulations
- d. OCS CSBG Information Memoranda
- ☒ e. Uniform Guidance cost principles (Subpart E)
- ☒ f. CSBG subgrants (contracts) between the states and the CAAs



CSBG Funding Allocation

CSBG Funding of States

- Each state must allocate and use CSBG funds received from OCS as follows:
 - **Must pass through at least 90% of its federal CSBG allotment to CSBG Eligible Entities**
 - May use \$55,000 or 5% (whichever is greater) for state CSBG administrative costs
 - Remaining funds (“discretionary funds”) must be used for CSBG-authorized purposes

– 42 U.S.C. § 9907



CSBG Funding Allocation

“10% Funds”

- States limited in how they spend funds not passed to CAAs; some allowable uses include:
 - Training and technical assistance (**T/TA**)
 - Coordinating **state-operated programs** and services
 - Supporting **statewide coordination** and communication among eligible entities
 - Supporting **innovative programs and activities** conducted by CAAs or other neighborhood-based organizations to eliminate poverty, promote self-sufficiency, and promote community revitalization

- 42 U.S.C. § 9907(b)(1)



CSBG Funding Process

Process of CSBG Funding from States to CAAs

- CAA submits application to state
 - ❖ Includes **community action plan** and budget specifying how CAA will use CSBG funds (based on community needs assessment)
- State reviews application but generally does not dictate exactly how the funds must be used
- Once application approved, state enters into **CSBG contract** with CAA
- CSBG funds (and other federal pass-through funds) often required to be appropriated by state legislature before state may expend them



Quiz #2: CSBG Funding

A state may decide to award less than 90% of its CSBG allotment to CAAs.

True or False?

A state can require a CAA to use CSBG funds to support a statewide initiative even if it is not in line with community needs identified in the CAA's needs assessment.

True or False?



State Plans Process

Application and Plan

- States submit application and plan to HHS
- Can include one or two federal fiscal years
- Must be submitted no later than 30 days prior to beginning of fiscal year

- 42 U.S.C. § 9908(b)

Public Inspection and Hearings

- State must hold at least one public hearing, with sufficient time and statewide distribution of notice of such hearing, to give an opportunity for comment on the proposed use and distribution of funds.

- 42 U.S.C. § 9908(a)(2)



State Plans Process

Revisions

- A state can revise the state plan so long as:
 - The revised plan is made available for public inspection, review, and comment
 - The revised plan is submitted to HHS for review and approval

- 42 U.S.C. § 9908(e)



State Plans

Content

State plan shall contain “such information as the Secretary may require,” e.g.:

- Description of how state intends to use 10% discretionary funds
- Information provided by Eligible Entities, including descriptions of:
 - Service delivery system
 - Linkages
 - Coordination with other public and private resources
 - Innovative community and neighborhood-based initiatives

– 42 U.S.C. §§ 9908(b)(2) and (b)(3)



State Plans

Content

Assurances

- State plan must assure that it will use CSBG funds to further the goals and purposes of the Act and make other assurances, including :
 - Obtaining from **CAAs community action plans** that include a community needs assessment
 - Ensuring participation by it and CAAs in the **Results Oriented Management and Accountability** (ROMA) system
 - **Not terminating or reducing** the CSBG **funding** of a CAA below the proportional share it received the previous year **without following certain procedures**

- 42 U.S.C. § 9908(b)



