To: AmeriCorps Grantees

From: John Gomperts, Director of AmeriCorps
Margaret Rosenberry, Director of Grants Management

Subj: Authorization to Use Other Federal Funds as Match

Date: July 25, 2011

Over the past several years, the Corporation has been working with other Federal agencies on written acknowledgements that their grant funds can be used to match specific Corporation grants. Attached are three authorization documents from other agencies identifying circumstances and programs under which their funds could be used as match on AmeriCorps grants.

We are pleased agencies are willing to provide written guidance, but also need to caution you that such approval does not lessen your responsibility to ensure that your specific regional office or grants staff at the other agency is aware that you will use their grants funds to match your specific AmeriCorps program. This is necessary because you must ensure that you will meet the specific purpose and objectives of the other agency’s grant at the same time you meet the objectives of your AmeriCorps grant. Providing your specific grants and/or program staff with copies of the appropriate attached approval letters from their agencies will help them make that determination.

If your agency contact is not willing to use the approval from their Washington office, please contact your grants officer.
Memorandum

To: Bureau Directors
   Contracting and Financial Assistance Agreements Officers

From: Rhea Suh
      Assistant Secretary - Policy, Management and Budget

Subject: Use of Agency Funds as Share of Matching Funds for AmeriCorps Grants and Awards

Background

As a part of Secretary Salazar’s commitment to “employ thousands and thousands of young Americans in the great outdoors and to inspire the next generation of conservation leaders,” the Department of the Interior (DOI) is working with Federal and non-profit partners, including but not limited to the Departments of Labor and Agriculture, the Corporation for National and Community Service (CNCS), the Corps Network, and the Student Conservation Association (SCA), to leverage funding and expand conservation service work opportunities on public lands.

Many service and conservation corps receive support from the CNCS by means of AmeriCorps grants or awards. For thousands of young people serving each year with various service and conservation corps and the SCA, involvement with such programs includes a term of national service funded by an AmeriCorps grant. AmeriCorps grants are required to be matched by other funds. By using federal funds to match AmeriCorps grants, agencies have the potential to expand employment opportunities to engage more young people on our public lands. This effort is particularly important for service and conservation corps partners operating in rural communities where projects with federal agencies, including DOI, can represent a majority of funds available for matching. Federal family collaboration and leveraging of federal funds allow for important conservation projects to be completed efficiently while enabling young people to serve in America’s Great Outdoors and to establish clear pathways to careers in Federal service.

Recently, the CNCS has requested that agencies affirm that their funds may be used as matching funds for AmeriCorps grants and awards to service and conservation corps partners. The purpose of this memorandum therefore is to inform you that financial assistance provided through partnerships with DOI and its component bureaus may be used as required matching funds for the AmeriCorps grants and awards.
Legislative Authorization for AmeriCorps

The enabling legislation for AmeriCorps limits the CNCS share of the costs of carrying out a national service program to 75% of such costs (42 U.S.C. § 12571).\(^1\) The program is authorized to use funds from other sources, including Federal agencies, to cover the remaining share of these costs. According to 42 U.S.C. §12571(e)(2):

In providing for the remaining share of the cost of carrying out a national service program, the program-

A. shall provide for such share through a payment in cash or kind fairly evaluated, including facilities, equipment, or services; and

B. may provide for such share through State sources, local sources, or other Federal sources (other than the use of funds made available under the national service laws).

As such, DOI and its component bureaus may allow use of appropriated assistance funds as matching funds for AmeriCorps grants and awards by service and conservation corps partners, provided that the corps partners' programs are in compliance with current AmeriCorps guidance, and that the grant or award accords with DOI regulations and federal appropriations law.

Any questions regarding this memorandum or the use of agency funds as matching funds for Americorps grants and programs more generally should be directed to Julie Chavez Rodriguez, DOI Youth Director at (202) 208-1508.

\(^1\) This authorization is retained in the Edward M. Kennedy Serve America Act of 2009, the legislation that reauthorizes AmeriCorps. CITE
Use of Administration on Aging Grants Funds to Match AmeriCorps Grants

**Background:** The Administration on Aging has not issued a legal opinion related to the use of its funds to match AmeriCorps grants. Instead, the Corporation received the email below which describes a “Frequently Asked Question” that was posted on the AoA website.

