
**COMMUNITY SERVICES
BLOCK GRANT PROGRAM**

U.S. Department of Health and Human Services
Administration for Children and Families
Office of Community Services
Division of State Assistance
370 L'Enfant Promenade, S.W.
Washington, D.C. 20447

Information Memorandum

Transmittal No. 141**Date: July 31, 2015**

TO: States and U.S. Territories

SUBJECT: Application for Fiscal Year (FY) 2016 Community Services Block Grant (CSBG) Funds Based on the Availability of CSBG Funds

RELATED

REFERENCES: Community Services Block Grant Act, Title VI, Subtitle B, of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, as amended; Human Services Amendments of 1994, P.L.103-252; the FY 1996 CSBG Appropriation Legislation, P.L.104-134; CFR Title 45, Part 96; Coats Human Services Reauthorization Act of 1998, P. L. 105-285; Department of Health and Human Services Block Grant Regulations and Current Poverty Income Guidelines.

PURPOSE: To inform States and U.S. Territories of the CSBG application requirements for FY 2016.

To qualify for FY 2016 CSBG funding, States must submit their State plan applications to the Office of Community Services (OCS) by September 1, 2015 using the new CSBG Model State Plan format. States will submit their information electronically through the Administration for Children and Families' (ACF) Online Data Collection (OLDC) system.

BACKGROUND

According to section 676(b) of the CSBG Act, States, including Territories, must prepare and submit an application and State plan for CSBG funding. OCS provides funds to CSBG grantees based on the determination that their application and plan are complete and in accordance with all requirements of the CSBG Act.

The State CSBG application and plan is a critical document for both State and Federal oversight of CSBG. The new CSBG Model State Plan, used by States for the first time this year, integrates and aligns requirements from the CSBG Act, with elements of the overall CSBG Performance Management and Accountability Framework, which includes 1) organizational standards for CSBG eligible entities, 2) accountability measures for States and OCS, and 3) CSBG data analysis of outcome measures (National Performance Indicators). Ultimately, this framework will enable the CSBG Network, at the local, State and Federal levels, to continuously improve their programs and generate stronger results for low-income families and communities.

For more information about the CSBG Performance Management and Accountability Framework, see IM 138: State Establishment of Organizational Standards for CSBG Eligible Entities, January 26, 2015, and CSBG Dear Colleague Letter: State and Federal Accountability Measures and Appendices, January 28, 2015.

SUBMISSION CONTENT AND REQUIREMENTS

CSBG applications for FY 2016 are due to OCS by September 1, 2015. States have the option of submitting CSBG applications annually or bi-annually (covering one or two fiscal years). States must submit their application and plan electronically through the ACF Online Data Collection (OLDC) System. A complete application must include the CSBG Cover Page, which is the State's Application for Federal Assistance form (SF-424-M), and the Model State Plan, submitted through OLDC. States must also submit their CSBG annual report (as described on the following page).

States With Currently Accepted Two-Year Plans

OCS provided separate instructions to the 13 States with accepted two-year state plans covering fiscal years 2015 and 2016 through a "dear colleague" message sent on June 10, 2015. In the instructions, OCS provided States with a version of the Model State Plan highlighting the specific elements these States, at minimum, must submit. For this year, those States have three options for their submission through OLDC:

1. Submit information for all sections of the Model State Plan, including the items that are highlighted in separate guidance issued on June 10;
2. Submit an updated plan, only completing the highlighted sections outlined in the separate guidance; or
3. Submit an entirely new plan in which the State is subject to all requirements of the CSBG Act, including the hearing requirements.

States must communicate the decision to OCS on which option has been selected no later than August 7, 2015.

New CSBG Model State Plan

Over the past year, OCS has collaborated closely with the CSBG Network to develop a new CSBG Model State Plan that is streamlined and automated, and that incorporates elements of the CSBG Performance Management and Accountability Framework. For information about the development and content of the Model State Plan please see [CSBG Dear Colleague Letter: Model State Plan Revision: Open Comment Period, dated January 29, 2015](#) and [CSBG Dear Colleague Letter: Model State Plan Revision: OMB Clearance and 30 Day Comment Period, dated May 20, 2015](#).

