
**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
330 C Street, Southwest, 5th Floor
Mail Room 5425
Washington, DC 20201

Information Memorandum

Transmittal No. 147

Date: July 8, 2016

TO: States and U.S. Territories

SUBJECT: Application for Fiscal Year (FY) 2017 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 2017. To qualify for FY 2017 CSBG funding, States must submit their State plan applications to the Office of Community Services (OCS) by September 1, 2016 using the approved CSBG Model State Plan format. States shall 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 Community Services Block Grant (CSBG) Act, States, including Territories, must prepare and submit an application and State plan for CSBG funding. The Office of Community Services (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 online CSBG State Plan, used by States for the first time in FY 2016, 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) Results Oriented

Management and Accountability (ROMA). Ultimately, this framework will enable the CSBG Network, at the local, state and Federal levels, to continuously improve their programs and generate breakthrough outcomes for families with low-incomes 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 [IM 144: CSBG State and Federal Accountability Measures and Data Collection Modernization](#), October 2, 2015.

SUBMISSION CONTENT AND REQUIREMENTS:

CSBG applications for FY 2017 are due to OCS by September 1, 2016. States have the option of submitting CSBG applications annually (covering one fiscal year) or bi-annually (covering two fiscal years), as per the CSBG statute. States must submit their application and plan electronically through the Administration for Children and Families (ACF) Online Data Collection (OLDC) System. OLDC will be available beginning July 1, 2016, for States to use to begin initial data entry.

While States may begin entering data into OLDC, plans may not be officially submitted in OLDC until August 1, 2016. Before that date, States may receive an error message. After August 1, 2016, the error message will be turned off, and States will be able to officially submit State CSBG Plans for the upcoming fiscal year.

States will have the option to “clone” their FY 2016 plan prior to initiating their FY 2017 plan. The clone feature in OLDC allows the user to populate the fields of a current year’s form with the data from a prior year’s form, allowing a user to review and update as necessary. Additional information about this cloning can be found in Attachment A, as well as in an upcoming webinar.

A complete application must include the CSBG Cover Page, which is the Standard Form for Federal Assistance (SF-424M) and the CSBG State Plan, both submitted through OLDC. States must also submit the CSBG Annual Report (as described on the following page).

Based on the State’s implementation of the CSBG State Plan for FY16, States will fall under one of the following submission groups, which are further defined in Attachment B:

Group A: 12 States with Accepted Two-Year Plans ending September 30, 2016
During the last fiscal year, 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. For the FY 2017 CSBG State Plan cycle, these 13 States must complete a new SF-424M and a new one-or two-year CSBG State Plan. This plan will be subject to all requirements of the CSBG Act, including the public hearing requirement.

Group B: 15 States with Accepted One-Year CSBG plans ending September 30, 2016
These States must complete a new SF-424M and a new one- or two-year CSBG State Plan. The plan will be subject to all requirements of the CSBG Act, including the public hearing requirement.

Group C: 25 States with Accepted Two-Year Plans ending September 30, 2017
States that fall within this group, that do not have any revisions to their CSBG State Plan, must complete the SF-424M as a separate form through the Online Data Collection System (OLDC).

If a State elects to submit revisions to its CSBG State Plan, the SF-424M must be completed and a revised CSBG State Plan may be submitted. The State will be subject to complete all of the required fields and validations. OCS is not requiring that States submit revisions to their accepted plans, and only suggests doing so for major revisions, such as making a change of more than 10 percent to the use of the States Remainder/Discretionary Funds (MSP, item 7.11) or significant proposed changes to State CSBG policies and/or procedures (e.g. monitoring, fiscal allocations, etc.). The revisions would not necessarily require the State to conduct a new public hearing.

CSBG Model State Plan

A new, streamlined and automated CSBG State Model State Plan was approved by the Office of Management and Budget (OMB) and implemented during FY 2016. The new CSBG State Plan was cleared through the Paperwork Reduction Act (PRA) process for a three-year period. No additions or revisions have been made to the plan for the FY 17 state plan cycle. For background information about the development and content of the CSBG Model State Plan, please see [IM 141 Application for FY 2016 Funds for States and Territories](#).

Content areas for the FY 2017 CSBG Model State Plan submission are outlined 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/Information Survey (IS) Report

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 its 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 ensure that OCS is notified of the State's preference to use the IS report to satisfy the annual report requirement.

For the FY2017 application cycle, all States may choose between two options for providing 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, signed by the State Designated Official or State CSBG point of contact, to the National Association of State Community Services Programs (NASCSPP) asking that NASCSPP provide an electronic copy of the final approved CSBG IS report directly to OCS. A copy of the letter should be sent to your respective CSBG Program Specialist at OCS. This IS report should be the one the State submitted to NASCSPP in March of 2016. This report shall meet the State's annual report requirement.

Please note that OCS is working collaboratively with the CSBG Network to develop and secure OMB approval via the Paperwork Reduction Act (PRA) process on a new CSBG Annual Report that aligns with the OMB approved CSBG Model State Plan. On June 19, 2016, OCS released a Dear Colleague letter announcing the **open comment period for the CSBG Annual Report**. Contingent on PRA approval of the CSBG Annual Report, OCS expects States will use OLDC to submit Module #1 (Administration) when providing CSBG Annual Report information for FY 2016 in March of 2017.

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 2017 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 **IM 60: Duties and Interests with Respect to Property, Purchased, Constructed, or Improved by an Eligible Entity**, 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: Corrective Action, Termination, or Reduction of Funding**, dated May 1, 2012.

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 CSBG Model State Plan and OLDC submission process. States will have multiple opportunities to learn about the mechanics of submitting the Model State Plan through OLDC.

OCS encourages all States to review OLDC access information, ensuring that State staff has 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. OCS will not accept any State CSBG plan that does not include a designation

letter that clearly specifies the designated lead agency and the title of the official who is authorized to certify the State plan.

- To request OLDC access for CSBG staff, or to make changes to an existing account, please use Attachment C.
 - An individual who already has access to OLDC for another program (e.g., LIHEAP), must still submit an official request for 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.)

If States have questions regarding OLDC system access and/or to submit a completed form, please send to Niki Frazier in the Division of State Assistance at 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 <http://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

Attachment A: OLDC Technical Updates

Attachment B: CSBG Model State Plan Submission Groups by States

Attachment C: Request for Online Data Collection (OLDC) Access Form