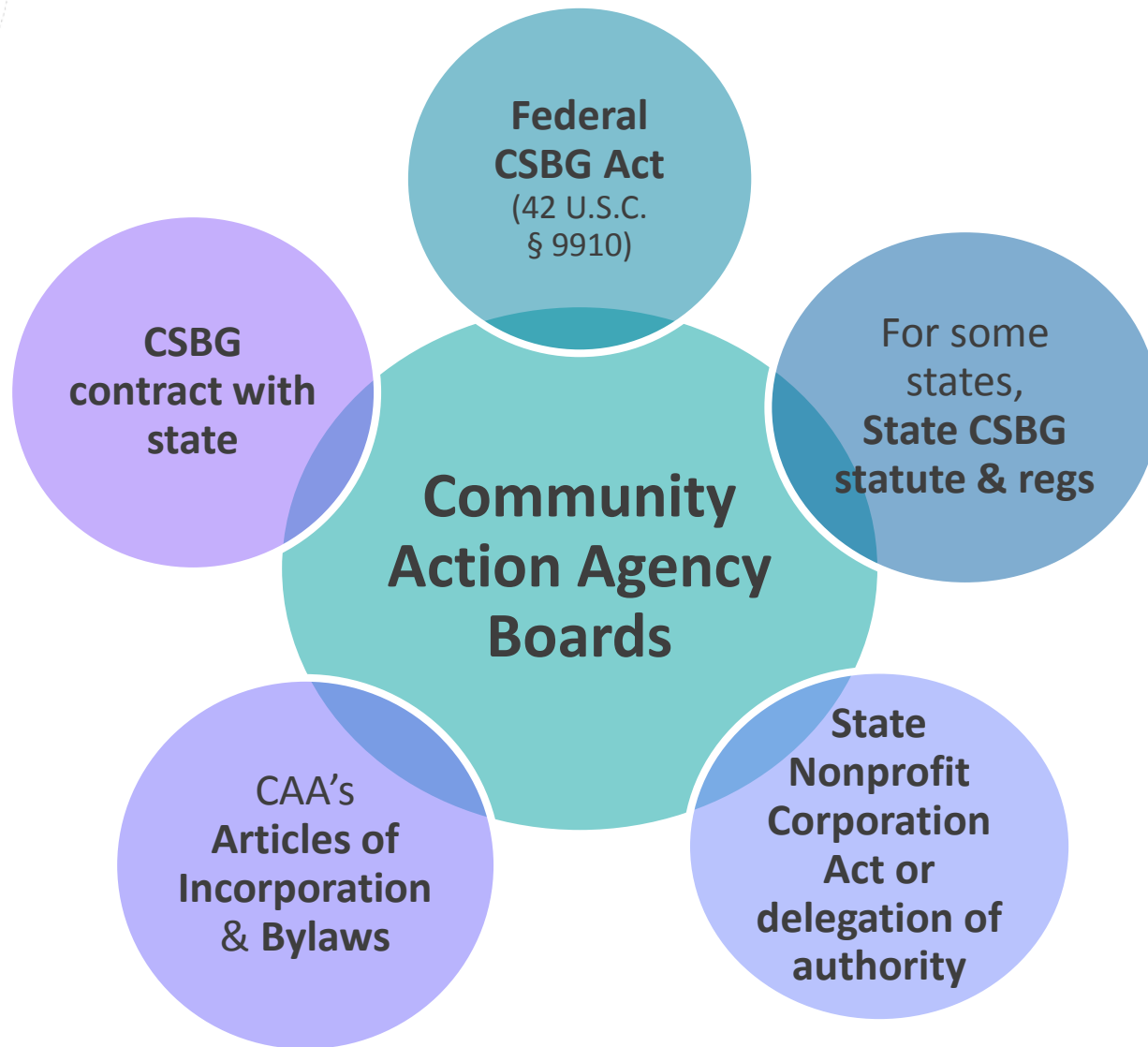
Quiz #3: State Plans

Which of the following statements about state plans are **FALSE**?

- a. Plan describes how state will run the CSBG program
- ☒ b. Legislative hearing occurs every 5 yrs when plan developed
- ☒ c. State must hold a public hearing when it revises its plan
- d. State is bound by assurances it makes in the plan



Tripartite Boards: Governing Rules





Role of Tripartite Board

FULLY ENGAGED IN:



- 42 U.S.C. § 9910(a)(1)



PUBLIC CAA CASE STUDY



The Power of a Tripartite Board

September 2016

INTRODUCTION: The Board's Role in the CSBG Organizational Standards

This case study focuses on how the tripartite board of a public Community Action Agency (CAA) fulfills its responsibilities with respect to the Community Services Block Grant (CSBG) Organizational Standards set forth in the federal Office of Community Services' (OCS) Information Memorandum (IM) No. 138. Because a public CAA and its tripartite board are usually operating under the auspices of an established local government framework, the applicability of the CSBG Organizational Standards (Standards) is markedly different from their applicability to a nonprofit CAA.

While the federal CSBG Act requires the board to "participate actively in the development, planning, implementation and evaluation"¹ of Community Action programs, the reality of how to fulfill this role in an impactful way is not always clear. A public CAA tripartite board often perceives its ability to act on behalf of the public CAA as limited by the level of authority delegated to it by the local governing body. Even though establishing a delegation of authority arrangement is necessary and important, doing so does not lessen the impact and role the board plays. As you will see in this case study, defining and establishing the role of your public CAA tripartite board helps to foster a positive relationship between the board and the local governing officials and results in more engaged and effective board members.

After spending time speaking with representatives of Montgomery County Community Action Agency (MCCAA), a public CAA in Maryland, we were impressed by the ways in which its tripartite board helps the CAA achieve compliance with the Standards. Two key characteristics stand out with MCCAA's board – they understand the vital role they play and they embrace that role. Even though MCCAA's delegation of authority arrangement does not often place the tripartite board in a decision-making position, the board continually manages to effect change. This case study highlights many of the ways in which the board does so. The board not only takes very seriously the recommendations it is asked to make but it is also constantly advocating on behalf of MCCAA and the low-income community. A few of the ways in which the board fulfills its responsibilities include: developing and implementing initiatives to engage the community served; regularly meeting with local government officials; participating in county-wide hearings and meetings; and collaborating with other county groups to ensure the community's needs are met.



