



THE DIRECTOR

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

October 7, 2009

M-10-02

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Peter R. Orszag  
Director

SUBJECT: Guidance on section 163 of the Continuing Resolution regarding the Association of Community Organizations for Reform Now (ACORN)

This memorandum provides guidance to Executive Branch agencies regarding the implementation of section 163 of the Continuing Appropriations Resolution, 2010, Division B of Pub. L. No. 111-68 (CR), which states:

SEC. 163. None of the funds made available by this joint resolution or any prior Act may be provided to the Association of Community Organizations for Reform Now (ACORN), or any of its affiliates, subsidiaries, or allied organizations.

Your agency must immediately commence all necessary and appropriate steps to comply with section 163. This includes the following:

- **No future obligations of funds.** No agency or department should obligate or award any Federal funds to ACORN or any of its affiliates, subsidiaries or allied organizations (collectively "affiliates") during the period of the CR. To the extent your agency already has determined that funds should be obligated or awarded to ACORN or its affiliates but has not yet entered into any agreement to provide such funds to ACORN or any of its affiliates, your agency should not provide such funds, or enter into any such agreements to do so. As section 163 makes clear, its prohibition applies not only to the funding that is made available by the CR, but also to the funding that was made available by previously enacted statutes. In addition, the text of section 163 is sufficiently broad to cover funding that was made available for fiscal year (FY) 2009 and prior fiscal years, as well as funding that is or will be made available for FY10.
- **Suspension of grant and contractual payments.** If your agency has an existing contract or grant agreement with ACORN or its affiliates, the agency should: (i) where permissible, immediately suspend performance of any obligations under the contract or agreement, including payment of Federal funds; and (ii) consult promptly with the agency's general counsel and, if necessary, the Office of Management and Budget

(OMB) and the Department of Justice concerning the legal considerations that bear on the performance of such obligations under the existing contract or agreement.

- ***No funding of ACORN and its affiliates through Federal grantees or contractors.***

Your agency should take steps so that no Federal funds are awarded or obligated by your grantees or contractors to ACORN or its affiliates as subgrantees, subcontractors, or other subrecipients. Because section 163 states that “[n]one of the funds . . . may be provided,” this prohibition applies not only to a direct recipient of Federal funds but also to a subrecipient (e.g., a subcontractor, subgrantee, or contractor of a grantee). We recommend that your agency:

- notify all Federal grant and contract recipients of the prohibition contained in section 163, and provide them with a copy of this guidance document; and
- advise all Federal grant and contract recipients (a) not to provide Federal funds to ACORN or its affiliates as subgrantees, subcontractors or other subrecipients, consistent with this guidance, and (b) to notify your agency of any existing subgrants, subcontracts or other subrecipient agreements with ACORN or its affiliates and of how the grantee or contractor is planning to comply with the prohibition with respect to those subgrants, subcontracts or subrecipient agreements.

If you have any questions concerning this memorandum, please contact Preeta D. Bansal, OMB General Counsel and Senior Policy Advisor, at [OGC@omb.eop.gov](mailto:OGC@omb.eop.gov).



**FEMA**

**Grant Programs Directorate  
Information Bulletin No. 334  
October 16, 2009**

**TO:** All State Administrative Agencies  
All Urban Area Security Initiative Points of Contact  
All State Homeland Security Directors  
All State Emergency Management Agency Directors  
All Tribal Nation Points of Contact

**FROM:** Timothy W. Manning  
Deputy Administrator  
National Preparedness  
Federal Emergency Management Agency

**SUBJECT:** Guidance on Providing Grant Funds to the Association of Community Organizations for Reform Now (ACORN)

Per the direction of the Executive Office of the President, Office of Management and Budget, all Federal grant and contract recipients are hereby informed of section 163 of the Continuing Appropriations Resolution, 2010, Division B of Public Law Number 111-68 (CR). Section 163 states, "None of the funds made available by this joint resolution or any prior Act may be provided to the Association of Community Organizations for Reform Now (ACORN), or any of its affiliates, subsidiaries, or allied organizations."

This Information Bulletin serves to notify all Federal grant and contract recipients that they are prohibited from obligating, awarding, or otherwise providing any Federal funds to the ACORN or any of its affiliates, subsidiaries, or allied organizations (collectively "affiliates," of which this also applies to subgrantees, subcontractors, or other subrecipients). This guidance also applies to any funding that was made available for Fiscal Year 2009 as well as in prior fiscal years.

If any Federal grant or contract funds have been awarded or otherwise provided to ACORN or its affiliates, such awarding grantees or contractors are required to notify the above-signed with respect to how the awarding grantee or contractor is planning to comply with the prohibition with respect to those subgrants, subcontracts, or subrecipient agreements.

Any questions or concerns regarding this matter should be directed to your appropriate Federal Emergency Management Agency Grant Programs Directorate Analyst, or to your Regional Program Analyst.

Enclosure: Guidance on section 163 of the Continuing Resolution regarding the Association of Community Organizations for Reform Now (ACORN)