**From:** Kuhn, Deborah B. (AoA/CWCBS) [mailto:DeborahBurns.Kuhn@aoa.hhs.gov]
**Sent:** Wednesday, April 21, 2010 10:36 AM
**To:** Godesky, Douglas
**Cc:** Hornyk, Robert (AoA/CWCBS); Rosenberry, Peg
**Subject:** RE: Inquiry from CNCS Federal Grantee About Using AoA Grant Funds as Match

Doug, after searching my outlook files I can’t find where we ever responded to you on this. Please accept my apologies for the delay. The attached FAQ will be posted to the AoA website within the next few days. Let me know if you have questions.

Best Regards,

Debbie Kuhn

US Administration on Aging
Washington, DC 20201
202/357-3581
Deborahburns.kuhn@aoa.hhs.gov

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**CONTENT OF ATTACHMENT**

- Programs administered by the Corporation for National Community Service (CNCS), e.g., Legacy Corps, now permit applicants to use other sources of Federal funding as match. Does this mean that OAA funds can be used as match?

To maximize flexibility of funding and to enhance services to older adults, Older Americans Act grantees have the option to use III E funds to meet the match requirements for certain programs administered by the National Community Service (CNCS). With this option, the Aging Network is afforded additional opportunities to better meet local home and community service and caregiver needs and further the goals of providing volunteer opportunities to service older adults and their caregivers.

It is imperative to note that 45 CFR Parts 74.23(a) and 92.24(b) do not allow OAA grantees to use any Federal funds (including CNCS funds) to meet the OAA non-Federal share (match) of project expenditures. It is also important to note
that any proposed use of OAA funds (including funds that would be used as match for CNCS programs) must be consistent with the terms and conditions of the grant/contract award, including all applicable Older Americans Act provisions and uniform grant administration rules (45 CFR Parts 74 and 92).

A local provider may only use such funds for allowable services under Title III E, and such services must be part of the overall comprehensive system of services in the planning and service area. (Sec. 303(c)(2)). State and area agencies on aging remain fully responsible for administration and oversight of OAA funds, notwithstanding CNCS’s acceptance of any OAA funds under a grant/contract as cost sharing or matching.

For clarity, the following conditions must be met if OAA funds are to be used to match CNCS funds:

- All specific terms and conditions of the OAA grant;
- The intent of the OAA;
- All applicable Federal, State and local legislation; and
- The Federal agency (CNCS) has the statutory provisions necessary to allow its grantees to count other federal funds as matching contributions for their CNCS project costs.
June 10, 2011

Mr. Robert Velasco II
Chief Executive Officer (Acting)
Corporation for National and Community Service
1201 New York Ave., NW
Washington, DC 20525

Dear Mr. Velasco:

I am writing in response to conversations between members of our staffs regarding allowable use of U.S. Department of Education funds by AmeriCorps grantees across the United States. The Corporation has inquired about the use of Federal funds under a number of the Department’s programs to satisfy cost sharing requirements applicable to AmeriCorps grants. An AmeriCorps grant requires a 50 percent, dollar-for-dollar match, and many grantees have members serving in low-income schools across the country.

Your staff identified the following Federal education programs through which AmeriCorps grantees might receive funds as a direct grantee, as a subgrantee, or under contract with a school district:

- School Improvement Grants under section 1003(g) of the ESEA (20 U.S.C. § 6303(g))
- Race to the Top under section 14006 of the American Recovery and Reinvestment Act of 2009 (ARRA)
- i3 awards under section 14007 of the ARRA
- High School Graduation Initiative under Title I, Part H of the ESEA (20 U.S.C. §§ 6551 et seq.)
- Full Service Community Schools under Title V, Part D, Subpart 1 of the ESEA (20 U.S.C. §§ 7243 et seq.)
- Promise Neighborhoods under Title V, Part D, Subpart 1 of the ESEA (20 U.S.C. §§ 7243 et seq.)
- 21st Century Community Learning Centers under Title IV, Part B of the ESEA (20 U.S.C. §§ 7171 et seq.)