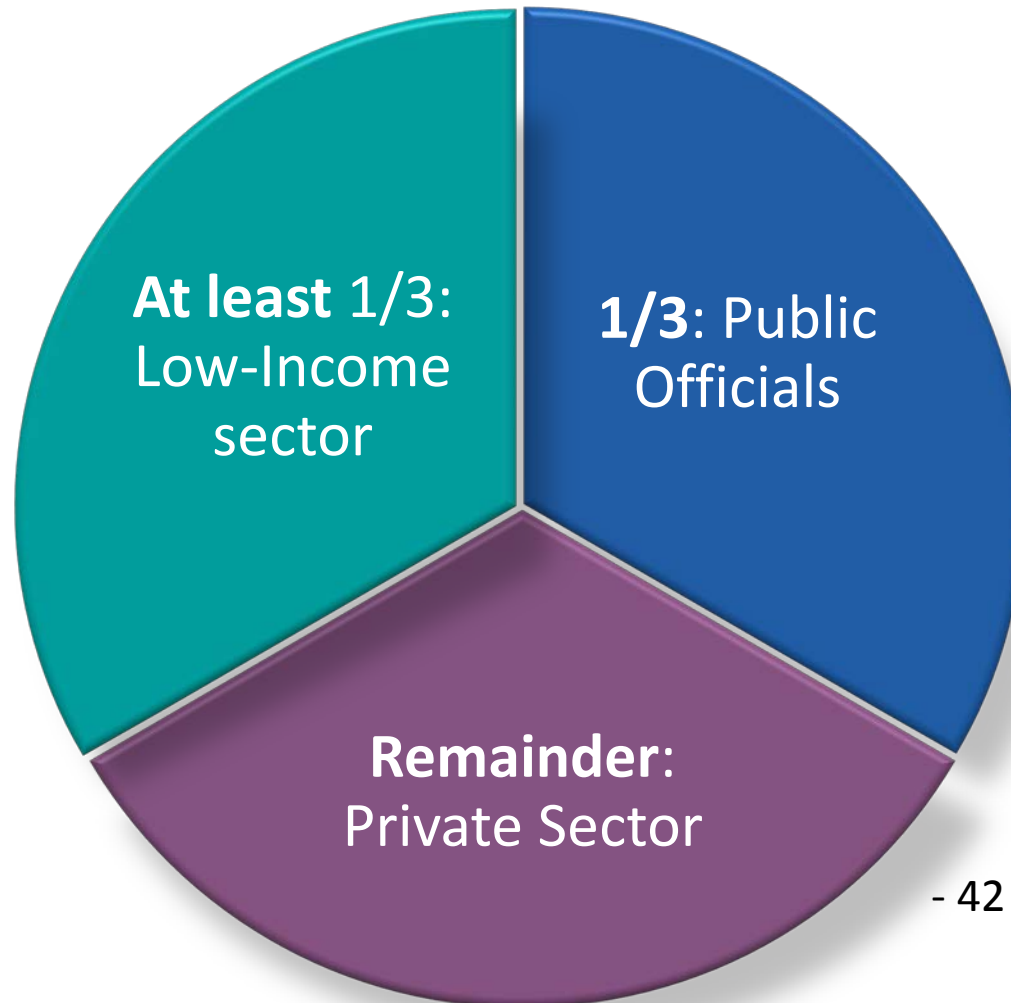
MCCAA acknowledges that it is not yet 100% in compliance with the Standards but the ongoing efforts of its tripartite board to reach that goal are inspiring and, we hope, informative, especially for those public CAA tripartite boards that are struggling with challenges related to compliance with the Standards. Throughout the case study, we identify Standards that we believe MCCAA's tripartite board is either addressing or attempting to address through its actions. Our goal with this case study is not to identify all of the Standards that may be met through the board's efforts; but rather, to highlight key characteristics of the board that contribute to its effectiveness and compliance with CSBG Organizational Standards.

¹ 42 U.S.C. § 9910 (b)(1)(C).



Tripartite Boards

Composition



- 42 U.S.C. § 9910



Board Self-Training Tool

COMMUNITY SERVICES BLOCK GRANT




Trainig
ools
for
**NONPROFIT
BOARDS**

GOVERNANCE

Tripartite Board Composition
and Selection

CAPLAW
Community Action Program Legal Services, Inc.

COMMUNITY SERVICES BLOCK GRANT



Trainig
ools
for
**PUBLIC CAA
BOARDS**

GOVERNANCE

Tripartite Board Composition
and Selection

CAPLAW
Community Action Program Legal Services, Inc.



Tripartite Boards

Low-Income Sector for Nonprofit CAAs

- Must be **democratically selected** to assure representative of low-income people in service area
- If chosen to represent a particular neighborhood, must live there
- Don't need to be low-income themselves

- 42 U.S.C. § 9910(a)(2)



Tripartite Boards

Low-Income Sector for Public CAAs

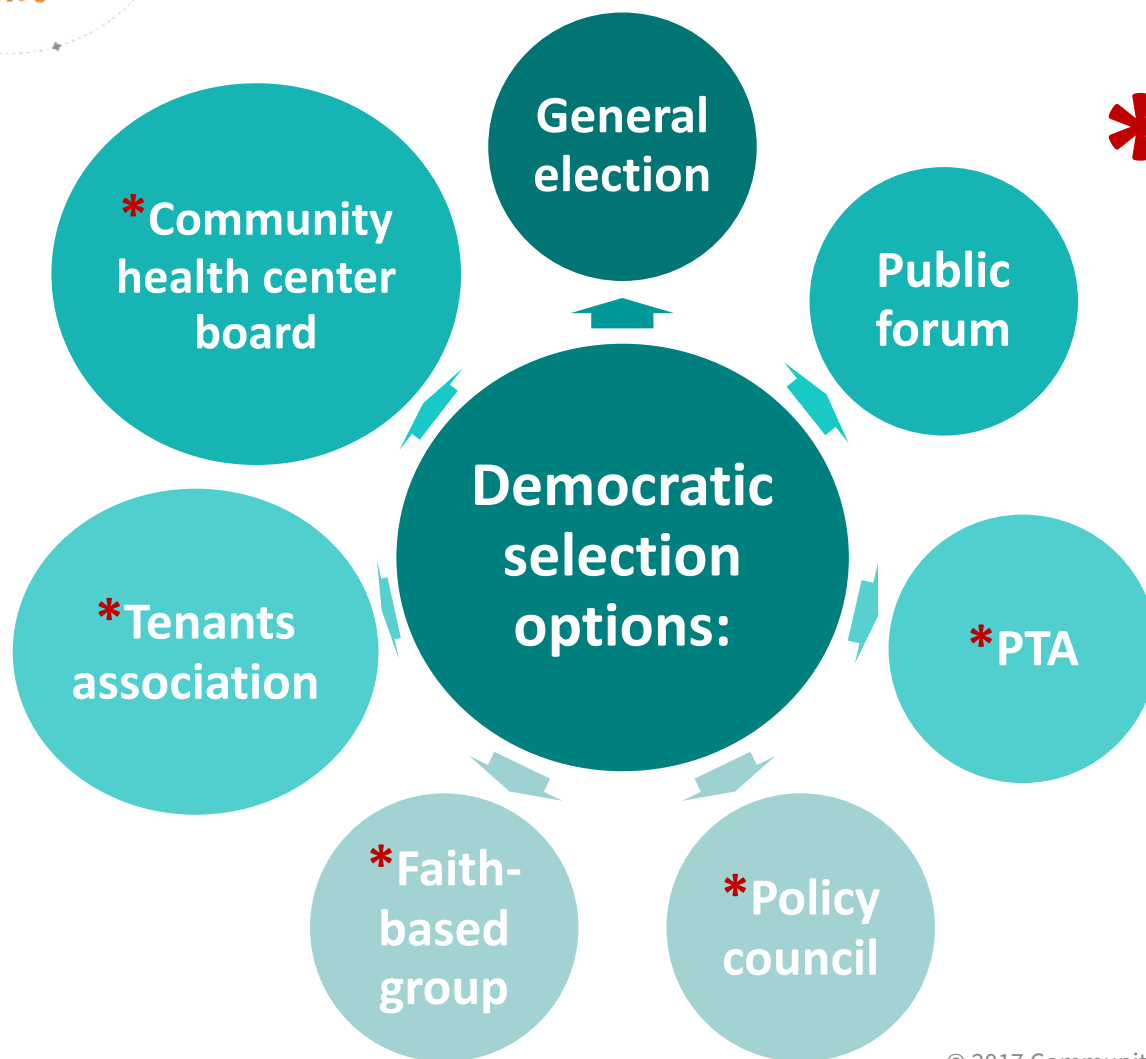
- Must be representative of low-income individuals and families in service area
- Must live in service area
- Must be able to participate actively in development, planning, implementation and evaluation of CSBG programs

