

Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the Contra Costa County Economic Opportunity Council (EOC) to a majority of members of the EOC less than 96 hours prior to that meeting are available for public inspection at 1470 Civic Ct. Suite 200, Concord, CA 94520 during normal business hours.

Agenda

Group/Meeting Name: EOC Fiscal Subcommittee Meeting

Date: 05/02/2019 **Time: From:** 11:00 a.m. **To** 12:00 p.m.

Location: 1470 Civic Ct. Suite 200, Conf. Room #221, Concord

Purpose: Review CSBG Budgets and Reports

The Economic Opportunity Council will provide reasonable accommodations for persons with disabilities planning to participate in EOC meetings. Please contact EOC Staff at least 24 hours before the meeting at (925) 681-6311.

PERSONS WHO WISH TO ADDRESS THE EOC DURING PUBLIC COMMENT OR WITH RESPECT TO AN ITEM THAT IS ON THE AGENDA, WILL BE LIMITED TO TWO (2) MINUTES.

*The Board Chair may reduce the amount of time allotted per speaker at the beginning of each item or public comment period depending on the number of speakers and the business of the day.
Your patience is appreciated.*

By the end of this meeting, we will have:

An understanding of the desired outcomes and ground rules so that meeting participants accomplish meeting objectives in a timely and efficient manner.
Receive any public comments so that the public has an opportunity to provide input and we are knowledgeable of the community's concerns and/or interests for potential inclusion on future agenda.
Discuss unfinished business so that the members are aware and informed.
Presentation of the 2019 CSBG Monthly Expenditure Report for March so that EOC Fiscal subcommittee members have an understanding and can present the report at the next EOC Business Meeting.
Discuss the Quarterly Weatherization report so that members are informed
Discuss the 2019 Discretionary contract letter so that the members are informed.
Identification of next steps necessary to move the process forward.
Evaluation of the meeting.

Agenda			
What	How	Who	Time
➤ Review Desired Outcomes & Meeting Rules	Present Clarify Check for Understanding	Volunteer	2 Minutes
➤ Public Comment	Present	Members of the Public	3 Minutes
➤ Unfinished business	Present Clarify Check for Understanding	Group	5 Minutes

➤ 2019 CSBG March Expenditure report	Present Clarify	CSB Staff	15 Minutes
➤ WX Quarterly reports	Present Clarify	CSB Staff	15 Minutes
➤ 2019 Discretionary Contract letter	Present Clarify	CSB Staff	15 Minutes
➤ Next Steps	Present	Group	3 Minutes
➤ Meeting Evaluation	+/ Δ	Group	2 Minutes

If you wish to call in please see the instructions below:

- Dial 1-888-278-0254
- You will be asked to enter your access code: 8934051
- Once the access code is entered you will join the meeting