The May 20 Dear Colleague letter provides the final content for the Model State Plan, which States will provide through OLDC. The full content of the FY 2016 Model State Plan is attached to this IM. Content areas for submission are outlined in the table of contents below:

CSBG Cover Page (SF-424M)

Section 1: CSBG Lead Agency, CSBG Authorized Official, CSBG Point of Contact, and Official State Designation Letter

Section 2: State Legislation and Regulation

Section 3: State Plan Development and Statewide Goals

Section 4: CSBG Hearing Requirements

Section 5: CSBG Eligible Entities

Section 6: Organizational Standards for Eligible Entities

Section 7: State Use of Funds

Section 8: State Training and Technical Assistance

Section 9: State Linkages and Communication

Section 10: Monitoring, Corrective Action, and Fiscal Controls

Section 11: Eligible Entity Tripartite Board

Section 12: Individual and Community Income Eligibility Requirements

Section 13: Results Oriented Management and Accountability (ROMA) System

Section 14: CSBG Programmatic Assurances and Information Narrative

Section 15: Federal Certifications

Annual Report Requirement

Section 678E(a)(2) of the CSBG Act requires States to prepare and submit an annual report on the activities and performance of the State and State's eligible entities.

The statute specifies that the State's annual report should contain: (1) information on the measured performance of the State and eligible entities in promoting self-sufficiency, family stability, and community revitalization; (2) an accounting of the expenditure of CSBG funds, including those funds spent on administrative costs by the State and eligible entities; (3) an accounting of funds spent by the eligible entities on the direct delivery of local services; (4) information on the number of and characteristics of CSBG clients based on data collected from the eligible entities; (5) a summary of training and technical assistance offered by the State to eligible entities to correct deficiencies; and (6) summaries of the planned and actual uses of CSBG funds.

In past years, States may have fulfilled their annual reporting requirement by providing data to OCS's technical assistance provider for the CSBG Information Survey (IS). States may continue this practice, but must also submit their Fiscal Year 2014 annual report to OCS in order to meet statutory requirements.

For the FY 2016 application cycle, all States, including the 13 States that submitted a two-year plan for FY 2015, may choose between two options for providing their annual reports to OCS:

1. Provide a written narrative annual report that meets all requirements of the CSBG Act signed by the State Designated Official or State CSBG point of contact via email to your respective CSBG Program Specialist; or
2. At least 15 days ahead of the September 1 application deadline, send an official letter to NASCSP, copied to OCS (your respective CSBG Program Specialist) and signed by the State Designated Official or State CSBG point of contact, asking that NASCSP provide an electronic copy of the final approved CSBG IS report directly to OCS. This IS report should be the one the State initially submitted to NASCSP in March of 2015. This report will meet the State's annual report requirement.

Please note, within the next year, OCS plans to collaborate with the CSBG Network to develop an automated annual report that aligns with the new CSBG Model State Plan to implement the three elements of the CSBG Performance Management and Accountability Framework.

ADDITIONAL INFORMATION

Capital Improvement and Construction Waivers

In accordance with section 678F(a)(2) of the CSBG Act, OCS must approve waivers, in writing, before block grant funds can be used for capital improvement and construction purposes. If a State anticipates the need for a waiver, a waiver request may be submitted as a separate part of the FY 2015 application. Waiver requests must be submitted to OCS by the State, not the eligible entity. If you anticipate the need for a waiver request, such requests should address the requirements referenced in section 678F(a)(2) of the CSBG Act and OCS Information Memorandum 60 dated February 6, 2002.

Proportionate Share of Funding

States are required to provide each eligible entity, currently in good standing within the State, its proportionate share of any CSBG funding received by the State. A decision by a State not to provide a proportionate share in funding to an eligible entity will be considered as a reduction of funding under sections 676(b)(8) and 678C of the CSBG Act. Reduction of funding is subject to a public notice and hearing as directed in IM 116.