If an AmeriCorps grantee receives funds under one or more of these programs, you asked whether it would be an allowable program cost if the AmeriCorps grantee uses such funds to meet the required cost share under its AmeriCorps grant. As we explain below, we believe that it...
is allowable to use funds under these programs to satisfy the AmeriCorps cost sharing requirement.

The listed programs are governed by one of two Office of Management and Budget (OMB) cost circulars, each of which speaks to the use of Federal grant funds to meet a cost sharing requirement of another Federal grant. *OMB Circular A-87 Cost Principles for State, Local, and Indian Tribal Governments,*¹ Attachment A, Section C.1.h, now codified at 2 C.F.R. Part 225, Appendix A, provides that Federal funds may not “be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation” (emphasis added). The same requirement is set out in *OMB Circular A-122 Cost Principles for Non-Profit Organizations,*² Attachment A, Section A.2.f, now codified at 2 C.F.R. Part 230, Appendix A, but does not contain the italicized exception regarding specific statutory or regulatory authorization.

We examined the statutory and regulatory authorities relevant to the programs listed above to determine whether there is specific authority to permit, or an explicit prohibition against, the use of those funds to meet a cost sharing requirement of another Federal statute. Except for the prohibition in Circular A-122 discussed below, none of the statutes or regulations applicable to the listed programs specifically authorizes such use or expressly prohibits such use. As you know, however, section 121(e)(2) of the National and Community Service Act authorizes an AmeriCorps grantee or subgrantee to provide for the required cost share “through State sources, local sources, or other Federal sources (other than the use of funds made available under the national service laws)” (emphasis added).

With respect to the programs listed above that are subject to Circular A-87, funds under those programs may be used to satisfy the AmeriCorps cost sharing requirement because the AmeriCorps statute specifically provides for such a use. The language of section 121(e)(2) satisfies the requirement in Circular A-87 that Federal grant funds may be used to meet the cost sharing requirement of another Federal grant if expressly provided by statute or regulation.

The issue is more difficult with respect to the programs listed above governed by Circular A-122, however, because there is a contradiction between the AmeriCorps statute (which allows other Federal funds to be used to satisfy the cost sharing requirement) and Circular A-122 (which appears to preclude the use of Federal funds to satisfy cost sharing requirements in all circumstances). To the extent that these provisions are inconsistent, the statute must control over a contradictory regulatory requirement in the Circular. Because there is specific statutory authority allowing funds from “other Federal sources” to be used to satisfy the cost sharing requirement in the AmeriCorps statute, we believe that the statutory language controls over any contradictory language in the Circular that would preclude the use of Federal education funds for

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¹ Circular A-87 applies to Title I, Part A, School Improvement Grants, Race to the Top, and the High School Graduation Initiative. It also applies to Title III, Full Service Community Schools, and 21st Century Community Learning Centers if the grantee or subgrantee is an SEA or LEA.

² Circular A-122 applies to Promise Neighborhoods as well as Title III, Full Service Community Schools, and 21st Century Learning Centers if the grantee or subgrantee is not an SEA or LEA.
that purpose. Therefore, it is our view that it also would be allowable under the programs listed above that are subject to Circular A-122’s regulatory requirements to use those funds to satisfy the cost sharing requirement in the AmeriCorps statute.

Accordingly, we conclude that it would be allowable for an AmeriCorps grantee to use funds under one or more of the education programs listed above to meet the AmeriCorps cost sharing requirement. Of course, the activities for which those funds are used must be allowable under the applicable Federal education program statute and regulations. We take no position on whether using Federal education funds to meet the AmeriCorps cost sharing requirement would be considered permissible by the Corporation for National and Community Service or whether the specific activities undertaken by an AmeriCorps grantee are allowable under the listed programs.

Please let me know if I can be of further assistance.

Sincerely,

Carmel Martin
Assistant Secretary for Planning, Evaluation and Policy Development