Community Services Block Grant									
Monthly Expenditures									
2019 Contract # 19F-4007									
Term: Jan 1, 2019 through December 31, 2019									
Line		sub				25%	YTD	YTD	
Item	Description	object	Budget	Jan-19	Feb-19	Mar-19	Total	Balance	%
ADMINISTRATIVE COSTS:									
1	Salaries and Wages	1011	18,235	1,093.38	1,223.72	1,154.88	3,471.98	14,763.02	19%
	Community Services Director	CR	4,803	-	-	-	-	4,803.00	0%
	Accountant III	SM	13,432	1,093.38	1,223.72	1,154.88	3,471.98	9,960.02	26%
2	Fringe Benefits		13,494	693.04	688.90	711.82	2,093.76	11,400.24	16%
3	Other Costs-Indirect Costs		69,838	-	9,016.82	7,764.32	16,781.14	53,056.86	24%
	Indirect Costs	5022	69,838	-	9,016.82	7,764.32	16,781.14	53,056.86	24%
	Total Administrative Costs		101,567	1,786.42	10,929.44	9,631.02	22,346.88	79,220.12	22%
PROGRAM COSTS:									
1	Salaries and Wages	1011	221,551	12,500.03	13,076.64	19,739.10	45,315.77	176,235.23	20%
	Subtotal Program		131,041	12,500.03	13,076.64	14,089.14	39,665.81	91,375.19	30%
	Division Manager	CR	33,492	2,761.68	2,867.90	3,243.46	8,873.04	24,618.96	26%
	Administrative Services Asst II	NS	64,807	6,000.70	6,000.70	6,602.62	18,604.02	46,202.98	29%
	Senior Clerk	MT	32,742	3,737.65	4,208.04	4,243.06	12,188.75	20,553.25	37%
	Student Interns		90,510	-	-	5,649.96	5,649.96	84,860.04	6%
2	Fringe Benefits		107,831	10,254.47	10,479.71	11,805.06	32,539.24	75,291.76	30%
	Program Fringe Benefits			10,254.47	10,479.71	11,082.46	31,816.64		
	Student Interns Fringe Benefits					722.60	722.60		
3	Operating Expenses		15,629	-	3,909.57	827.99	4,737.56	10,891.44	30%
	Office Supplies	2100	2,887	-	11.95	363.41	375.36	2,511.64	13%
	Communications	2110	1,077	-	-	139.28	139.28	937.72	13%
	Tel Exchange Service	2111	541	-	-	-	-	541.00	0%
	Membership Dues	2000	2,994	-	3,672.43	-	3,672.43	(678.43)	123%
	Auto Mileage-Employees	2301	513	-	-	-	-	513.00	0%
	Other Travel Emp/In-State Travel	2303	2,279	-	-	-	-	2,279.00	0%
	Training & Registration	2467	1,588	-	-	-	-	1,588.00	0%
	Educ Supplies & Courses	2477	1,454	-	-	-	-	1,454.00	0%
	Other Costs	2479	2,296	-	225.19	325.30	550.49	1,745.51	24%
4	Out-of-State Travel		4,000	-	-	-	-	4,000.00	0%
5	Subcontractor Services		400,000	-	-	-	-	400,000.00	0%
1	Bay Area Community Resources	2310	21,130.68	-	-	-	-	21,130.68	0%
2	The Contra Costa Clubhouses, Inc	2310	23,522	-	-	-	-	23,522.00	0%
3	CC Health Svcs Homeless Prog	2310	33,000	-	-	-	-	33,000.00	0%
4	Greater Richmond Interfaith Prog	2310	21,130.66	-	-	-	-	21,130.66	0%
5	Lao Family Community Dev	2310	21,130.66	-	-	-	-	21,130.66	0%
6	Loaves & Fishes of CCC	2310	40,002	-	-	-	-	40,002.00	0%
7	Monument Crisis Center	2310	28,000	-	-	-	-	28,000.00	0%
8	Opportunity Junction, Inc	2310	48,584	-	-	-	-	48,584.00	0%
9	Shelter Inc. of Contra Costa	2310	45,000	-	-	-	-	45,000.00	0%
10	St. Vincent de Paul of Contra Cos	2310	35,000	-	-	-	-	35,000.00	0%
11	STAND! For Families Free of Viol	2310	47,500	-	-	-	-	47,500.00	0%
12	White Pony Express	2310	36,000	-	-	-	-	36,000.00	0%
	Total Program Costs		749,011	22,754.50	27,465.92	32,372.15	82,592.57	666,418.43	11%
	Total Expenditures		850,578	24,540.92	38,395.36	42,003.17	104,939.45	745,638.55	12%
	Prepared: 4/18/2019								

