

Training for Tomorrow

Question: When is equipment purchase an eligible activity that may use CDBG funds?

- Generally, the purchase of equipment is not an eligible cost for Community Development Block Grant funds.
- The exception is when the equipment is **directly and integrally** related to the **activity that is funded**.
- In this case, the activity that is funded is **Planning and Capacity Building**.
- So, equipment **directly and integrally related to the Planning and Capacity Building** efforts is eligible.
- Equipment purchased to facilitate the implementation of the plan or new capacity is not eligible.

Why?

The CDBG program requires that all funds used meet both a “National Objective” and an “eligible Activity”. In this case, the supplemental allocation of funding provided that planning and capacity building was an eligible activity and that it is presumed by statute (since we are working after a disaster) to meet the “National Objective of Low and Moderate Income Benefit”. If we move off of that activity, we lose our presumption of meeting the “National Objective”. If that were the case, then we would be restricted to only offering this funding in areas that served 51% low and moderate income persons, which would limit our ability to provide the funding to most of the Community Colleges in the State.

Eligible examples:

- The capacity building requires the staff or instructors of the Community College to learn how to use a piece of equipment to teach or deliver a new curriculum.

Non-eligible examples:

- General classroom equipment is not eligible.
- Bricks and mortar improvements to classrooms.