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.