

section (a) of this section shall retain its religious character and control over the definition, development, practice, and expression of its religious beliefs.

**(2) Additional safeguards**

Neither the Federal Government nor a State or local government shall require a religious organization—

(A) to alter its form of internal governance, except (for purposes of administration of the community services block grant program) as provided in section 9910 of this title; or

(B) to remove religious art, icons, scripture, or other symbols;

in order to be eligible to provide assistance under a program described in subsection (a) of this section.

**(3) Employment practices**

A religious organization's exemption provided under section 2000e-1 of this title regarding employment practices shall not be affected by its participation in, or receipt of funds from, programs described in subsection (a) of this section.

**(c) Limitations on use of funds for certain purposes**

No funds provided directly to a religious organization to provide assistance under any program described in subsection (a) of this section shall be expended for sectarian worship, instruction, or proselytization.

**(d) Fiscal accountability**

**(1) In general**

Except as provided in paragraph (2), any religious organization providing assistance under any program described in subsection (a) of this section shall be subject to the same regulations as other nongovernmental organizations to account in accord with generally accepted accounting principles for the use of such funds provided under such program.

**(2) Limited audit**

Such organization shall segregate government funds provided under such program into a separate account. Only the government funds shall be subject to audit by the government.

**(e) Treatment of eligible entities and other intermediate organizations**

If an eligible entity or other organization (referred to in this subsection as an "intermediate organization"), acting under a contract, or grant or other agreement, with the Federal Government or a State or local government, is given the authority under the contract or agreement to select nongovernmental organizations to provide assistance under the programs described in subsection (a) of this section, the intermediate organization shall have the same duties under this section as the government.

(Pub. L. 97-35, title VI, § 679, as added Pub. L. 105-285, title II, § 201, Oct. 27, 1998, 112 Stat. 2749.)

PRIOR PROVISIONS

A prior section 679 of Pub. L. 97-35 was classified to section 9908 of this title, prior to the general amendment of this chapter by Pub. L. 105-285.

**§ 9921. Discretionary authority of Secretary**

**(a) Grants, contracts, arrangements, loans, and guarantees**

**(1) In general**

The Secretary shall, from funds reserved under section 9903(b)(3) of this title, make grants, loans, or guarantees to States and public agencies and private, nonprofit organizations, or enter into contracts or jointly financed cooperative arrangements with States and public agencies and private, nonprofit organizations (and for-profit organizations, to the extent specified in paragraph (2)(E)) for each of the objectives described in paragraphs (2) through (4).

**(2) Community economic development**

**(A) Economic development activities**

The Secretary shall make grants described in paragraph (1) on a competitive basis to private, nonprofit organizations that are community development corporations to provide technical and financial assistance for economic development activities designed to address the economic needs of low-income individuals and families by creating employment and business development opportunities.

**(B) Consultation**

The Secretary shall exercise the authority provided under subparagraph (A) after consultation with other relevant Federal officials.

**(C) Governing boards**

For a community development corporation to receive funds to carry out this paragraph, the corporation shall be governed by a board that shall consist of residents of the community and business and civic leaders and shall have as a principal purpose planning, developing, or managing low-income housing or community development projects.

**(D) Geographic distribution**

In making grants to carry out this paragraph, the Secretary shall take into consideration the geographic distribution of funding among States and the relative proportion of funding among rural and urban areas.

**(E) Reservation**

Of the amounts made available to carry out this paragraph, the Secretary may reserve not more than 1 percent for each fiscal year to make grants to private, nonprofit organizations or to enter into contracts with private, nonprofit or for-profit organizations to provide technical assistance to aid community development corporations in developing or implementing activities funded to carry out this paragraph and to evaluate activities funded to carry out this paragraph.

**(3) Rural community development activities**

The Secretary shall provide the assistance described in paragraph (1) for rural community development activities, which shall include providing—

(A) grants to private, nonprofit corporations to enable the corporations to provide

assistance concerning home repair to rural low-income families and concerning planning and developing low-income rural rental housing units; and

(B) grants to multistate, regional, private, nonprofit organizations to enable the organizations to provide training and technical assistance to small, rural communities concerning meeting their community facility needs.

**(4) Neighborhood innovation projects**

The Secretary shall provide the assistance described in paragraph (1) for neighborhood innovation projects, which shall include providing grants to neighborhood-based private, nonprofit organizations to test or assist in the development of new approaches or methods that will aid in overcoming special problems identified by communities or neighborhoods or otherwise assist in furthering the purposes of this chapter, and which may include providing assistance for projects that are designed to serve low-income individuals and families who are not being effectively served by other programs.