- 42 U.S.C. § 9910(b)



Tripartite Boards

Democratic Selection Process



***Micro-democratic election procedure:** Group predominately made up of low-income individuals may elect someone from w/in the group to serve as the low-income rep.

— OCS IM 82



Raising the Low-Income Voice

Case Studies in Democratic Selection Procedures



SALT LAKE COMMUNITY ACTION PROGRAM (SLCAP)

A wide range of recruitment and publicity strategies, lively public forum elections, and a commitment to board engagement

SLCAP OVERVIEW

Location: Salt Lake City, Utah
Staff Size: 400 employees
Annual Revenue: \$21,000,000
Service Area: 2 counties, 7,700 square miles, 1.2 million total population
Chief Executive: Erin Trenbeath-Murray
Board Size: 18 seats
Major Programs: Head Start, housing stabilization, heat assistance, weatherization, adult education, nutrition assistance

BOARD MAKEUP

Soon after Erin Trenbeath-Murray began her tenure as CEO of Salt Lake Community Action Program (SLCAP), a wave of long-time board members retired. With two-thirds of the board departing in her first several months on the job, Trenbeath-Murray took this as an opportunity to renew and refresh the organization's policies and procedures surrounding board composition and selection.

SLCAP's board size is fixed at 18 members, with staggered three year terms and a two-term limit. The board only recently decided to stagger their terms, and they quickly realized they needed to address the problem of how to implement this new system—whose term would be up next year, in two years, and in three years? SLCAP settled on a creative and simple solution: drawing straws. The shortest straws had their terms up in one year, the middle straws up in two, and the longest straws up in three years.

RECRUITMENT AND PUBLICITY

SLCAP uses a variety of methods to recruit candidates for their low-income sector election, including advertising on their website, posts on social media, and distributing "old school fliers—thousands and thousands of them." SLCAP also has great success with traditional face-to-face interactions, talking to clients who come through their housing and food pantry programs and discussing the election with Head Start parents.

Individuals who show an interest in running for board membership are asked to fill out an application. The application asks for a brief bio, in which the candidates describe their background and their reasons for seeking a seat on the board of directors. An election date is scheduled and the self-made bios are placed on the organization's website and social media.

© 2015 Community Action Program Legal Services, Inc.



Tripartite Boards

Public Sector

- Elected public officials must be “holding office at time of selection”
 - Federal OCS IM 82 recommends that public officials serve only while they are in office
- If elected officials not available, may include appointed
 - 42 U.S.C. § 9910(a)(2)(A)



Tripartite Boards

Private Sector



- 42 U.S.C. § 9910(a)(2)



Quiz #4: Tripartite Board

Which of the following statements about tripartite board composition is FALSE?

- a. Low-income sector must meet federal poverty guidelines
- b. Public officials must be elected
- c. Federal CSBG Act requires community organizations to select private sector representatives



Use of CSBG Funds

Purposes and Goals



Reduce poverty



Revitalize low-income communities



Empower low-income families and individuals to become fully self-sufficient





Use of CSBG Funds

Purposes and Goals

**Achieve CSBG
Goals By**

Maximum participation of low-income communities

Leveraging the resources of other anti-poverty programs

Strengthening community capabilities for planning or coordinating resources responsive to local needs and conditions

Using innovative approaches to attack causes and effects of poverty

Organizing services to have a measurable impact on causes of poverty

- 42 U.S.C. § 9901



Use of CSBG Funds

Generally

CSBG Is Unique

- Purpose of CSBG award differs from most other grants because it does **not**:
 - Focus on funding a particular service
 - Function solely as a “stand alone” program

– OCS IM 37



Use of CSBG Funds

Generally

CSBG funds may be used to support:

- Creation of new programs and services
- Augmentation of existing programs and services
- Organizational infrastructure required to coordinate and enhance multiple programs and resources that address poverty conditions in the community

– OCS IM 37



Use of CSBG Funds

Generally

Examples of Coordination from OCS IM 37

- CSBG funds can be used to connect and make more effective use of services to low-income people, e.g., by:
 - Creating and maintaining a computer network among multiple service providers in a community
 - Developing and operating a one-stop family center that houses multiple service providers and programs funded by other sources
 - Conducting community-wide needs assessments and multi-service strategic planning
 - Compiling, publishing, and distributing information to help clients make better use of services and programs funded by other sources



Use of CSBG Funds

Generally

Information and Referrals

- CSBG Act requires states to include in their CSBG state plans:

“information provided by eligible entities in the State, containing ... a description of how linkages will be developed to fill identified gaps in... services, through the provision of **information, referrals**.....”

