



TO: **CSBG Eligible Entities**

FROM: **Anna Sainsbury, CSBG Contract Manager**  
Bureau of Working Families  
Division of Family and Economic Security  
Department of Children and Families

RE: **CSBG COVID-19 Guidance**

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**CROSS REFERENCES:**

[Executive Order 72](#)  
[Emergency Order #12 Safer At Home Order](#)  
[Wis. Stat. s. 49.265\(1\)\(b\)](#)  
[Wis. Stat. s. 49.265\(4\)\(b\)](#)  
[Wis. Stat. s. 49.265\(4\)\(c\)](#)  
[Coronavirus Aid, Relief, and Economic Security \(CARES\) Act of 2020](#)  
[CSBG Informational Memoranda #154](#)  
[CSBG Informational Memoranda #157](#)  
[CSBG Informational Memoranda #158](#)  
[DCF CSBG Policy and Procedures Manual](#)  
[BWF Work Programs Help Desk Page](#)  
[SPARC](#)  
[DCF Allowable Cost Policy Manual](#)  
[OMB memorandum, M-20-17](#)  
[ACF Information Memorandum IM-ACF-OA-2020-01](#)  
[Bureau of Working Families' Operations Memo 20-09](#)

**RESOURCES:**

[CDC's COVID-19 Site](#)  
[Community Action Partnership's COVID-19 Resource Page](#)  
[CAPLAW's COVID-19 Resource Page](#)  
[NASCSP's COVID-19 Resource Page](#)

**EFFECTIVE DATE:**

Immediately

**PURPOSE**

Many individuals and families, whose employment and ability to meet basic needs has been adversely impacted by the novel coronavirus (COVID-19), are turning to Community Action Agencies (CAAs) for support and resources. The Bureau of Working Families (BWF) has compiled information to summarize the various resources, requirements, and flexibilities that may impact your programs and how you serve your communities.

## ***COVID-19 BACKGROUND***

On March 12, 2020, Governor Tony Evers issued [Executive Order 72](#) declaring a public health emergency due to COVID-19 and directing all state agencies to assist in the state's response to the emergency. On March 24, 2020, Wisconsin was put under a ["Safer At Home"](#) order that directs residents to stay at home and orders all non-essential businesses to close until April 24, 2020. On April 16, 2020 the "Safer At Home" Order was extended to May 26, 2020. On May 13, 2020, the Wisconsin Supreme Court overturned the extension to the Safer at Home order, ending the requirements ordered for the state. In response, some Wisconsin counties and municipalities established local orders to continue Safer at Home rules. The federal government, state government, and local governments are all working together to respond to the public health and economic impacts of COVID-19.

## ***CSBG BACKGROUND AND STATE DISTRIBUTION***

As recipients of Community Services Block Grant (CSBG) funding, CAAs serve as the access point and delivery network for many federal, state, and local programs. In Wisconsin, CSBG funding is administered by BWF.

In accordance with the federal CSBG Act and Wis. Stat. s. [49.265\(1\)\(b\)](#), CSBG funds services for people living at or below 125% of the federal poverty level (FPL). Federal law and Wis. Stat. ss. [49.265\(4\)\(b\)](#) and [49.265\(4\)\(c\)](#) require the state to pass through not less than 90% of CSBG funds to CAAs, retain no more than 5% for state administrative and monitoring activities, and, with remaining (discretionary) funding, fund additional allowable activities such as training and technical assistance, statewide coordination efforts, and grant awards to tribal organizations within the state. Current state allocation methodology directs 4% of this discretionary CSBG funding to Wisconsin's 11 federally recognized Indian Tribes for their Family Services Program, and 1.3% to the Wisconsin Communication Action Program Association (WISCAP), which is the statewide association for Wisconsin's CAAs.

