

Section 1

Designation of Lead Agency and Official State Designation Letter

Narrative State Community Services Block Grant Plan and Application
FY 2016-2017 STATE PLAN AND APPLICATION

I. This State Plan and Application will cover Federal fiscal years 2016 and 2017.

II. Letter of Transmittal

A cover letter is included with the final plan and will be submitted to the Office of Community Services (HHS/OCS) by September 1, 2015. The letter is addressed to the OCS Director and includes the State CSBG official who is to receive the CSBG Grant Award with complete address, telephone, email address and fax number.

III. Executive Summary

The State of Arkansas hereby submits the Community Services Block Grant State Plan and Application for Fiscal Years 2016-2017. This plan contains the necessary provisions, which adequately describe the programs for which assistance is sought under this subtitle, and which are consistent with the requirements of the CSBG Act.

A. CSBG State Legislation

The State of Arkansas' statutory authority for the Community Services Block Grant Program is the "Community Service and Community Action Program Act of 1985" (Act 345). See Section Two for the State Legislation. Through this Act, the Arkansas Legislature institutionalized the Community Services Program and determined that it will be carried out primarily through the Arkansas Community Action Agencies. The Act also determined service areas of these agencies to include all seventy-five counties and mandated 90 percent pass through of CSBG funds to these agencies. The Act limits state administrative expenditures of CSBG funds to five percent; the remaining five percent will be used as discretionary funds. The types of community services provided are consistent with requirements of the CSBG Federal Act.

B. Designation of Lead State Agency

Section 676(a) of the Community Services Block Grant Act, as amended (42 U.S.C. 9901, et seq.) (The Act), requires the Chief Executive of each State to designate an appropriate State agency to act as lead agency for administration of the Community Services Block Grant.

Under the Federal law referenced above, the Arkansas Department of Human Services, Division of County Operations, Office of Community Services is designated as the State department responsible for administering the Community Services Block Grant in Arkansas. The Assistant Director of the Arkansas Office of Community Services is the State official designated to sign assurances and receive the grant award.

Section 2

State Legislation and Regulation

State of Arkansas
75th General Assembly
Regular Session, 1985
By: Senator Hardin

ACT 345 1985
A BILL

SENATE BILL 348

For An Act To Be Entitled

1 "THE COMMUNITY SERVICES AND COMMUNITY ACTION PROGRAM ACT OF
2 1985; TO RECOGNIZE COMMUNITY ACTION ORGANIZATIONS OPERATING
3 WITHIN THE STATE AND VARIOUS PROGRAMS ADMINISTERED BY SUCH
4 AGENCIES; TO DEFINE OPERATIONAL JURISDICTIONS OF COMMUNITY
5 ACTION AGENCIES; TO PRESCRIBE PROCEDURES FOR THE ALLOCATION
6 AND EXPENDITURE OF FUNDS APPROPRIATED TO THE DIVISION OF
7 COMMUNITY SERVICES FOR THE PROGRAM; TO REQUIRE THAT FUNDS
8 RECEIVED BY THE STATE FROM THE FEDERAL GOVERNMENT UNDER THE
9 COMMUNITY SERVICES BLOCK GRANT BE DISTRIBUTED TO THOSE
10 NON-PROFIT ORGANIZATIONS WHICH ARE DEFINED AS COMMUNITY
11 ACTION AGENCIES BY ACT 477 OF 1977 AND THE COMMUNITY SERVICES
12 BLOCK GRANT ACT OF 1981; AND FOR OTHER PURPOSES."

14 WHEREAS, community action organizations have been organized and are
15 operational as non-profit corporations serving the low-income citizens of
16 Arkansas; and

17 WHEREAS, such agencies have been, and are now, providing human services
18 in such fields as aging, health, transportation, nutrition, housing, home
19 weatherization, developmental child care, family planning and other related
20 activities which the General Assembly considers as vital to the well-being of
21 lower-income persons of the State,

22
23 NOW THEREFORE,

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

25
26 SECTION 1. (a) This Act shall be known as the "Community Service and
27 Community Action Program Act of 1985". The purpose of this Act is to
28 encourage non-profit community action organizations which have been formed to
29 provide basic and essential human services to low-income and elderly citizens
30 of Arkansas in the areas of health, transportation, housing, home repair and

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1 weatherization, aging programs and aging alternatives to institutionalization,
2 developmental child care and enrichment, youth opportunity programs, low
3 income home energy assistance programs, and other related activities which the
4 General Assembly recognizes as beneficial to a large number of Arkansas citi-
5 zens. In furtherance of the purposes of this Act, the General Assembly hereby
6 recognizes community action organizations in their efforts to provide services
7 beneficial to low-income citizens of this State, and establishes a program of
8 financial assistance to recognized Community Action Agencies to enable them to
9 continue and expand such aforementioned activities and programs.

