



To: CSBG Eligible Entities
From: Community Programs Division
Release Date: July 16, 2020
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Subject: PPE and Other Supplies for Community Partners

Program Guidance: CSBG-2020-02

In response to the ongoing COVID-19 pandemic and [guidance](#) from the Office of Community Services (OCS) within the US Department of Health and Human Services (HHS), beginning July 16, 2020 the following guidance is in effect:

PPE and Cleaning Supplies for Community Partners

IHCDA recognizes that across Indiana, there is a need for Personal Protective Equipment (PPE) and Cleaning Supplies for agencies that serve low-income individuals, for both their staff and for the clients they serve. IHCDA also recognizes that CAAs may want to meet that community need by using CSBG CARES Act funds to purchase PPE and cleaning supplies for the agencies they partner with, to help ensure those agencies can continue to serve low-income individuals and families and to provide their services safely.

With the approval of IHCDA's CSBG Manager, CAAs may spend up to 15% of their CSBG CARES Act award on PPE and cleaning supplies to be provided to community partners. Costs in excess of the 15% threshold must be pre-approved by the Director of Community Programs.

If the PPE purchased under this guidance adheres to the following rules/conditions, no written agreement between the CAA and the benefitting agency is required:

- PPE must be intended for use by staff and/or clients of partnering agencies
- The partner agency must be a local unit of government or nonprofit with a mission that aligns with the purposes outlined in the CSBG Act
- Only PPE/cleaning supplies (no additional supplies or funds) are provided to the partner agency
- The PPE/cleaning supplies provided to any individual agency are worth less than \$25,000 total

If direct funding is provided in place of, or in addition to the supplies, or the PPE/cleaning supplies are worth \$25,000 or more, a subcontractor or subgrantee agreement will be required between the CAA and the recipient agency. Likewise, if the intended recipient of supplies is a



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for-profit business, the CAA must have a subcontractor agreement in-place with the entity such that the business agrees to provide CSBG-allowable services for low-income individuals and families.

PPE and Cleaning Supplies for Community Action Agencies

CAAs are more than welcome to use CSBG CARES Act funds to purchase PPE and cleaning supplies for their own agency. If the supplies are intended for their agency in general, the cost must be claimed as a CSBG administrative expense. PPE and cleaning supplies purchased specifically for a CSBG-supported program may be claimed as a CSBG program expense. These expenses are not subject to the 15% threshold set in the previous section.

Food and Other Basic Necessities for Community Partners

In addition to PPE and cleaning supplies, IHCD recognizes a rising need across the state for donations of food and other basic necessities to local food banks and similar organizations. IHCD also understands that CAAs are prepared to help meet that need with CSBG CARES Act funds. If CAAs can identify the increased need as “resulting from COVID-19” in their CARES Act Needs Assessment, they may use CSBG CARES Act funds to meet that need by providing food and other basic necessity supplies to other nonprofits in their communities. If the need was already present prior to COVID-19 and has not changed as a result of the pandemic, the CAA will need to utilize its 2019 CSBG Carryover Funds or 2020 CSBG Funds to address the need.

No matter which CSBG funding source a CAA uses, a subrecipient or subcontractor agreement is required between the CAA and the agency receiving the food or other basic necessities. If any subrecipient or subcontractor agreement is worth \$25,000 or more, it will need IHCD's prior approval.

If a CAA decides to provide these types of supplies to a partner nonprofit, it will need to identify how that nonprofit verifies that it serves individuals and families at or below 200% of the Federal Poverty Level. If the nonprofit does not perform income verification as a part of its services, some other analysis will need to be performed to show that the partner agency is using the supplies to benefit individuals and families at or below 200% of the Federal Poverty Level. If using CARES Act funds, this income verification justification must be provided in the CAA's CARES Act Action Plan.

If a CAA decides to provide food and other basic necessities directly to its clients, rather than to a partner agency and their clients, no agreement or IHCD approval is required. However, some form of income verification or analysis will still be required.

Subgrantee Awards Worth \$25,000 or More

CAAs should be aware that when they provide a subaward to a partner agency for \$25,000 or more, not only do they need IHCD's prior approval, but they will also need to monitor their subgrantee in some way. There is no set requirement for what is covered by a monitoring review, but at the very least the CAA should see supporting documentation that verifies how the funds or supplies that they provided were used.

Please direct all questions regarding this guidance to Veronica Watson at vwatson@ihcda.in.gov.