## ***NEW LEGISLATION***

On March 27, 2020, the [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#) was signed into law in response to COVID-19. Among the various programs receiving funding under the CARES Act, \$1 billion has been allocated to CSBG nationwide for "preventing, preparing for, and responding to the coronavirus." The federal Administration of Children and Families (ACF), Office of Community Services (OCS) administers CSBG funds to states to pass through to CAAs and has allocated \$12,165,730 of this funding to Wisconsin. OCS requires the state to use its same distribution formula and has confirmed that the CARES Act funds may be carried over for expenses incurred over the next two federal fiscal years (FFY), through September 30, 2022, with final liquidation of funds by December 30, 2022. The 90% pass-through requirement and 5% cap on state administration are not affected by CARES Act legislation.

On May 13, 2020, Wisconsin received its allocation and final award notice with the terms and conditions of the funding.

## ***REFERENCE TO OCS GUIDANCE***

Guidance from by OCS has been incorporated into the requirements and flexibilities contained herein. Sources of this guidance are largely found in the following three CSBG Informational Memoranda (IM):

- (1) [\*\*IM #154\*\*](#) addresses flexibilities during major disasters. OCS places a high priority on helping CAAs meet the immediate needs of low-income households, including those that may have lost their income due to an event. The IM also specifies that CAAs may modify their Community Action Plans where necessary to free up resources for assistance.
- (2) [\*\*IM #157\*\*](#) provides guidance specific to COVID-19 response, including protecting the health and well-being of staff, ensuring continuity of funding, and flexibility of Community Action Plans and CSBG resources.
- (3) [\*\*IM #158\*\*](#) provides guidance on the distribution of CARES Act funds to CAAs, as well as the submission of an amended CSBG State Plan by DCF. The specific requirements for this amendment will be released by OCS at a future date in the form of an Action Transmittal.

## ***TERMS AND CONDITIONS OF CARES ACT CSBG FUNDS***

### ***RESTRICTIONS AND USE***

CAAs are to abide by state and federal regulations governing grants and human services programs, including federal restrictions on the use of CSBG funds at 42 U.S.C. § 9901 et seq. and 45 C.F.R. Part 96, just as they would for regular CSBG awards. **Further, the CARES Act funds are to be used solely to provide programs and services to help prevent, prepare for, and respond to the coronavirus pandemic.** In order to determine and support qualifying expenses, CAAs will be required to conduct a needs assessment supplement and complete a CSBG application specific to this CARES Act funding on a future date, pending release of OCS' anticipated Action Transmittal. All other restrictions and uses in the [DCF CSBG Policy and Procedures Manual](#) apply.

### ***DATA AND EXPENSE REPORTING***

CAAs must track, account for, and report on this funding separately from regular CSBG contract funding, under direct program and administrative cost SPARC codes unique to this contract. CAAs will complete the CSBG Annual Report and any additional reporting required by DCF or any federal agency pertaining to the CARES Act funds. Progress reports comparing each CAA's projected and actual CARES Act CSBG expenditures and other activities may be required. Additional reporting requirements may include reports on status, actual expenditures, numbers of people served, and outcomes achieved by each program funded by CARES Act CSBG funds, in a format and frequency consistent with DCF's amended CSBG State Plan, which is anticipated to be filed with OCS on or before September 1, 2020. Details and specific requirements will be communicated to CAAs on a future date, pending release of OCS' anticipated Action Transmittal. DCF will communicate with each CAA via email to approve its application and progress reports or request further information.

### ***MONITORING***

If applicable, CAAs will host onsite monitoring visits by DCF's monitoring staff, participate in any requested DCF desk reviews of the CSBG Organizational Standards or other CSBG or CARES Act compliance requests, and cooperate with any Technical Assistance Plans and Quality Improvement Plans assigned by DCF.