10 (b) It is further the purpose of this Act to encourage and promote the
11 operations and activities of Community Action Agencies whether such activities
12 are conducted by one Agency or by two or more cooperating Agencies.

13
14 SECTION 2. (a) The General Assembly of the State of Arkansas hereby
15 recognizes as Community Action Agencies and their jurisdiction, the following
16 nineteen (19) existing community action organizations:

17 (1) Arkansas River Valley Council consisting of Franklin, Scott, Yell,
18 Johnson, Pope, Conway, Perry, Logan and Polk Counties;

19 (2) Black River Area Development Corporation, consisting of Randolph,
20 Clay and Lawrence Counties;

21 (3) Central Arkansas Development Council, consisting of Saline, Hot
22 Spring, Clark, Pike and Montgomery Counties;

23 (4) Community Action Program for Central Arkansas, consisting of White,
24 Faulkner and Cleburne Counties;

25 (5) Crowley's Ridge Development Council, Inc., consisting of Craighead,
26 Greene, Jackson and Poinsett Counties;

27 (6) Crawford-Sebastian Community Development Council, Inc., consisting
28 of Crawford and Sebastian Counties;

29 (7) Community Services Office, Inc., consisting of Garland County;

30 (8) East Central Arkansas Economic Opportunity Corporation, consisting
31 of Cross, St. Francis, Woodruff, Crittenden and Lee Counties;

32 (9) Economic Opportunity Agency of Pulaski County, consisting of Pulaski
33 and Lonoke Counties;

34 (10) Economic Opportunity Agency of Washington County, consisting of
35 Washington County;

36 (11) Mississippi County, Arkansas Economic Opportunity Commission, Inc.

President of the Senate

S.B.

1 consisting of Mississippi County;

2 (12) Mid-Delta Community Services, Inc., consisting of Phillips, Monroe
3 and Prairie Counties;

4 (13) Northcentral Arkansas Development Council, consisting of Fulton,
5 Izard, Sharp, Stone and Independence Counties;

6 (14) Office of Human Concern, consisting of Benton, Carroll and Madison
7 Counties;

8 (15) Ozark Opportunities, Inc., consisting of Van Buren, Searcy, Boone,
9 Marion, Baxter and Newton Counties;

10 (16) Pine Bluff-Jefferson County Economic Opportunities Commission,
11 Inc., consisting of Jefferson, Grant, Arkansas, Lincoln and Cleveland
12 Counties;

13 (17) South Central Community Action Authority, consisting of Ouachita,
14 Columbia, Calhoun, Dallas and Union Counties;

15 (18) Southeast Arkansas Community Action Corporation, consisting of
16 Bradley, Drew, Desha, Ashley and Chicot Counties; and

17 (19) Southwest Arkansas Development Council, Inc., consisting of Little
18 River, Hempstead, Miller, Lafayette, Howard, Sevier and Nevada Counties.

19 (b) The Department of Human Services, Division of Community Services is
20 hereby authorized to change the boundaries and the number of officially
21 recognized Community Action Agencies, provided that concurrence therein is
22 obtained of the governing boards of each of the affected existing Agencies as
23 recognized in subsection (a) of this Section.

24 (c) Nothing in this Act is intended to change or in any way conflict
25 with the status, boundaries, or functions of regional or metropolitan planning
26 commissions or councils of governments established under Act 26 of 1955 (Ark.
27 Stats. Ann. 19-2820 through 19-2824), as amended, nor the status, boundaries,
28 and functions of Planning and Development Districts as established and
29 recognized under Act 118 of 1969 (Ark. Stats. Ann. 9-324 through 9-328), as
30 amended.

31
32 SECTION 3. (a) The governing boards of directors of the nineteen (19)
33 existing community action organizations are recognized as the representative
34 organizations of the Community Action Agencies as recognized in Section 2 (a)
35 of this Act.