Collaboration with Faith-Based Organizations

States must provide an assurance (included in the Model State Plan as item IV.B.19) that is signed by the CSBG State Designated Official and addresses the requirements of section 679 of the CSBG Act, entitled "Operational Rule:"

- (a) Religious Organizations Included as Nongovernmental Providers. – For any program carried out by the Federal Government, or by a State or local government under [the CSBG Act], the government shall consider, on the same basis as other non-governmental organizations, religious organizations to provide the assistance under the program, so long as the program is implemented in a manner consistent with the Establishment Clause of the first amendment of the Constitution. Neither the Federal Government nor a State

or local government receiving funds under this subtitle shall discriminate against an organization that provides assistance under, or applies to provide assistance under, this subtitle, on the basis that the organization has a religious character.

(b) Religious Character and Independence.

- (1) In General. – A religious organization that provides assistance under a program described in subsection (a) shall retain its religious character and control over the definition, development, practice, and expression of its religious beliefs.
- (2) Additional Safeguards. – Neither the Federal Government nor a State or a local government shall require a religious organization—
 - (A) To alter its form of internal governance, except (for purposes of administration of the community services block grant program) as provided in section 676B; or
 - (B) To remove religious art, icons, scripture, or other symbols; in order to be eligible to provide assistance under a program described in subsection (a).
- (3) Employment Practices. – A religious organization's exemption provided under section 702 of the Civil Rights Act of 1964 (42 U.S.C. 2000e-1) regarding employment practices shall not be affected by its participation in, or receipt of funds from, program described in subsection (a).

(c) Limitations on Use of Funds for Certain Purposes. –

No funds provided directly to a religious organization to provide assistance under any program described in subsection (a) shall be expended for sectarian worship, instruction, or proselytization.

(d) Fiscal Accountability. –

- (1) In General. – Except as provided in paragraph (2), any religious organization providing assistance under any program described in subsection (a) shall be subject to the same regulations as other nongovernmental organizations to account in accord with generally accepted accounting principles for the use of such funds provided under such program.
- (2) Limited Audit. – Such organization shall segregate government funds provided under such program into a separate account. Only the government funds shall be subject to audit by the government.

(e) Treatment of Eligible Entities and Other Intermediate Organizations. – If an eligible entity or other organization (referred to in this subsection as an 'intermediate organization'), acting under a contract, or grant or other agreement, with the Federal Government or a State or local government, is given the authority under the contract or agreement to select nongovernmental organizations to provide assistance under the programs described in subsection (a), the intermediate organization shall have the same duties under this section as the government.

TRAINING, TECHNICAL ASSISTANCE AND SUPPORT

OCS will provide training and technical assistance to States on the new CSBG Model State Plan and OLDC submission process. States will have opportunities to learn about the mechanics of submitting the Model State Plan on the OLDC system.

In an effort to make the process work smoothly, OCS encourages all States to review their OLDC access information, ensuring that State staff have been registered in the correct roles for the State plan submission process. Please keep in mind:

- States should have at least one individual assigned as the Grant Administrator and one as the Authorized Official.
- The Authorized Official must be the individual (e.g., director, secretary, commissioner) who has been designated in the CSBG State designation letter, or that person's official designee.
- An individual who already has access to OLDC for another program (e.g., LIHEAP), must request CSBG be added to his/her account. (The individual will use one username and password to log-in to OLDC, and then may select from the menu of programs included in his/her account.)
- To request OLDC access for CSBG staff, or to make changes to an existing account, please use the attached form.

If States have questions regarding OLDC system access, please contact Niki Frazier (nikita.frazier@acf.hhs.gov).

If you have questions or need additional information, please contact your OCS CSBG program specialist. The list of OCS staff and contact information is posted on the OCS website at www.acf.hhs.gov/programs/ocs/resource/csbg-staff-assignments-by-region.

Thank you for your collaboration and commitment to better serve low-income families and communities across the nation.

/s/

Jeannie L. Chaffin
Director
Office of Community Services

Related Information:

- CSBG Model State Plan
- OLDC Access Form