## ***EXPENSE REPORTING AND REIMBURSEMENT***

### ***SPARC REPORTING***

DCF COVID-19 resources and updates are available on our [BWF Work Programs Help Desk web page](#). While these resources aren't specific to CSBG, CAAs may find guidance pertaining to other programs administered by BWF, such as Wisconsin Works (W-2). One of these resources is the Guidelines for External Agencies. It contains reminders for what is chargeable to federal grants during this time and SPARC reporting information. Right now, it is "business as usual" for SPARC reporting and reimbursements. Any changes or delays will be posted on the [SPARC webpage](#) banner. Costs are reimbursable/allowable per DCF's [Allowable Cost Policy Manual](#) and the scope and budget of the DCF contract, and any related federal grant guidelines.

In the event the staff assigned to SPARC reporting for an agency is not able to complete their duties, the agency should set-up alternative staff via [DCF's WIEXT ID Set Up Directions page](#). SPARC accountants can assist Agencies with portal data entry, if necessary. Send requests to: [DCFFinanceGrants@wisconsin.gov](mailto:DCFFinanceGrants@wisconsin.gov).

Expenditures under both regular CSBG contracts and CARES Act CSBG contracts should be reported monthly in SPARC on or before the 23<sup>rd</sup> of each month in order to be paid out the last day of the month. CAAs may charge pre-award costs incurred from January 20, 2020, through September 30, 2022. These expenditures should be reported under the following contract and line codes:

| CONTRACT CODE | LINE CODE | DESCRIPTION                                                |
|---------------|-----------|------------------------------------------------------------|
| <b>7008</b>   |           | <b>Regular CSBG Contract</b>                               |
|               | 7006      | CSBG Direct Program Costs                                  |
|               | 7007      | CSBG Administrative Costs                                  |
| <b>7008c</b>  |           | <b>CARES Act CSBG Contract – costs related to COVID-19</b> |
|               | 7006c     | CARES Act CSBG Direct Program Costs                        |
|               | 7007c     | CARES Act CSBG Administrative Costs                        |

### ***DIRECT PROGRAM COSTS***

Direct program costs are those that can be specifically identified with the delivery of a particular program or service under this contract. Activities related to efforts to coordinate and strengthen a range of local programs and services that combat poverty are also direct program costs. While these efforts often entail planning and management functions that are administrative in nature, OCS considers such functions to constitute a core CSBG program purpose and should be tracked as a direct program cost.

### ***ADMINISTRATIVE COSTS***

Administrative costs are equivalent to the familiar concepts of indirect costs or "overhead." As distinguished from program administration or management expenditures that qualify as direct program costs, administrative costs refer to central executive functions that do not directly support a specific project or service. Administrative costs relate to the general management of the agency, such as strategic direction, board development, executive director functions, accounting, budgeting, personnel, procurement, and legal services. All administrative costs charged under the contract must be necessary to accomplish the goals of CSBG.

## **FLEXIBILITIES**

### **SALARIES, WAGES, FRINGE BENEFITS AND LEAVE**

Under the Uniform Guidance, CAAs can charge the cost of employee leave to CSBG or other federal grants so long as the following conditions are met:

- (1) the leave is provided under established written leave policies;
- (2) the costs are equitably allocated to all related activities; and
- (3) the organization uses a consistent accounting basis for costing each type of leave.

The costs must also meet the basic considerations for cost allowability in 45 CFR § 75.402-411, requiring that all costs be necessary, reasonable, and allocable. CAAs should revise or put in place a formal policy that provides for paying staff in light of sick leave, emergency closure, or other reduction in staffing that includes these conditions.

CAAs may not charge any costs to CSBG or other federal grants if:

- (1) these costs have been covered by another source, such as a Paycheck Protection Program loan; or
- (2) there is an absence of work to be performed.

The CARES Act requires employers to provide up to two weeks of paid sick leave to employees forced to miss work for qualifying reasons due to the COVID-19 outbreak. The CARES Act also expands the federal Family and Medical Leave Act (FMLA) by providing paid leave to employees who are unable to work or telework because they are caring for a minor child whose school or childcare provider is closed or unavailable due to a public health emergency.