36 (b) The Department of Human Services, Division of Community Services is

1 hereby authorized, whenever Agency boundaries have been changed in accordance
 2 with Section 2 (b), to recognize the representative organizations of the new
 3 Community Action Agencies.

4 (c) In order to qualify for recognition and further benefits under this
 5 Act, a Community Action Agency shall have been organized and constituted under
 6 the provisions of the Community Service Block Grant Act of 1981, and shall
 7 have a governing board whose members are elected, and are representatives of
 8 specific community interests in accordance with the Community Service Block
 9 Grant Act of 1981.

10

11 SECTION 4. The Governor shall appoint a nine person Community Services
 12 Advisory Board to advise him and make recommendations to him concerning mat-
 13 ters affecting low-income persons in the State. The Board shall provide to
 14 the Governor an annual report on poverty conditions in the State. Board mem-
 15 bers shall serve terms concurrent with the Governor's term of office. The
 16 Board shall be made up as follows:

17 (1) Three (3) Executive Directors of Community Action Agencies, one of
 18 whom must be the President of the Arkansas Community Action Agencies
 19 Association;

20 (2) Three (3) members from the Boards of Directors of Community Action
 21 Agencies;

22 (3) Three (3) members from the public who have received assistance or
 23 services from the Community Action Agencies;

24 (4) The Director of the Division of Community Services shall serve as an
 25 ex-officio member of the Board.

26 The Board shall elect a chairperson and other officers it deems
 27 necessary. The Board shall meet at the call of the Chairperson but no less
 28 than quarterly. The Division of Community Services shall provide technical
 29 assistance and reimbursement for the expenses of the Board.

30

31 SECTION 5. (a) The Department of Human Services, Division of Community
 32 Services, is hereby authorized to make payments from time to time to offi-
 33 cially recognized organizations of Community Action Agencies from State funds
 34 appropriated for such purpose. Payments shall be scheduled to begin as nearly
 35 as possible on July 1 of each fiscal year and on the first day of each calen-
 36 dar quarter thereafter.

Charles E. Rogers

H. Gary Landrum

1 (b) Funds appropriated for payments to such organizations of Community
 2 Action Agencies shall be allocated on the basis of equitable criteria
 3 established by the Department of Human Services, Division of Community
 4 Services based upon application for programs.

5 (c) If, in the future, any change occurs in the jurisdictions of any of
 6 the officially recognized nineteen (19) Community Action Agencies, as
 7 authorized in Section 2 (b) of this Act, the first allocation of appropriated
 8 funds to the former Agency or Agencies, which comprise counties reorganized
 9 under the jurisdiction of a newly recognized Agency, shall be apportioned to
 10 the new Agency or Agencies in accordance with equitable criteria established
 11 by the Department of Human Services, Division of Community Services.

12 (d) At least ninety percent (90%) of the funds received and appropriated
 13 by the State from the United States Government under the Community Services
 14 Block Grant shall be allocated to Community Action Agencies, as defined in
 15 this Act, under a formula to be determined by the Department of Human
 16 Services, Division of Community Service, which is hereby designated as the
 17 disbursing agency for Community Services Block Grant funds. The powers of
 18 every Community Action Agency governing board shall include the power to
 19 appoint persons to senior staff positions to determine major personnel,
 20 fiscal, and program policies to approve overall program plans and priorities,
 21 and to assure compliance with conditions of and approve proposals for finan-
 22 cial assistance under this Act. No more than five percent (5%) of the
 23 Community Services Block Grant may be used by the disbursing agency for admi-
 24 nistrative purposes. Any subsequently remaining funds may be used for pur-
 25 poses to be determined by the disbursing agency.

26 In the event the Community Services Block Grant is eliminated, each Com-
 27 munity Action Agency shall be funded, subject to the restrictions of appli-
 28 cable law or regulation, in the distribution of other federal funds which can
 29 be used to support antipoverty programs.