**(b) Evaluation**

The Secretary shall require all activities receiving assistance under this section to be evaluated for their effectiveness. Funding for such evaluations shall be provided as a stated percentage of the assistance or through a separate grant awarded by the Secretary specifically for the purpose of evaluation of a particular activity or group of activities.

**(c) Annual report**

The Secretary shall compile an annual report containing a summary of the evaluations required in subsection (b) of this section and a listing of all activities assisted under this section. The Secretary shall annually submit the report to the Chairperson of the Committee on Education and the Workforce of the House of Representatives and the Chairperson of the Committee on Labor and Human Resources of the Senate.

(Pub. L. 97-35, title VI, §680, as added Pub. L. 105-285, title II, §201, Oct. 27, 1998, 112 Stat. 2750.)

PRIOR PROVISIONS

A prior section 680 of Pub. L. 97-35 was classified to section 9909 of this title, prior to the general amendment of this chapter by Pub. L. 105-285.

CHANGE OF NAME

Committee on Labor and Human Resources of Senate changed to Committee on Health, Education, Labor, and Pensions of Senate by Senate Resolution No. 20, One Hundred Sixth Congress, Jan. 19, 1999.

PROCEDURES TO PERMIT GRANT FUNDS OR INTANGIBLE PROPERTY ACQUIRED BY GRANT FUNDS TO BECOME SOLE PROPERTY OF GRANTEEES

Pub. L. 112-74, div. F, title II, Dec. 23, 2011, 125 Stat. 1078, provided in part: "That the Secretary [of Health and Human Services] shall establish procedures regarding the disposition of intangible assets and program income that permit such assets acquired with, and program income derived from, grant funds authorized under section 680 of the CSBG Act [Community Services Block Grant Act, 42 U.S.C. 9921] to become the sole

property of such grantees after a period of not more than 12 years after the end of the grant period for any activity consistent with section 680(a)(2)(A) of the CSBG Act [42 U.S.C. 9921(a)(2)(A)]: *Provided further*, That intangible assets in the form of loans, equity investments and other debt instruments, and program income may be used by grantees for any eligible purpose consistent with section 680(a)(2)(A) of the CSBG Act: *Provided further*, That these procedures shall apply to such grant funds made available after November 29, 1999".

Similar provisions were contained in the following prior appropriation acts:

- Pub. L. 111-117, div. D, title II, Dec. 16, 2009, 123 Stat. 3251.
- Pub. L. 111-8, div. F, title II, Mar. 11, 2009, 123 Stat. 775.
- Pub. L. 110-161, div. G, title II, Dec. 26, 2007, 121 Stat. 2180.
- Pub. L. 109-149, title II, Dec. 30, 2005, 119 Stat. 2855.
- Pub. L. 108-447, div. F, title II, Dec. 8, 2004, 118 Stat. 3134.
- Pub. L. 108-199, div. E, title II, Jan. 23, 2004, 118 Stat. 249.
- Pub. L. 108-7, div. G, title II, Feb. 20, 2003, 117 Stat. 319.
- Pub. L. 107-116, title II, Jan. 10, 2002, 115 Stat. 2196.
- Pub. L. 106-554, §1(a)(1) [title II], Dec. 21, 2000, 114 Stat. 2763, 2763A-23.
- Pub. L. 106-113, div. B, §1000(a)(4) [title II], Nov. 29, 1999, 113 Stat. 1535, 1501A-235.

**§ 9922. Community food and nutrition programs**

**(a) Grants**

The Secretary may, through grants to public and private, nonprofit agencies, provide for community-based, local, statewide, and national programs—

- (1) to coordinate private and public food assistance resources, wherever the grant recipient involved determines such coordination to be inadequate, to better serve low-income populations;
- (2) to assist low-income communities to identify potential sponsors of child nutrition programs and to initiate such programs in underserved or unserved areas; and
- (3) to develop innovative approaches at the State and local level to meet the nutrition needs of low-income individuals.

**(b) Allotments and distribution of funds**

**(1) Not to exceed \$6,000,000 in appropriations**

Of the amount appropriated for a fiscal year to carry out this section (but not to exceed \$6,000,000), the Secretary shall distribute funds for grants under subsection (a) of this section as follows:

**(A) Allotments**

From a portion equal to 60 percent of such amount (but not to exceed \$3,600,000), the Secretary shall allot for grants to eligible agencies for statewide programs in each State the amount that bears the same ratio to such portion as the low-income and unemployed population of such State bears to the low-income and unemployed population of all the States.

**(B) Competitive grants**

From a portion equal to 40 percent of such amount (but not to exceed \$2,400,000), the Secretary shall make grants on a competi-