



## Colorado Community Services Block Grant Program Informational Memorandum

**Reference:** COCSBG - IM - 2020-1

**Date:** 4/2/2020

**To:** Colorado CSBG Eligible Entities

**Subject:** Colorado's Response to COVID-19 - Contract Flexibility and Emergency Policies

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### Summary

The outbreak of COVID-19, along with being a public health crisis, has disrupted economic life in Colorado. The Governor of Colorado declared a state of emergency March 10 and in response, the Colorado Department of Local Affairs (DOLA) is enacting emergency disaster policies and procedures for the Community Services Block Grant (CSBG) program for Emergency Disaster Relief and Recovery. These policies and procedures shall be in effect until the State's emergency disaster declaration has ceased or DOLA declares the emergency policies and procedures no longer necessary. The Community Services Block Grant and the network of local eligible entities are well-placed to respond to the needs of low-income communities and families who have been severely impacted by the health and economic ramifications of this crisis. As a part of the response to the emergency and to meet the needs of low-income Coloradoans, DOLA is implementing the approaches listed below.

### Office of Community Services Guidance on Major Disasters

The Office of Community Services has provided specific guidance around the flexibilities that are available during an emergency response in Informational Memorandum #154. OCS places a high priority on helping CSBG-funded agencies to meet the immediate needs of low-income households, including those that may have lost their income due to an event. The memorandum also specifies that CSBG Eligible Entities may modify their community action plans where necessary to free resources for assistance.

### Payment of Salaries and Wages and Fringe Benefits

Grantees' and Sub-Grantees' practice for how to deal with payment of salaries, wages, and fringe benefits, including leave, should be conducted in a manner consistent with their organization's policies. Federal grant funds may be used to pay for different types of leave (e.g. sick, emergency closures, etc.) so long as grant recipient follows criteria for a leave policy as set forth in the Uniform Guidance.

The Uniform Guidance specifically states that the cost of leave may be charged to federal grants if:

- i. The leave is provided under the established written leave policies;
- ii. The costs are equitably allocated to all related activities; and
- iii. The organization uses a consistent accounting basis for costing each type of leave

The costs must also meet the basic considerations for cost allowability in 45 CFR § 75.402-411, requiring that all costs be necessary, reasonable, and allocable.





Grantees and Sub-Grantees should revise or put in place a formal policy that provides for paying staff in light of sick leave, emergency closure, or other reduction in staffing. Again, policies should include the above criteria.

## **Programmatic Responses to COVID-19 Related Needs**

At the start of the contract cycle in 2018, agencies identified the CSBG-defined Federal Objectives they would be conducting activities in, such as Employment, Education, and Civic Engagement and Involvement, based on local needs assessments. As a result of the COVID-19 outbreak, entirely new needs are present within the community that could not have been foreseen. The situation on the ground is changing rapidly and organizations need the flexibility to adapt their approaches and services to new circumstances. In some cases, such as congregate meals for seniors, planned activities are no longer possible. Contract flexibility will ensure that agencies are able to adapt their programs and services at each stage of recovery.

## **Contract Update**

Within the CSBG-defined domains is “Other - emergency management/disaster relief.” All COVID-19 related activities would fall under this domain and it will be unilaterally added to each contract. In addition, we will be adding all of the eligible expense categories, while leaving the administrative categories as they were previously. Section 10 - Paragraph D of the contract states “The State may modify the terms and conditions of this Grant by issuance of an updated Grant Award Letter or by issuance of an executed Option Letter, which shall be effective if Grantee accepts Grant Funds following receipt of the letter.” In order to expedite the response and ease the administrative burden on the DOLA contracts department, all CSBG contracts will be updated unilaterally.

## **Compliance and Reporting**

Both DOLA and the CCAA will work with CSBG agencies to document and ensure the compliance of their emergency responses with the relevant state and federal programmatic and fiscal rules and regulations. Guidance and technical assistance will also be provided on how to track and report the assistance that is provided.

## **Income Eligibility Verification for Emergency Assistance**

Emergency disaster relief services, which are provided to people who are likely to meet the CSBG income eligibility requirements, do not require validation of income when circumstances make it impossible or impracticable to obtain income documentation. Examples include homeless shelters and food banks; or services to children receiving SNAP benefits; and/or services that facilitate linkages and coordination of services to low-income people in the community.

The necessary public health measures in place will require CSBG eligible entities adjust processes to ensure social distancing. In order to facilitate this, if electronic income verification is not possible, customers that have been income verified in the past 18 months for CSBG funded services and direct financial aid may receive assistance while these emergency policies are in place.

As the Office of Community services reiterated in IM #154, Federal legislation does not specify the time period used to determine income eligibility and assistance can be provided to customers that have been made low-income. Agencies are encouraged to develop temporary local policies that match the needs of the community.

## **Use of Prepaid Debit Cards/Gift Cards**

Many Coloradan households have lost their income and do not have sufficient funds to meet basic needs. This is further complicated by the difficulties local public health and human services agencies are facing in providing services while adhering to local public health measures and protecting staff and client safety. The use





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of prepaid debit cards and gift cards historically has not been approved for use by CSBG agencies by DOLA, although allowable by federal rules and regulations. In response to the situation, we approve their use for the duration of the emergency and recovery as necessary. In cooperation with national partners, DOLA will work closely with the Colorado Community Action Association to provide guidance around developing strong policies and procedures to ensure that these means of providing assistance have strong fiscal controls in place and reach those who need it most.