Economic Opportunity Council (EOC) Report					
Weatherization Program					
Year-to-Date Expenditures and Clients Served					
Period: Jan 1, 2019 through March 31, 2019					
1. 2019 LIHEAP WX					
Contract # 19B-5005					
Term: Oct. 1, 2018 - June 30, 2020					
Amount: WX \$585,689					
		YTD		%	
	DESCRIPTION	BUDGET	EXP	BAL	USED
	Intake	\$ 46,855	\$ 15,899	\$ 30,956	34%
	Outreach	29,284	8,784	20,500	30%
	Training & Technical Assistance	29,284	7,032	22,252	24%
	Direct Program Activities	480,266	442,378	37,888	92%
	TOTAL COSTS	\$ 585,689	\$ 474,093	\$ 111,596	81%
		CLIENTS SERVED			
		EAST	CENTRAL	WEST	Total
	Number of Homes Weatherized	19	4	15	38
2. 2019 LIHEAP ECIP/EHA 16					
Contract # 19B-5005					
Term: Oct. 1, 2018 - June 30, 2020					
Amount: EHA \$ 857,676					
		YTD		%	
	DESCRIPTION	BUDGET	EXP	BAL	USED
	Assurance 16 Activities	\$ 195,230	\$ 42,981	\$ 152,249	22%
	Administrative Costs	195,230	42,513	152,717	22%
	Intake	186,887	29,718	157,169	16%
	Outreach	116,804	53,412	63,392	46%
	Training & Technical Assistance	46,722	6,414	40,308	14%
	ECIP Emergency Heating & Cooling Svcs (EHCS)	116,803	7,871	108,932	7%
	TOTAL COSTS	\$ 857,676	\$ 182,910	\$ 674,766	21%
		CLIENTS SERVED			
		EAST	CENTRAL	WEST	Total
	Number of Clients Assisted	565	235	268	1,068
	fn: WX Program-EOC Qtrly Rprt				
	Prepared: April 23, 2019				

Mele T Tupou Lolohea

From: csbgdiv@csd.ca.gov
Sent: Wednesday, April 3, 2019 11:55 AM
To: Mele T Tupou Lolohea
Subject: 2019 CSBG Discretionary Funds

Follow Up Flag: Follow up
Flag Status: Flagged

Good Afternoon CSBG Agencies,

Please see the 2019 CSBG Discretionary Funds Planning Letter included below. Also included for your reference are the allocation spreadsheet and CSD Program Notice CPN-C-16-02.

Please note that the 2019 Discretionary Funding Project Summary is due to CSD on April 12, 2019.

- [2019 CSBG Discretionary Planning Letter](#)
- [2019 CSBG Discretionary Allocation Spreadsheet](#)
- [CPN-C-16-02](#)
- [2019 Discretionary Funding Project Summary](#)

Thank you,

CSD CSBG Staff



LINNÉ K. STOUT
DIRECTOR

State of California-Health and Human Services Agency
DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT
2389 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833
Telephone: (916) 576-7109 | Fax: (916) 263-1406
www.csd.ca.gov



GAVIN NEWSOM
GOVERNOR

April 3, 2019

Dear Executive Director:

The purpose of this letter is to notify your agency that the Department of Community Services and Development (CSD) will release the 2019 Community Services Block Grant (CSBG) discretionary funds as discussed at the quarterly CSBG Advisory Committee Meeting on February 20, 2019. The total discretionary funds available to be distributed is \$1,740,000 with each CSBG agency receiving \$30,000.

The discretionary funds may be used to support the expansion or enhancement of direct service programs and/or agency capacity in the areas of data management and reporting, strategic planning, automation, or resource development. For more information on resource development please refer to the attached CSD Program Notice (CPN-C-16-02).

For planning purposes, this letter serves as CSD's advance notification to assist your agency in securing the necessary board resolution to ensure the timely return of your agency's signed contract. CSD anticipates releasing the contracts in mid-April. The goal is to fully execute all 2019 CSBG Targeted Initiative Discretionary contracts by June 1, 2019 to avoid any potential state budget delays.

In addition, CSD is requesting that you submit a project summary that outlines how your agency anticipates utilizing the discretionary funds. Please complete and return the summary to your assigned field representative by April 12, 2019.

