
**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. 137

Date: July 7, 2014

TO: States and U.S. Territories

SUBJECT: Application for Fiscal Year (FY) 2015 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 2015.

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. The Office of Community Services (OCS) funds CSBG grantees based on the determination that their application and State plans are complete in accordance with all requirements of the CSBG Act. The State CSBG application and plan not only is a critical document for Federal monitoring and oversight purposes, but also provides a framework for accountability and oversight at the State level.

SUBMISSION

REQUIREMENTS: CSBG applications for FY 2015 are due to OCS by September 1, 2014. States have the option of submitting CSBG applications annually or bi-annually (covering one or two fiscal years). The format and requirements for FY 2015 applications are similar to those from FY 2014, as described in CSBG IM 133, dated June 20, 2013. However, applicants this year must submit their application and plans electronically through the Administration for Children and Families' (ACF) Online Data Collection System (OLDC).

**ONLINE
SUBMISSION:**

October 1, 2013, ACF directed its program offices, including OCS, to require all mandatory grantees to submit applications electronically. (See [78 FR 60285-60286, October 1, 2013](#).) To meet this responsibility, starting in FY 2015, OCS requires States to use the OLDC system to submit data on the *Application for Federal Assistance SF-424 Mandatory* (SF-424M) and upload State plan documents. OCS will only consider applications to be official if they are submitted through the OLDC system. OCS will provide additional information and training on the OLDC system and the application submission process in the coming weeks.

As part of the new electronic submission requirement for FY 2015, a State must submit an electronic application (SF-424M) to receive CSBG funds. If a grantee submitted a two-year application for FYs 2014 and 2015, the grantee is still required to submit a SF-424M and their annual report through the OLDC system by September 1, 2014.

**APPLICATION
AND STATE**

PLAN CONTENTS: Please see the CSBG Model State Plan, attached below, as an outline and guide. A complete CSBG application and State plan includes:

- (1) An electronic SF-424M: As described above, each State must complete and submit this form through the OLDC system. The form requires name and contact information for the CSBG State Designated Official (referred to as the authorizing official on the SF 424M) and the CSBG point of contact.
- (2) Assurances: Each application must contain assurances signed by the designee of the lead agency. Assurances should contain the language precisely as it appears in specific provisions of sections 675C; 676(a), (b) and (e); 678B; 678C; 678D; 678E; 678F; and 679 of the CSBG Act. (The complete list of 19 assurances is included in the Model State Plan.)
- (3) Certifications: Each application should include the required certifications regarding (1) Lobbying, (2) Drug-Free Workplace Requirements, (3) Debarment, and (4) Environmental Tobacco Smoke. Each certification must be signed by the designee of the lead agency. (Please see the certifications attachment.)
- (4) Audit requirements: In compliance with the Single Audit Act and section 678D of the CSBG Act, please indicate the date of the last audit undertaken and the period that the audit covers.
- (5) Documented evidence of public and legislative hearings: States should include documents that confirm that the State plan was

made available for public inspection and review as required by section 676(a)(2)(B) of the CSBG Act, and that the State conducted a legislative hearing at least once every three years in conjunction with development of the State plan, as required in section 676(a)(3).

- (6) State plan narrative: The State plan narrative should describe how the State will specifically carry out each of the required assurances. States should not assume any assurance is self-explanatory.

The plan should also include: (1) a goals and objectives statement, (2) the specific types of activities to be supported, (3) areas and categories of individuals to be served, and (4) the criteria and method used for the distribution of funds to the State's local eligible entities.

The narrative should detail the proposed use of CSBG funding, including the use of funds for (1) the CSBG 90 percent pass-through, (2) discretionary purposes, (3) training and technical assistance, and (4) administration.

Please refer to the CSBG Model State Plan for additional information about the State plan narrative.

- (7) Annual reporting 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 State report to OCS in order to meet statutory requirements.

For the FY 2015 application cycle, States have two options for providing their annual report 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. (States should submit the written report electronically through the OLDC system along with their State plan.); or
2. At least 15 days ahead of the September 1 application deadline, send an official letter to NASCSP, copied to OCS 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 State report directly to OCS. This will serve as the State's annual report. (States should include a copy of this letter electronically through the OLDC system along with their State plan.)

Please note, as described in the "Online Submission" section of this guidance, all States must submit an application and annual report through the OLDC system in FY 2015, including States that submitted a two-year State plan for FY 2014.

**ADDITIONAL
INFORMATION:**

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.”

**PERFORMANCE
MANAGEMENT:**

OCS and the CSBG Network have made steady progress in recent years developing elements of a new accountability and performance management system for CSBG, including CSBG organizational standards, State and Federal accountability measures, and ROMA Next Generation measures. Each of these performance management elements will be critical to our future collective ability to measure effectiveness and efficiency and demonstrate results in meeting the anti-poverty goals of the CSBG Act.

The CSBG organizational standards will be the first completed component of this CSBG performance management system; OCS expects States to implement these standards, or an alternative set of standards, in FY 2016. While States do not need to include organizational standards in their FY 2015 applications, OCS encourages States to begin planning now for the official use and implementation of the CSBG organizational standards or alternative standards. The process for how each State will officially adopt the standards in their State will look different in each State.

Looking ahead to the FY 2016 application cycle, we expect to have a revised CSBG Model State Plan and additional tools and technical assistance to help States incorporate organizational standards into the application and State plan process.

**ADDITIONAL
INFORMATION:**

OCS will host webinars on the FY 2015 CSBG application and State plan process. In the meantime, if you have questions or need additional information, please contact your assigned 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 continued commitment to our collaborative work to address poverty in our communities.

/s/

Jeannie L. Chaffin
Director
Office of Community Services

Related Information:

- [CSBG Model State Plan](#)
- [2014 HHS Poverty Guidelines](#)
- [Federal Certifications](#)