30
 31 SECTION 6. Whenever the General Assembly shall have appropriated funds
 32 in order to make payments to officially recognized Community Action Agencies
 33 as authorized in this Act, the Department of Human Services, Division of
 34 Community Services, shall notify the respective governing boards of such
 35 Agencies, of the amount allocated to such Agency as provided in Section 4
 36 hereof, and shall notify the respective boards that application for such funds

1 may be made upon forms provided therefor by the Department of Human Services,
2 Division of Community Services. Upon the receipt of application for such
3 funds, the Department of Human Services, Division of Community Services, shall
4 determine that the following conditions have been met before disbursing such
5 payments:

6 (1) That the community action organization is an officially recognized
7 Community Action Agency, in accordance with Section 2 of this Act, and has
8 been constituted in accordance with Section 3 (c) of this Act;

9 (2) The Agency board of directors shall certify that a proposed budget
10 has been established for the expenditure of State funds for purposes con-
11 sistent with the purpose of this Act; and

12 (3) At the end of each fiscal year, an audited report of each Community
13 Action Agency shall be submitted to the Department of Human Services, Division
14 of Community Services. Any amounts of State funds unexpended or unobligated
15 by June 30th shall be returned by the Agency to the State Treasury. If any
16 Community Action Agency shall have expended any State funds for any purpose
17 not within the purpose and intent of this Act, such amount shall be reimbursed
18 by such Agency to the State of Arkansas before any additional payments may be
19 made to such Agency.

20
21 SECTION 7. State funds appropriated by the General Assembly to the
22 Department of Human Services, Division of Community Services, for payments to
23 be made to recognized Community Action Agencies in accordance with this Act,
24 shall used by such Agencies for funding antipoverty programs designated by
25 State regulations.

26
27 SECTION 8. If any provision of this Act or the application thereof to
28 any person or circumstance is held invalid, such invalidity shall not affect
29 other provisions or applications of the Act which can be given effect without
30 the invalid provision or application, and to this end the provisions of this
31 Act are declared to be severable.

32
33 SECTION 9. All laws and parts of laws in conflict with this Act are
34 hereby repealed.

35
36 SECTION 10. EMERGENCY. It is hereby found and determined by the General

Alvin T. Smith
President of the Senate

St. Louis Sanders

S.B.

1 Assembly that Community Action Agencies provide services which are basic and
2 essential to the well-being of low-income and economically disadvantaged per-
3 sons of this State. It is further determined that the delivery of such ser-
4 vices should be officially recognized in order to assure the continuation of
5 such services, and to promote the development of new services to solve
6 existing human service problems. Therefore, an emergency is hereby declared
7 to exist and this Act being necessary for the preservation of the public
8 peace, health and safety shall be in full force and effect from and after its
9 passage and approval.

Paul Harrison

Charles T. Boyd
President of the Senate

3/13/85
APPROVED BY *Paul Harrison*
GOVERNOR

A. J. ...
Speaker of the House

The State lead agency CSBG policies and procedures are designed to maintain programmatic and fiscal control the State and its eligible entities. These policies and procedures are, in principle, a plan of organization under which the duties are so described as to ensure effective operation and sound organizational functioning.

State Lead Agency

The Arkansas Department of Human Services is the lead agency responsible for the Community Services Block Grant activities in the State of Arkansas. More specifically, the Office of Community Services (OCS), within the Division of County Operations, will be responsible for administering the Community Services Block Grant Program.

Mission and Responsibilities of Lead Agency

The mission of the Arkansas Department of Human Services is to improve the quality of life of all Arkansans by protecting the vulnerable, fostering independence, and promoting better health.

It is the mission of the State Office of Community Services to be the lead agency in state government in dealing with the problems of the poor. This agency is responsible for providing technical assistance to local communities and local agencies in providing community services to low-income persons.

The State is responsible for the administration of the Community Services Block Grant, Emergency Solutions Grant, Low-Income Home Energy Assistance Program, Commodity Distribution Unit and other grant programs designated by state government. The State Office of Community Services is charged with informing the Governor, Legislature and state government about the problems of the poor and the overall efforts of the agency and eligible entities to improve the quality of life for Arkansans.

Goals and Objectives of Lead Agency

The goals of the lead agency in administering the CSBG Program are to provide assistance to local communities through a network of eligible entities for the reduction of poverty and the revitalization of low-income communities, as well as the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient; and to support other Federal Statutory Purposes and Goals of the CSBG Act.

The objectives of the lead agency are as follows:

- Develop the CSBG State Plan and Application for Fiscal Years 2016-2017, to be submitted to the U.S. Department of Health and Human Services, by September 1, 2015.
- Hold at least one public hearing in the State, with sufficient time for statewide distribution of notice of such hearing, and provide opportunity for public comment on the proposed use and distribution of Community Services Block Grant funds for Fiscal Years 2016-2017, before September 1, 2015.