Thank you for your continued commitment to serve low-income families and individuals in your communities. As a "Partner Against Poverty," we value you and your efforts to build economic security for all Californians.

Sincerely,

LINNÉ STOUT

Director

Department of Community Services and Development

Attachments

2019 CSBG DISCRETIONARY CONTRACTS

Agency	Contract #	Amount
Berkeley CAA	19F-4404	30,000
City of Oakland HSD	19F-4405	30,000
Amador-Tuolumne CAA	19F-4406	30,000
Butte Co. CAA	19F-4407	30,000
Calaveras-Mariposa CAA	19F-4408	30,000
Contra Costa	19F-4409	30,000
Del Norte Sr. Ctr.	19F-4410	30,000
El Dorado Co	19F-4411	30,000
Fresno Co. EOC	19F-4412	30,000
Glenn County	19F-4413	30,000
Redwood CAA	19F-4414	30,000
Campesinos Unidos, Inc.	19F-4415	30,000
IMACA	19F-4416	30,000
CAP of Kern	19F-4417	30,000
Kings CAO, Inc.	19F-4418	30,000
North Coast Oppty	19F-4419	30,000
Plumas CO. CDC	19F-4420	30,000
Foothill Unity Center, Inc.	19F-4421	30,000
Long Beach CAP	19F-4422	30,000
L.A. County, Dept of Public Social Svcs	19F-4423	30,000
City of LA, Comm. Devel. Dept. HSNDD	19F-4424	30,000
CAP of Madera County, Inc.	19F-4425	30,000
Comm Action Marin	19F-4426	30,000
Merced Co CAA	19F-4427	30,000
Modoc Siskiyou CAA	19F-4428	30,000
Monterey County Comm. Action Part.	19F-4429	30,000
Community Action of Napa Valley	19F-4430	30,000
Nevada County DHCS	19F-4431	30,000
CAPOC	19F-4432	30,000
Project GO, Inc.	19F-4433	30,000
CAP of Riverside Co	19F-4434	30,000
SETA	19F-4435	30,000
San Benito County Dept. of CSWD	19F-4436	30,000
CAP of San Bernardino County, Inc.	19F-4437	30,000
County of San Diego HHSA, CAP	19F-4438	30,000
Urban Services YMCA	19F-4439	30,000
San Joaquin County Dept. of ACS	19F-4440	30,000
CAP of San Luis Obispo County, Inc.	19F-4441	30,000
San Mateo Co. Human Services Agency	19F-4442	30,000
CAC of Santa Barbara County	19F-4443	30,000
Sacred Heart Community Service	19F-4444	30,000
CAB of Santa Cruz County, Inc.	19F-4445	30,000

2019 CSBG DISCRETIONARY CONTRACTS

Agency	Contract #	Amount
Shasta Co CAA	19F-4446	30,000
CAP Solano, JPA	19F-4447	30,000
CAP of Sonoma Co	19F-4448	30,000
CVOC	19F-4449	30,000
Sutter Co CAA	19F-4450	30,000
Tehama County CAA	19F-4451	30,000
C-SET	19F-4452	30,000
Community Action of Ventura County, Inc.	19F-4453	30,000
Co of Yolo Hlth&Hmn Svc Agency	19F-4454	30,000
Yuba Co. Community Services Commission	19F-4455	30,000
Karuk Tribe of Calif	19F-4456	30,000
NCIDC	19F-4457	30,000
Dept of Workforce Dev Aging & Community	19F-4458	30,000
CHDC	19F-4459	30,000
Proteus	19F-4460	30,000
CET	19F-4461	30,000
Total		1,740,000



LINNÉ K. STOUT
DIRECTOR

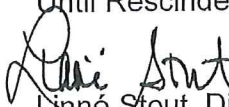
State of California-Health and Human Services Agency
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EDMUND G. BROWN JR.
GOVERNOR

CSD PROGRAM NOTICE - CSBG

CPN-C-16-02

ISSUE DATE May 19, 2016
EXPIRATION DATE Until Rescinded or Revoked
FROM: 
Linné Stout, Director

SUBJECT Allowability of Fund Raising and Resource Development Expenditures

PURPOSE The purpose of this Notice is to provide Contractors with guidelines and standards to determine which, if any, expenses incurred in connection with fund raising and resource development, are allowable under the Community Services Block Grant (CSBG).

