
**COMMUNITY SERVICES
BLOCK GRANT**

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. 139

Date: March 19, 2015

To: State Community Services Block Grant Directors, State Comptrollers, U.S. Territories, Native American Tribes and Tribal Organizations, Community Action Agencies, Community Development Corporations, and other non-profit organizations receiving Community Services Block Grant (CSBG) funds.

Subject: Use of CSBG Funds to Meet Cost Sharing Requirements for the Corporation for National and Community Service AmeriCorps program.

Related

References: Community Services Block Grant (“CSBG”) Act of 1998, 42 U.S.C. § 9901 *et seq.*; The National and Community Service Act of 1990, as amended, 42 U.S.C. § 12501 *et seq.*

Guidance: In general, funds from one Federal program may not be used as matching funds for another Federal program, unless explicitly allowed by statute. The National and Community Service Act of 1990 allows the Corporation for National and Community Service (the Corporation) to provide for required cost sharing “through State sources, local sources, or *other Federal Sources* (other than the use of funds made available under the national service laws)” (emphasis added) (42 U.S.C. § 12571(e)(2)(B)).

Upon review of the CSBG Act, we have determined that it does not prohibit the use of CSBG funds as match for the Corporation’s AmeriCorps program. While the Federal Office of Management and Budget (OMB) guidance on cost principles (and associated OCS guidance in [CSBG IM-37](#)¹) applies to CSBG-eligible entities and might generally preclude eligible entities from using CSBG funds as a match, OMB guidance does not override the intention of Congress to allow the AmeriCorps program to use Federal funds as match. To the extent that the OMB and OCS guidance conflict with Federal statute, the statute must control. In addition, the CSBG Act specifically encourages States and CSBG-eligible entities to leverage resources and coordinate with other programs for the purpose of eliminating poverty.

¹ CSBG IM-37 “Definition and Allowability of Direct and Administrative Costs, published May 31, 1997.”

Any CSBG funds used for cost sharing in the AmeriCorps program, however, must be used for CSBG purposes and in accordance with the CSBG requirements, in addition to meeting any other requirements of the AmeriCorps program. Further, the Federal CSBG funds may be used for cost sharing only as long as the AmeriCorps' authorizing statute allowing it is in force, and as long as the CSBG Act does not explicitly prohibit it.

In keeping with requirements of the CSBG Act, funds must be used for allowable activities that must be based on community needs assessments; included in local CSBG plans; and conducted consistent with all established administrative, programmatic, and performance reporting procedures for CSBG funds within the State. OCS encourages collaborative planning between CSBG-eligible entities and other service providers to assure the most innovative and effective uses of CSBG funds to address poverty and revitalize low-income communities. OCS's position in this IM does not modify the requirements of OMB guidance for CSBG-eligible entities or CSBG IM-37 "Definition and Allowability of Direct and Administrative Costs," nor does it change the responsibility of eligible entities to meet these requirements.

Similar to this guidance, OCS has determined that CSBG funds may be used as matching funds for Department of Housing and Urban Development (HUD) McKinney-Vento Homeless Assistance programs. (See, [IM 135](#), *Use of CSBG Funds to Meet Matching Requirements for Department of Housing and Urban Development (HUD) McKinney-Vento Homeless Assistance programs.*)

On a case-by-case basis, OCS may provide guidance on the use of CSBG for matching or cost share funds for other Federal programs, provided it is allowed under the other program's legislation and is not prohibited under the CSBG Act. In such situations, CSBG funds must continue to be used for CSBG purposes, meet the requirements of CSBG, and be used for allowable CSBG activities.

If you have questions about this guidance, please contact your assigned OCS CSBG program manager, who may be found at the following link:

<http://www.acf.hhs.gov/programs/ocs/resource/state-officials-and-program-contacts>

Thank you for your ongoing commitment to assisting low-income families and communities.

/s/
Jeannie L. Chaffin
Director
Office of Community Services