- Conduct reviews of eligible entities for program evaluation and administrative compliance, under Section 678, at least once annually, during Fiscal Years 2016-2017.
- Carry out the statutory purposes and goals of the CSBG Act and assure compliance with all applicable statutes, rules, regulations, policies and procedures set forth by Federal and State Government, during Fiscal Years 2016-2017.

Administration of OCS Programs (Section 2100, State CSBG Policy)

The Arkansas Department of Human Services, Division of County Operations, Office of Community Services is designated by the Governor as the agency responsible for administering Community Services Block Grant, Low-Income Home Energy Assistant Program, Emergency Solutions Grant and Commodities. Other Divisions of the Arkansas Department of Human Services provide certain support functions for the State Office Community Services. The State Office of Community Services negotiates subgrant agreements with local agencies and governments, primarily with local eligible entities, to administer specific the State Office of Community Services program functions.

The relationship between the State Office of Community Services and eligible entities is described in the various subgrant agreements. In general, eligible entity responsibilities include outreach, application intake, eligibility determination, provision of services, and other administrative functions specified in the various subgrant agreements and in this manual. Eligible entities are responsible for effective and efficient program implementation in accord with program requirements.

The State Office of Community Services responsibilities include program planning and coordination, development of policy, procedures and forms, evaluation of program implementation by program monitoring, management of program funds, and other administrative functions specified in the various subgrant agreements and in this manual.

All the State Office of Community Services programs will be coordinated in every way feasible to assure that a comprehensive package of services is offered to low-income persons within the resources available.

Applicability of Manual (Section 2110, State CSBG Policy)

This manual is organized as follows: General sections apply to all the State Office of Community Services programs except as specified otherwise. The remaining sections contain policies particular to specific the State of Office of Community Service programs.

Severability (Section 2120, State CSBG Policy)

The provisions of these regulations are severable, and if any provision is held unconstitutional or a violation of statute by any court of competent jurisdiction, or shall otherwise cease to be effective, all other provisions of these regulations shall remain in effect.

Implementation and Waiver (Section 2130, State CSBG Policy)

Each eligible entity shall take all necessary steps, including but not limited to the adoption of amendments to existing by-laws, in order to comply with the requirements of these regulations at the effective date of these regulations. In the event that compliance with any requirement(s) set forth in these regulations would pose a hardship for any eligible entity, that agency may request a waiver. Such a request shall be in writing and shall state with particularity the requirement for which the waiver is sought, the length of delay of implementation requested and the reasons for the request. The Assistant Director of the State Office of Community Services or his/her designee shall grant or deny the request in writing.

Maintenance of the Manual (Section 2140, State CSBG Policy)

Material in this manual will be reviewed periodically and will be updated as necessary by the State Office of Community Services consistent with the requirements of the State Administrative Procedures Act.

Eligible entities will be provided copies of modifications to these materials in a format determined by the State Office of Community Services. Eligible entities are responsible for filing issuance letters, in numerical order, in the front of this manual.

Citizen Access and Privacy (Section 3100, State CSBG Policy)

A. The following documents must be made available for public inspection:

- Funding applications submitted to the State lead agency for funds;
- The eligible entity's most recent Articles of Incorporation, by-laws, board membership list, needs assessment and Statement of Purposes and Strategy;
- All contracts (including funding, consulting, goods and services) pertaining to State lead agency funds;
- All final reports (including audits) made to the State lead agency on projects funded with State lead agency funds;
- Minutes of the meetings of the Board of Directors;
- Position titles, salary ranges and job descriptions for all compensated positions.

- B. These documents may be made available to the public at the eligible entity's office at a reasonable time scheduled by the eligible entity and as agreed to by the person requesting the information. If the requesting person wishes copies of the document and it is feasible to provide such copies, the eligible entity may request a reasonable fee, not to exceed actual costs; for the copying of such documents.
- C. State and federal regulations shall apply for privacy of personal data held by the eligible entity relative to the State Office of Community Services supported personnel, programs and activities.