CAPLAW is the leading expert for CAAs on this topic. The following presentations may be helpful:

- (1) Paid Leave Under COVID-19 Response Act: What CAAs Need to Know [webinar recording](#) and [presentation slides](#)
- (2) CARES Act Loans and Tax Credits for Nonprofit Organizations [webinar recording](#) and [presentation slides](#)

CAPLAW also has a [tip sheet](#) specific to CAAs as employers and service providers.

### **CSBG ORGANIZATIONAL STANDARDS**

CAAs are still required to meet the CSBG Organizational Standards. DCF will provide flexibility where able and on a case-by-case basis. Inquiries should be made in writing to the CSBG Contract Manager.

### **BOARD MEETINGS**

While Wisconsin does not require CAAs to conduct board meetings in person, some agencies may not have the ability to meet virtually or conduct virtual voting activities under their bylaws. CAAs are encouraged to review their bylaws to see what changes can be made in order to continue meeting, voting, reviewing financials, and conducting normal business while social distancing practices are being observed.

### **AUDIT RELIEF GUIDANCE**

Based on the federal audit relief granted by the federal Office of Management and Budget (OMB) and ACF, DCF will extend CAAs' audit submissions as follows:

| <b>Providers</b>       | <b>Fiscal Year Close</b> | <b>Original Due Date</b> | <b>Extension</b> | <b>New Due Date</b> |
|------------------------|--------------------------|--------------------------|------------------|---------------------|
| Single Audit Filer     | June 30, 2020            | March 31, 2020           | 6 months         | Aug 31, 2020        |
| Single Audit Filer     | Dec 31, 2019             | Sept 30, 2020            | 3 months         | Dec 30, 2020        |
| Non-Single Audit Filer | Dec 31, 2019             | July 1, 2020             | 3 months         | Sept 30, 2020       |
| Non-Single Audit Filer | June 30, 2019            | Jan 1, 2020              | 3 months         | March 31, 2020      |

Both OMB and ACF allow grantees/recipients and subrecipients that have not yet filed their single audits with the Federal Audit Clearinghouse as of March 19, 2020, and that have fiscal year-ends through June 30, 2020, to delay the completion and submission of the Single Audit reporting package to six (6) months beyond the normal due date as required under Subpart F of 2 CFR § 200.501/45 CFR §75.501, *audit requirements*. There is no approval required for the extension, however, recipients and subrecipients should maintain documentation of the reason for the delayed filing. See: [OMB memorandum, M-20-17](#) and [ACF Information Memorandum IM-ACF-OA-2020-01](#).

#### ***ELIGIBILITY DETERMINATIONS***

DCF does not have the authority to revise the 125% FPL eligibility threshold in the CSBG Act and Wisconsin Statute, but DCF can revise the documentation required and the calculations used by CAAs to determine eligibility. Consistent with other federal programs, this can be in the form of self-attestations for income (in lieu of pay stubs, for example), especially for particular services like food. CAAs may also implement “presumptive eligibility” determinations when someone who would not otherwise be eligible using previous income because they had a job is now not working and likely will not be returning to work. CAAs may also reduce the time period for which income is collected to lighten the burden on staff and participants alike. Whichever method(s) a CAA decides to use, eligibility screenings must be conducted as part of its client intake process, and the CAA must have written policies and procedures for each program administered with CSBG funds to ensure that these funds are only used to support individuals and families who meet income eligibility requirements.

Consistent with DCF’s Wisconsin Works (W-2) program and outlined in BWF’s [Operations Memo 20-09](#), CAAs are instructed to disregard the \$600 emergency increase in Federal Pandemic Unemployment Compensation (FPUC) benefits as income but count Regular Unemployment Insurance benefits toward gross income testing for determining financial eligibility. In addition, CAAs must count Pandemic Unemployment Assistance (PUA) benefits for individuals not eligible for regular unemployment benefits and Pandemic Emergency Unemployment Compensation (PEUC) benefits for individuals who have exhausted their regular unemployment benefits. COVID-19 Economic Impact Payments (IRS stimulus payments) should not be factored into eligibility determinations.

#### **CONTACT**

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