– 42 U.S.C. § 9908(b)(3)(B)
- CSBG funds may be used to provide info on and referrals to non-CSBG services/benefits



Quiz #5: Use of CSBG Funds

A CAA may only use CSBG funds to provide direct services to clients.

True or False?

A CAA may use CSBG funds to provide information and referrals only to clients it has determined are CSBG-eligible.

True or False?



Use of CSBG Funds

Client Eligibility

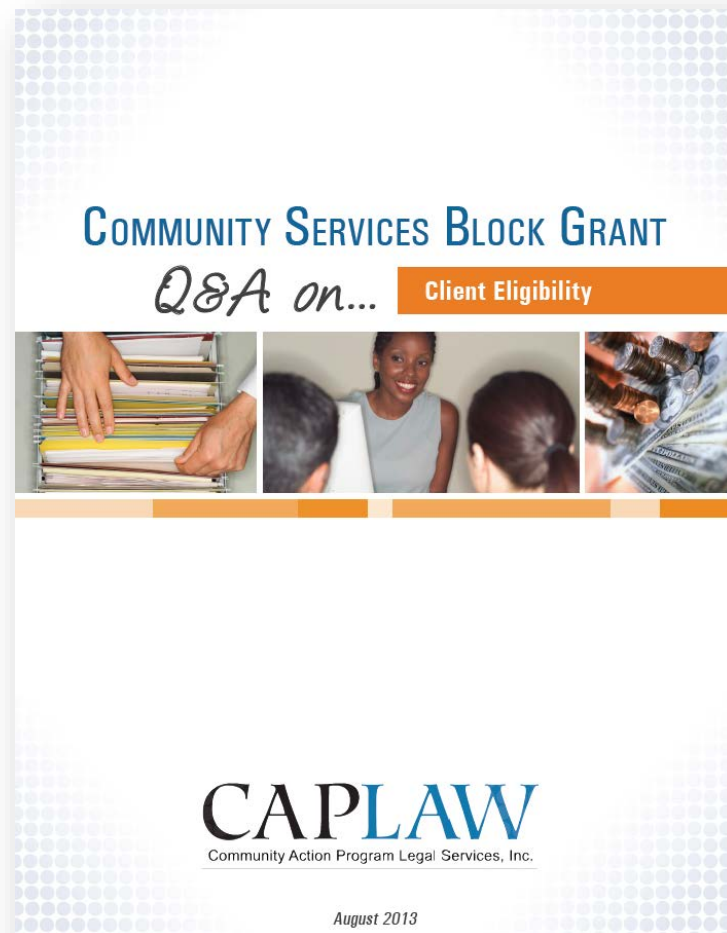
Federal CSBG Act

- Requires clients to be at or below 100% of FPL
- States may permit clients up to 125% of FPL

- 42 U.S.C. § 9902(2)

Procedures for Determining Eligibility

- If no process specified by state, CAAs may adopt their own





Use of CSBG Funds

Buildings and Facilities

Overview

- Generally cannot use CSBG funds for either:
 - Purchase or improvement of land or
 - Purchase, construction, or permanent improvement of building or other facilities
- Exception for low-cost residential weatherization or other energy-related home repairs
- Federal OCS waiver available, upon request, for “extraordinary circumstances”
 - 42 U.S.C. § 9918(a)(1); OCS IM 60

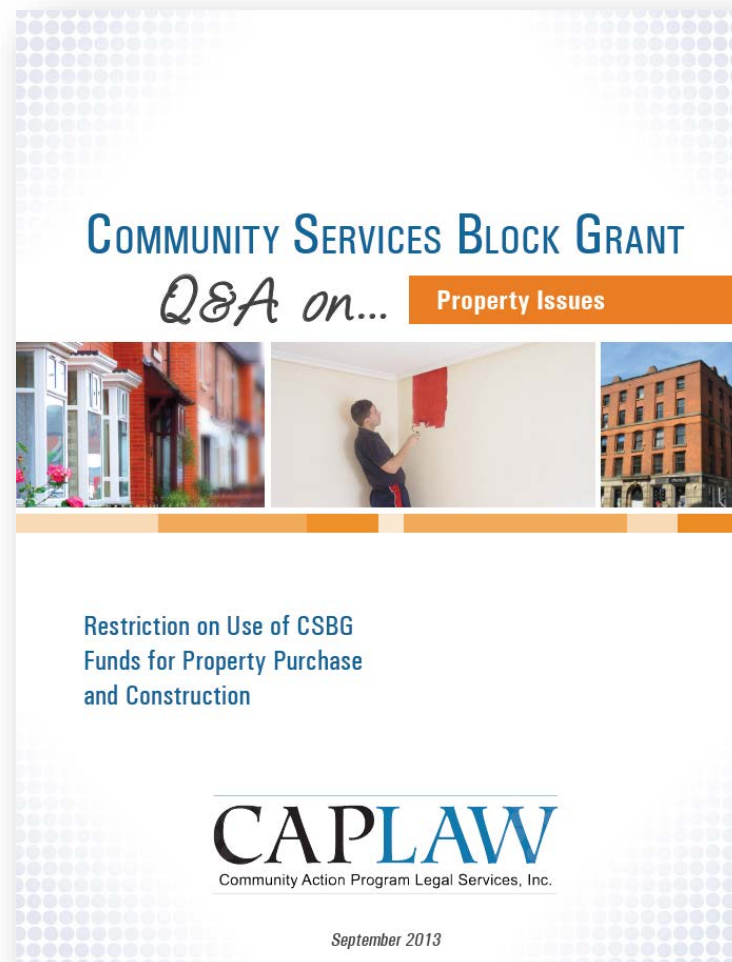


Use of CSBG Funds

Buildings and Facilities

Not all building-related expenses are prohibited, e.g.:

- Maintenance and repair costs, see Uniform Guidance, 2 C.F.R. § 200.452
- Depreciation, see Uniform Guidance, 2 C.F.R. § 200.436





Quiz #6: Buildings/Facilities

The federal CSBG Act generally prohibits the use of CSBG funds for: (Select all that apply)

- ☒ a. Purchase or improvement of land
- ☐ b. Maintenance of or repairs to a building or other facility
- ☒ c. Purchase of a building or other facility
- ☒ d. Construction or permanent improvement of building/facility



Use of CSBG Funds

Match

Overview

- Generally, CSBG funds may not be used as match for other federal programs
 - CSBG Act silent as to use of funds as a match
 - Federal funds may be used as match only if explicitly allowed by funding source statute, see Uniform Guidance, 2 C.F.R. § 200.306

CSBG Match Guidance

- AmeriCorps, OCS IM 139
- HUD McKinney-Vento, OCS IM 135



Use of CSBG Funds

Carryover

Federal Consolidated Appropriations Act

- Permits CAAs to carry over into the next fiscal year remaining CSBG funds distributed to it by a state for the current fiscal year
- Appropriations Act takes precedence over the federal CSBG Act which only permits a CAA to carry over up to 20% of CSBG funds distributed to it by the state for that fiscal year (42 U.S.C. § 9907(a)(3)(A))



Use of CSBG Funds

Carryover

May a State Prohibit CSBG Carryover?

- In CAPLAW's view, not permitting carry over is an effective reduction of an Eligible Entity's proportional share received in the prior year
- Before reducing an Eligible Entity's funding below the proportional share, a state must:
 - Give notice;
 - Provide a hearing on the record;
 - Determine that cause exists; and
 - Give CAA an opportunity for federal review of its decision
 - 42 U.S.C. § 9915(b)(8); OCS IM 116




Use of CSBG Funds

Carryover

COMMUNITY SERVICES BLOCK GRANT

Q&A on... **Carryover**



CAPLAW
Community Action Program Legal Services, Inc.

September 2014



Use of CSBG Funds

Political Activities

Overview

- Cannot use CSBG funds in any way that identifies such use with:
 - Partisan and nonpartisan political activities
 - Voter registration
 - Transportation to the polls

Hatch Act

- Federal law that applies mainly to federal, state, or local employees
- Applied to certain CAA employees via Federal CSBG Act
- Hatch Act limits activities of **employees**, not the CAA
 - 42 U.S.C. § 9918(b)



Hatch Act – Nonprofit CAAs

FIRST TYPE OF EMPLOYEE

If $> \frac{1}{2}$ of work time employed by CAA/Head Start org. or $> \frac{1}{2}$ salary paid by org.

+

Works in connection with **CSBG** or **Head Start** activities

HATCH ACT RESTRICTIONS

Can't run as candidate for public office in **partisan** election

Can't use official authority to **influence election results**

Can't coerce Hatched employee to make **political contributions**

SECOND TYPE OF EMPLOYEE

If 100% of salary paid out of **CSBG and/or Head Start funds** (directly or indirectly)



Hatch Act – Public CAAs

FIRST TYPE OF EMPLOYEE

Works in connection with activities financed by **ANY** federal grants or loans

HATCH ACT RESTRICTIONS

Can't run as candidate for public office in **partisan** election

Can't use official authority to **influence** election results

Can't coerce Hatched employee to make **political** contributions

SECOND TYPE OF EMPLOYEE

If 100% of salary paid out of **ANY** federal grants or loans



Use of CSBG Funds

Child Support Referral

Federal CSBG Act requires all CAAs to:

- Inform custodial parents in single-parent families that participate in CSBG-funded programs, activities, or services about the availability of child support services; and
- Refer eligible parents to the child support offices of state and local governments

- 42 U.S.C. § 9919(b)



Use of CSBG Funds

Child Support Referral

COMMUNITY SERVICES BLOCK GRANT

Q&A on...

Child Support Referral



CAPLAW

Community Action Program Legal Services, Inc.

September 2014



Monitoring Review Requirements

Federal CSBG Act requirements

- A state CSBG office is to conduct the following reviews of a CAA:
 - Full on-site review at least once every 3 years;
 - On-site review of newly-designated entities after first year;
 - Other reviews as appropriate; and/or
 - A prompt follow-up review

- 42 U.S.C. § 9914



Monitoring Review Requirements

Federal CSBG Act Requirements

- Only language in federal CSBG Act that directly addresses the type of monitoring a state is to conduct requires a state to:

Determine whether eligible entities meet the performance goals, administrative standards, financial management requirements and other State requirements

