



NATIONAL ASSOCIATION FOR STATE COMMUNITY SERVICES PROGRAMS

CSBG CARES Budget Considerations

June 4, 2020

Agenda



Reviewing Budgets



Guidance on Cost Allowability



Selected Frequently Identified Costs



Questioned Costs

Budgets as Relationship Builders

- Review can give you insight into your agencies
- Can serve as a tool to develop and/or deepen trust
- Empowers you to serve as a partner in the anti-poverty mission

A close-up photograph of a chalkboard with the equation 1+1=2 written in white chalk. The numbers and symbols are hand-drawn and slightly blurred, giving it a candid, classroom-like appearance. The background is dark, making the white chalk stand out.

Basic Budget Review

- Does it all add up?
 - Narrative matches budget
 - Correct totals and tallying
- Does the budget adhere to administrative caps or requirements?
- Does the budget reflect the current indirect cost rate/agreement?

Allowability

In a block grant environment, determinations of allowability are made at the state (not federal) level.

States are responsible for interpreting existing guidance to make determinations of cost allowability.

- CSBG Act
- CSBG Information Memoranda
- Uniform Guidance

So long as a state's determination of allowability is not "clearly erroneous", OCS should defer to the state's interpretation.

TITLE II—COMMUNITY SERVICES BLOCK GRANT PROGRAM

SEC. 201. REAUTHORIZATION.

The Community Services Block Grant Act (42 U.S.C. 9901 et seq.) is amended to read as follows:

“Subtitle B—Community Services Block Grant Program

Community
Services Block
Grant Act.

42 USC 9901
note.

“SEC. 671. SHORT TITLE.

“This subtitle may be cited as the ‘Community Services Block Grant Act’.

42 USC 9901.

“SEC. 672. PURPOSES AND GOALS.

“The purposes of this subtitle are—

“(1) to provide assistance to States and local communities, working through a network of community action agencies and other neighborhood-based organizations, for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient (particularly families who are attempting to transition off a State program carried out under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)); and

“(2) to accomplish the goals described in paragraph (1) through—

“(A) the strengthening of community capabilities for planning and coordinating the use of a broad range of Federal, State, local, and other assistance (including private resources) related to the elimination of poverty, so that this assistance can be used in a manner responsive to local needs and conditions;

“(B) the organization of a range of services related to the needs of low-income families and individuals, so that these services may have a measurable and potentially major impact on the causes of poverty in the community and may help the families and individuals to achieve self-sufficiency;

“(C) the greater use of innovative and effective community-based approaches to attacking the causes and effects of poverty and of community breakdown;

“(D) the maximum participation of residents of the low-income communities and members of the groups served by programs assisted through the block grants made under

CSBG Act

CSBG Purposes



Reduction of poverty



Revitalization of low-income communities



Empowerment of low-income families to become fully self-sufficient





CSBG Purposes and Goals

Accomplish the purposes and goals by:

- Maximum participation of people and communities with low-incomes
- Leveraging resources of other anti-poverty programs
- Strengthening community capabilities for planning or coordinating resources for local needs and conditions of poverty
- Using innovative approaches to address causes and conditions of poverty
- Organizing services to have a measurable impact on the causes of poverty

Prohibited Costs



Purchase or improvement of land/purchase, construction, or permanent improvement of building or other facilities

Exception for low-cost residential weatherization or other energy-related home repairs

In “extraordinary circumstances”, state may request a waiver



Activities supporting or resulting in the identification of programs with:

Partisan or nonpartisan political activity

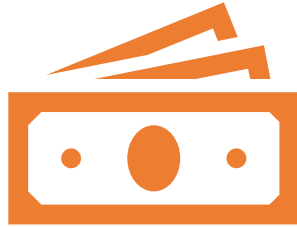
Any activity to provide voters/prospective voters with transportation to the polls

Voter registration activity

CARES Act Purpose

- The CARES Act states the purpose of the funds are “to prevent, prepare for, and respond to coronavirus, domestically or internationally”
 - As with regular CSBG appropriations, this is a **broad** purpose
 - Funds can be used in all the same ways as regular CSBG, aligned with this purpose
 - Does not require that individuals be certified as COVID-impacted (who is not COVID-impacted?)

CSBG IMs



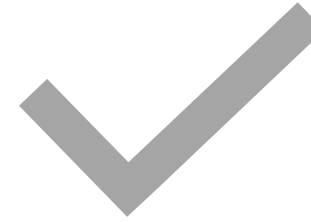
CSBG IM 37- Definition and Allowability of Direct and Administrative Cost Block Appropriations and Allocations

Administrative Costs vs Direct Costs

- Costs associated with the provision of service can be classified as direct (i.e., staff salaries administering food could be considered direct instead of administrative)

CSBG can be used to:

- Create new programs and services
- Augment existing programs and services
- Fund organizational infrastructure and capacity required to coordinate and enhance multiple programs and resources addressing poverty



Matching Funds:

CSBG IM 139- Federal Matching Requirements
AmeriCorps


CSBG IM 135-Federal Matching Requirements HUD
McKinney-Vento

Uniform Guidance

- Not all provisions of Uniform Guidance (2 CFR §200) apply to CSBG, but many states incorporate Uniform Guidance into contracts and make it applicable when determining if a cost is allowable.
 - Basic principle is good starting place:
 - **Is it allowable, reasonable, and properly allocated*?**
 - CSBG can be used for the administration of other programs. Therefore, a cost may be covered by CSBG vs allocated to another award.
- Subpart E, Cost Principles includes selected items of cost that should be reviewed when considering allowability.

CARES Costs

All of the same types of costs that are allowable under regular CSBG are allowable under CARES funding (so long as the costs align with the purpose of CARES funding)



Costs that are frequently included that are allowable (so long as the costs meet other criteria contained in uniform guidance) include:

Salaries of their staff to CARES Awards	Space costs	Agency capacity building costs	Rearrangement costs •I.e., rearrangement of facilities to allow for social distancing	Direct client services	PPE
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Questioned Costs



- During budget review, states may find costs that are unclear if they are allowable and reasonable
 - Approach with curiosity
 - Help me understand...
 - Why is this cost charged to CSBG?
 - What is this meant to accomplish?
 - What need does this meet?
 - Approach in Partnership
 - Seek a mutual purpose
 - Seek to understand
 - Cost may not be chargeable to CSBG, but there may be other solutions



Discussion



NASCSP Can Help!

Questions on allowability? Contact us!

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