SCOPE This Notice is applicable and applies to all CSBG eligible entities and organizations qualified to receive CSBG discretionary funds.

REFERENCE

- CSBG Act, §42 USC 9901 and 9916
- CFR Title 45, Subtitle A, Subchapter A, Part 75 – Uniform Administrative Requirements Cost Principles, Audit, and Administrative Requirements for HHS Awards
- OCS IM 37, “Definitions of CSBG Direct Program and Administrative Costs” section.

EFFECTIVE DATE Upon Issuance

GENERAL

Executive Summary “Fund raising” costs incurred to enhance the programmatic objectives of CSBG, rather than to build or benefit the agency or the organization itself, are considered “resource development” and are allowable expenses that may be charged to the grant.

In determining whether the cost of activities associated with “resource development” are allowable expenses, the intended purpose of solicited funds and their connection to the benefiting program, not the terminology or the manner of solicitation, are determinative.

Background

It is commonly accepted that “fund raising” costs are not allowable expenses under federal grants. The bases for this understanding are the provisions in the OMB Circular Uniform Guidance or “Super Circular” formerly found in Circulars A-87 and A-122.

For example, the Uniform Guidance, § 75.442 “Fund raising and investment management costs” paragraph (a) provides in part:

- (a) Costs of organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions are unallowable. Fund raising costs for the purposes of meeting the Federal program objectives are allowable with prior written approval from the Federal awarding agency. Proposal costs are covered in § 75.460.

Note that certain fund raising costs “for the purpose of meeting the Federal program objectives” are allowable with prior approval of the Federal awarding agency, which would suggest that some “fund raising” costs are recognized to be consistent with program objectives. (See the analysis below for details.)

The CSBG program is unique in several respects. The purposes and objectives of the program, as set out in the Act, provide insight into the allowability of certain costs *akin* to “fund raising.” A primary purpose of the program is to mobilize resources to reduce poverty through “assistance to States and local communities”¹ by “broadening the resource base of programs² to include “private, religious, charitable and neighborhood organizations; and individual citizens, and business, labor and professional groups...”³ These activities, which are not just allowed, but rather are *mandated* by the Act, are deemed “resource development,” endeavors, i.e. identifying, organizing, coordinating and augmenting resources that can be marshaled and expended in support of CSBG Program objectives.

This raises the question, to what extent are these activities distinct from “fund raising,” which in the parlance of the Super Circular involves,

¹ 42 U.S.C 9901 (1)

² *Id.* § 9901 (2) (E)

³ *Ibid.*

“financial campaigns, endowment drives, solicitation of gifts and bequests?” Is it simply a matter of semantics, or are “fund raising” and “resource development” activities inherently different?

An analysis of the legal issues associated with fund raising begins with the Super Circular. The OMB circulars are usually adopted by federal agencies as regulations, and because they are intended to be applied to a diverse array of federal programs dealing with a myriad of economic and social activities and endeavors, cost principles, as an example, are broad in scope. The provisions in a circular may be amended, limited or contradicted by other statutes or regulations.

Analysis

The design of the Super Circular suggests that the greatest weight should be placed on the “Basic Considerations” section of Subpart E – “Cost Principles,” with particular regard to §§ 75.402, 75.403 and 75.404, and that the “selected items” found in the “General Provisions for Selected Items of Cost” are examples of how the OMB interprets the principles to apply to specific items or categories of cost.