- 42 U.S.C. § 9914

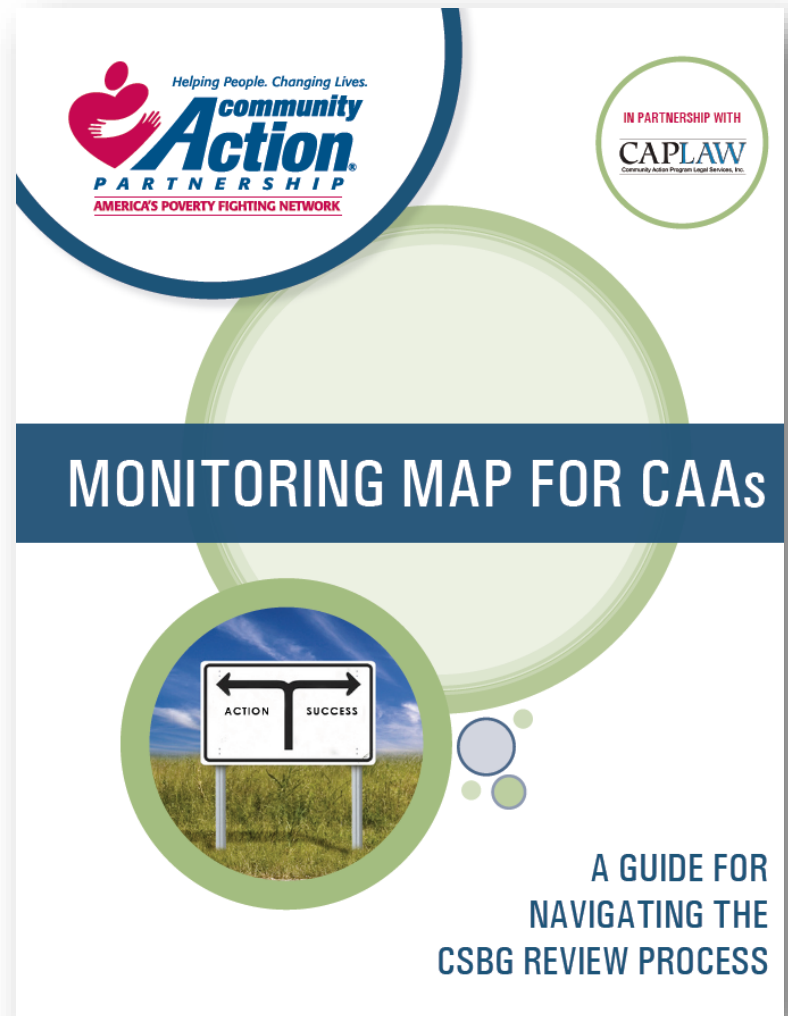
- OCS Information Memorandum (IM) 116



Monitoring Review Requirements

Organizational Standards

- OCS IM 138
- Intended to increase accountability and result in a more uniform monitoring across states

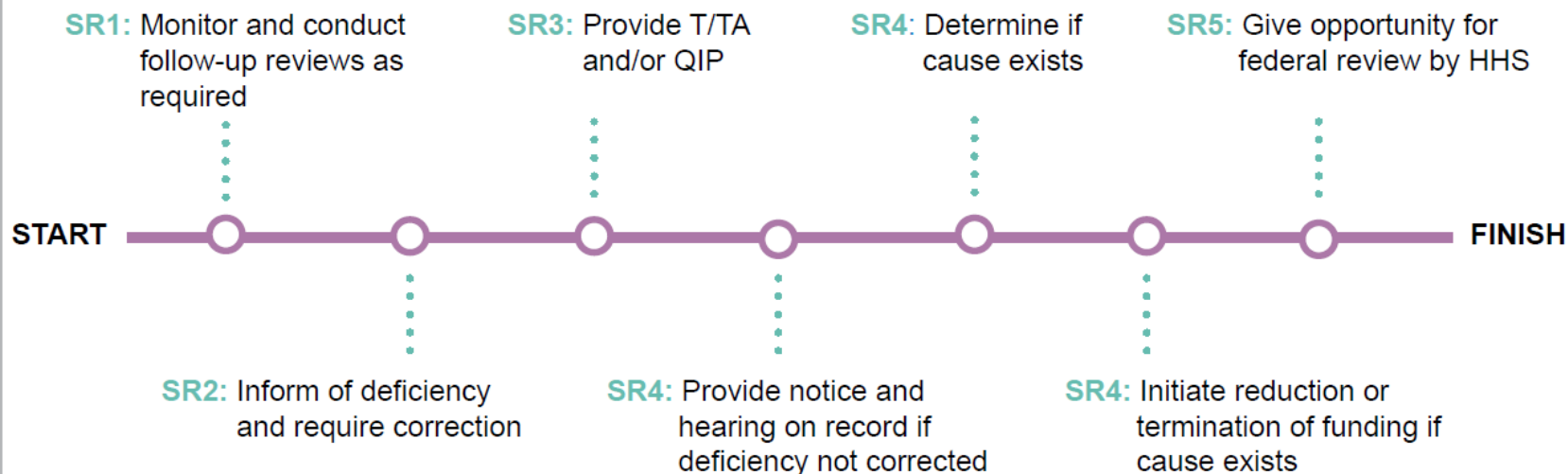




State Funding Decisions

Monitoring Results

TERMINATION/REDUCTION RESULTING FROM A MONITORING



- 42 U.S.C. § 9915



State Funding Decisions

Formula Changes

Resulting from Statewide Redistribution of Funds

- State funding formulas vary and are often the result of state CSBG statute
- To change formula, state must show that “cause” exists, i.e., responding to:
 - The results of the most recently available census or other appropriate data;
 - The designation of a new eligible entity; or
 - Severe economic dislocation
- If “cause” exists, state must provide notice, a hearing on the record and opportunity for federal review

– 42 U.S.C. § 9908(c); OCS IM 116



Quiz #7: Funding Termination

A state can terminate a CAA's CSBG funding by sending the CAA written notice of its intent to terminate the funding.

True or False?



