

September 22, 1998

ALABAMA CDBG INTERGOVERNMENTAL  
POLICY LETTER NUMBER 24

TO: Persons Interested in State  
CDBG Program

FROM: Jean D. Davis  
Chief, Community and Economic  
Development Division

SUBJECT: Payment for Local Government Employee's Time or  
Equipment Used with CDBG Funds

Title I of the Housing and Community Development Act of 1974, as amended, Section 101(c)(9) states:

It is the intent of Congress that the Federal assistance made available under this Title not be utilized to reduce substantially the amount of local financial support for community development activities below the level of support prior to the availability of such assistance.

Consequently, it is the State's policy that work performed by local government staff, whether administrative or construction, may not be paid with CDBG funds. Local government staff time, or equipment usage as appropriate, may be counted as local match when properly documented, included in the budget, and approved by the State.

An exception to payment for local government staff time or equipment usage with CDBG funds might be a unit of government with full time community development staff and a cost allocation plan approved by the State. A case by case determination will be required.

This policy is effective immediately.