Note that Section § 75.420, which states the considerations applicable to the “selected items of cost,” including § 75.442, concerning fund raising, contains the following statement: “In case of a discrepancy between the provisions of a specific Federal award and the provisions below, the Federal award governs. Criteria outlined in § 75.403 must be applied in determining allowability.” Accordingly, the general principles concerning what is an allowable cost and what is not, in conjunction with the Federal program requirements, trump the specific provisions respecting select categories of costs such as fund raising.

The principles set forth in §§ 75.403 and 75.404 for determining the allowability of cost may be summarized as follows. A cost is an allowable expense if it:

- Is necessary and reasonable for the performance of the Federal award
- Does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost
- Is of a type generally recognized as ordinary and necessary for the operation of the program or the proper and efficient performance of the Federal award
- Is consistent with sound business practices and state regulations.

In applying these principles in the Super Circular, the OMB concluded that, as a rule, fund raising *did not* meet these criteria for allowability.

Although the rationale for the “disallowance” of fund raising expenditures was not explained, one might conjecture that the OMB felt that such activity has more to do with the organization or entity than with the program or grant (award) though, as noted above, to the extent such expenditures served a valid program purpose, the Federal awarding agency could authorize the expenditure. This constitutes a change and indicates greater flexibility from the more definitive and restrictive formulation with respect to fund raising in Circulars A-87 and A-122.

So, what kinds of expenditures incurred in connection with fund-generating activities are allowable costs, and under what circumstance may they be charged to the CSBG program?

The resource development purposes of the CSBG program, discussed above, would suggest that the cost of the associated activities may be reimbursed with program funds. This outcome can also be justified through the application of the general cost principles of the OMB Super Circular. It can be argued, for example, that an agency’s fund raising activities in connection with, say, its food bank are necessary and reasonable for the performance of the Federal award, is of a type necessary for the operation of the agency and the proper and efficient performance of the Federal award, all of which are indicators of allowability.

Accordingly, the expenses incurred by an agency to solicit the funds and services described above would be allowable, notwithstanding the fund-raising prohibitions in § 75.442, because of the interconnection between the activities and program objectives, and also because they are incurred specifically for the award. One might rationalize this conclusion by arguing that the activities in question are not “fund raising” within the meaning of § 75.442, but are instead something else, such as, “resource development,” an activity that lies at the heart of CSBG program objectives.

The key distinction, therefore, between allowable “fund-generating” costs and unallowable “fund-generating” costs would seem to be whether the activities are program-centric or organization-centric. The costs of a campaign to raise funds to enhance or benefit the *agency*, as opposed to its *CSBG program operations*, may well fall under the fund-raising disallowance prescriptions of the Super Circular. Accordingly, if the questioned activity is essentially organizational in nature, it may be termed “fund raising” and deemed unallowable, but if the questioned activity is essentially programmatic in nature, it may be termed “fund-generation” or “resource development,” and deemed allowable.

That said, as with many of the expenditures incurred under the CSBG program, costs incurred to address the strategic program purpose of reducing poverty fall within that gray zone between organization and program. In other words, local agencies largely exist to fight poverty and many costs that they incur to that end have both organizational and programmatic qualities and elements, making determinations of allowability challenging.

The federal Office of Community Services (OCS), which administers the CSBG program, has addressed the matter of resource development from a somewhat different perspective, highlighting the programmatic-organizational dichotomy discussed above in terms of the proper characterization of various expenditures or costs. In its Information Memorandum 37 of May 31, 2012, OCS explores the question whether "resource development" is essentially an administrative or a programmatic function and therefore whether the associated costs are appropriately ascribed to one category or the other. OCS reasons that the "coordination of programs," "capacity building," and activities to "enhance and supplement other federally-funded programs" are *programmatic* rather than *administrative* in nature. OCS goes on to say that the key criterion to be used in making these determinations is whether "those expenses relate specifically to a particular program or activity, not to the general administration of the organization."⁴

OCS specifically addresses the matter of the allowability of costs associated with activities that involve "coordinating and enhancing" resources, "expanding services and programs," "developing partnerships" and "the broadening of the resource base of programs," concluding that such activities and related costs are both programmatic and allowable.⁵ Although fund raising is not specifically addressed, it would seem that OCS believes it is the *nature and function* of an activity that matters, not the *label* attached.