Designation of New CAAs

Process

Overview

- State may designate a new CAA if an area is not served, or ceases to be served
- No required designation process in Federal CSBG Act
 - State may solicit applications
- When designating new CAA, nonprofits get priority

- 42 U.S.C. § 9909, OCS IM 116



Designation of New CAAs

Type of Entity

Choosing a new nonprofit CAA

A nonprofit organization...

geographically located in the unserved area;



capable of providing a broad range of services designed to eliminate poverty and foster self-sufficiency; and



meeting the requirements of the CSBG Act (including the tripartite board requirement).⁵²

A nonprofit CAA...

geographically located in an area contiguous to or within reasonable proximity of the unserved area;



already providing related services in the unserved area; and



that will agree to add board members to ensure compliance with the CSBG Act's tripartite board requirement.⁵³



Designation of New CAAs

Type of Entity

Choosing a New Public CAA

- Only if NO nonprofit org is identified or qualified may the state designate a political subdivision to serve as an eligible entity in the area

- 42 U.S.C. § 9909, OCS IM 116



OCS Complaint Process

Overview

- CAAs may file a complaint alleging that the state failed to follow the federal CSBG Act
 - Includes failure to follow certification and assurances made by state
- OCS will defer to state's interpretation of the CSBG Act unless the interpretation is clearly erroneous
 - 45 C.F.R. § 96.50



OCS Complaint Process

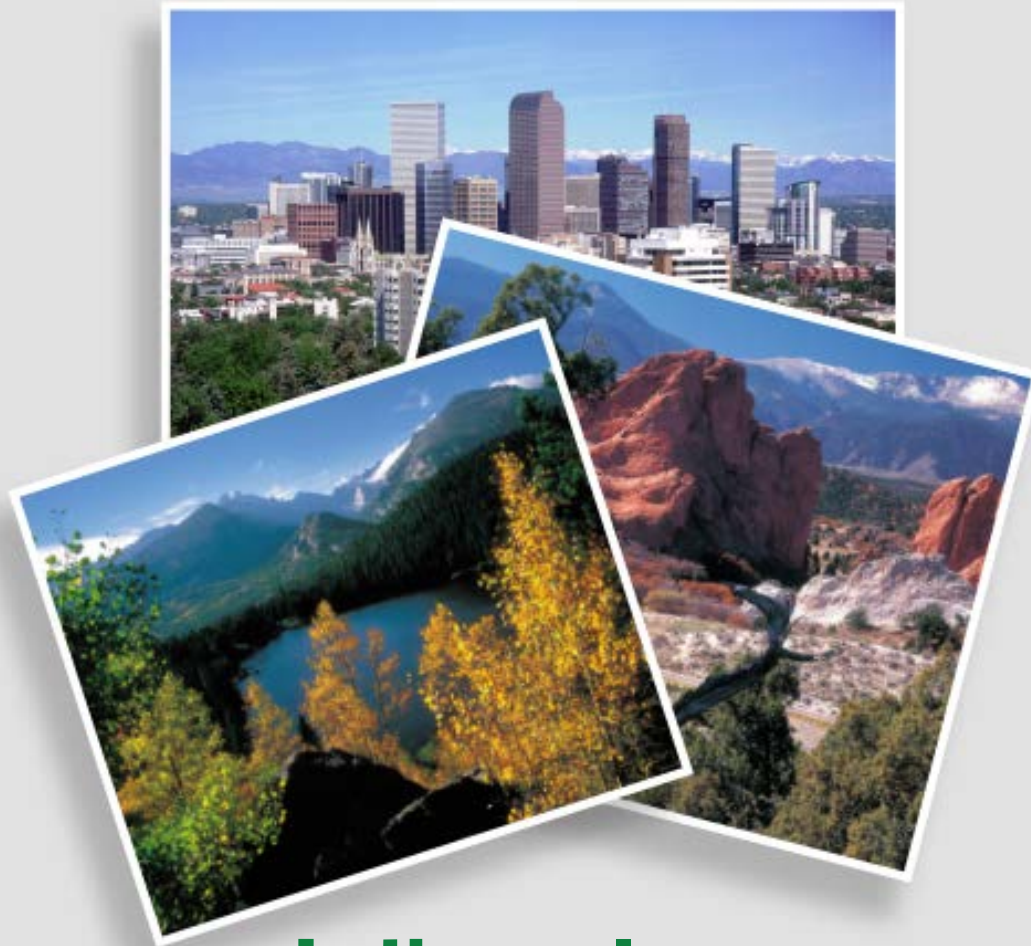
Complaint Process

- | | |
|---|---|
| ✓ | First, complaints must be in writing and sent to the director of OCS. |
| ✓ | Second, OCS must promptly furnish a copy of any complaint to the affected state. |
| ✓ | Third, the state has an opportunity to respond to the complaint. The regulations specify that OCS will consider any comments received from the state within 60 days (or a longer period as agreed to by the state and OCS). |
| ✓ | Fourth, OCS will conduct an investigation of complaints where appropriate. |
| ✓ | Fifth, OCS will provide a written response to complaints within 180 days of receipt. If a final resolution cannot be provided at that time, the response will state the reasons why additional time is necessary. ⁵⁹ |



This training is part of the Community Services Block Grant (CSBG) Legal Training and Technical Assistance (T/TA) Center. It was created by Community Action Program Legal Services, Inc. (CAPLAW) in the performance of the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Community Services Cooperative Agreement – Grant Award Number 90ET0441-03.

Any opinion, findings, and conclusions, or recommendations expressed in this material are those of the author(s) and do not necessarily reflect the views of the U.S. Department of Health and Human Services, Administration for Children and Families.



Let's explore.

COVER NEW GROUND at the

2017 CAPLAW National Training Conference

Denver Marriott City Center | Denver, Colorado | June 7 - 9, 2017