The line separating "organizational" and "programmatic" activities and expenditures is sometimes blurred as illustrated by the way the OMB treats proposal writing. Section 75.460 of the Super Circular establishes rules for this particular cost element and provides as follows:

Proposal costs are the costs of preparing bids, proposals, or applications on potential Federal and non-Federal awards or projects, including the development of data necessary to support the non-Federal entity's bids or proposals. Proposal costs of the current accounting period of both successful and unsuccessful bids and proposals normally

⁴ See OCS IM 37, "Definitions of CSBG Direct Program and Administrative Costs" section.

⁵ *Id.* "Allowability of CSBG Expenditures on Coordination and Strengthening Activities" section.

should be treated as indirect (F&A) costs and allocated currently to all activities of the non-Federal entity. No proposal costs of past accounting periods will be allocable to the current period.

The costs associated with bid and proposal activities, typically intended to obtain new or additional grants and awards, are allowable expenses, chargeable as indirect costs, even though they are normally organization-centric. Such activities form a separate category, distinct from organization-centric "fund raising," the costs of which are generally unallowable, and from program-centric "resource development," the costs of which are allowable, if they meet the requirements outlined in this notice. Accordingly, contractors should take care in the way in which fund-generating activities are defined, categorized, conducted and documented.

In sum, "fund raising" costs, incurred by the State or by subgrantees in connection with the CSBG Program, may be deemed allowable expenses, irrespective of the fund raising provisions in § 75.442, provided the expenditures:

- are for the purposes of extending the federal *program objectives*;
- relate specifically to a particular program or activity, *not to the general administration of the organization*;
- are reasonable in nature and amount and would be incurred by a prudent person under the circumstances prevailing at the time the decision to incur the cost was made; and
- are of a type generally recognized as ordinary and necessary for the operation of the program and the performance of the award.

Expenses incurred by eligible entities which further the "resource development" purposes of the CSBG Program as specified in the CSBG Act, are allowable costs if the requirements and standards listed above are met, whether termed "fund raising" activities or something else. The *objective*, rather than label, is determinative, and the prime consideration is whether, in its essence, the activity enhances program objectives as opposed to the general administration of the organization.

GUIDANCE AND DIRECTIVES

- 1.0 The costs associated with fund-generating activities, whether termed "fund-raising," or something else are not allowable expenses under the Uniform Administrative Requirements Cost Principles, Audit, and Administrative Requirements for HHS Awards, the "Super Circular," if the activities consist of

financial campaigns, endowment drives, solicitation of gifts and bequests, and the like, for the purpose of raising capital or obtaining contributions for the agency's general operations, independent of specific program objectives and endeavors.

2.0 The costs associated with CSBG fund-generating activities: 1) that are "resource development" in nature, regardless of the terminology ascribed, and 2) that are programmatic in orientation, rather than organizational, are allowable expenses in whole or in part, provided Contractor establishes that the expenditures:

- Further a specific CSBG program objective;
- Are reasonable in nature and amount and would be incurred by a prudent person acting in the circumstances; and
- Are of a type that is ordinary and necessary for the performance of the CSBG allocation.

3.0 The cost of activities for which reimbursement is sought in accordance with paragraph 2.0 must be reflected in Contractor's community action plan (CAP) and budget, provided however, extraordinary or unanticipated expenditures not reflected in the CAP and budget, that are to be incurred during the contract term, may be reimbursed if Contractor submits its justification for the expenditure to CSD and obtains the Department's prior written approval.