Personnel Policies and Procedures (Section 3110, State CSBG Policy)

- A. To provide for the consistent and equitable treatment of employees and to insure that all such employees fully understand the terms and conditions of their employment, each eligible entity shall issue published personnel policies which include:
 - 1. Access to a salary schedule listing the salary or salary range with steps for each position or group of positions.
 - 2. Access to a job description for each agency position.
 - 3. Agency rules governing vacations, sick leave, periodic employer evaluations, periodic salary increases and other conditions of employment.
 - 4. A description of any benefit plans with details on agency and employee contributions to those plans.
 - 5. Agency rules governing promotion, separation, resolution of grievances and regulations of employee conduct.
 - 6. Code of Conduct for employees as set forth in Section 3120, State CSBG Policy.
 - 7. A hiring process for the position of the eligible entity's Executive Director, including at a minimum the recruitment and screening process, criteria for selection, annual evaluation, board role in the selection process and other such relevant procedures.
 - 8. Procedures and policies to meet the requirements set forth in Section 3110, State CSBG Policy.
- B. Standards Governing the Selection of Personnel for Employment in OCS-Funded Programs.
 - 1. Each eligible entity shall employ persons who can perform their duties with competence and integrity.

Every consideration must be given to providing employment opportunity to low-income persons who have been denied the benefit of formal education. Each eligible entity shall make certain that its recruiting procedures afford adequate opportunity for the

- hiring and advancement of people to be served by community action programs. The attainment of a high level of education may be important to performance in certain positions. However, formal educational or licensing qualifications, unless required by state or local law, shall not be made a requirement for employment or advancement in either professional or non-professional capacities if a candidate has the ability to perform the duties of the position.
2. When the eligible entity Executive Director position is vacated or about to be vacated, the eligible entity board shall notify the State lead agency immediately by telephone and follow with formal notification in writing.
 3. No eligible entity shall discriminate in its hiring and personnel procedures against any applicant for employment or any employee because of race, creed, or color, national origin, religion, handicap, sex or age.

C. Personnel Practices

1. The salary for each position shall be in accord with prevailing practices for comparable positions in local public and/or private non-profit agencies. The eligible entity shall maintain records of comparability studies that support such salary determination and make them available to the State lead agency upon request.
2. An eligible entity may provide for periodic salary increases that are in accord with prevailing practice in comparable local public and/or private non-profit agencies.
3. An eligible entity may participate in existing benefit plans or establish new plans which are in accord with prevailing practice in comparable local public and/or private non-profit agencies. Grant funds may not be used to provide benefits in excess of the State of Arkansas employee benefit plan or an approved alternate plan.
4. Travel reimbursement policies must be included in the eligible entity's published personnel policies. These policies must not exceed the State of Arkansas travel reimbursement policies or approved alternate plan.
5. Employee grievances shall be given prompt and fair consideration. Eligible entities shall make provision for review of personnel actions by the governing body in any case in which there is a claim of unfair treatment or of dismissal without cause in compliance with the procedures set forth in the eligible entity personnel policies.
6. Eligible entities shall enforce the following provisions relating to outside employment of their employees:
 - a. Such employment shall not interfere with the efficient performance of the employee's duties with the eligible entity.

- b. Such employment shall not involve the performance of duties which the employee shall perform as part of his/her employment with the eligible entity.
- c. Such employment shall not occur during the employee's regular or assigned working hours in the eligible entity agency unless the employee, during such employment, is on either annual leave, compensatory leave or leave without pay.

D. Eligible entities shall keep the following records on all employees.

- 1. Appropriate records on all personnel actions including hiring and discharge, status as exempt or non-exempt, promotion and discipline.
- 2. Records on the salary and any salary increases received by each full time employee.
- 3. Time and attendance records for all employees signed by both the employee and the employee's supervisor.

Code of Conduct (Section 3120, State CSBG Policy)

The eligible entity shall observe the following minimum standards governing the conduct of board members, employees and their immediate families.

For the purpose of these requirements, immediate family members shall be defined as follows: Husband, Wife, Father, Father-in-law, Mother, Mother-in-law, Brother, Brother-in-law, Sister, Sister-in-law, Son, Son-in-law, Daughter and Daughter-in-law.

- A. Board members, employees and members of their immediate families shall not solicit or accept gifts, gratuities, favors, or anything of monetary value from:
 - 1. Any contractor, potential contractors or subcontractors of the eligible entity.
 - 2. Any person applying for or receiving benefits or services through or from the eligible entity.
 - 3. Any person in a position to benefit otherwise from the activities of the eligible entity.
- B. No board member, employee or member of his/her immediate family shall have a financial interest in a contract of the eligible entity (except an employee's contract of employment) which is supported by any funds received from the State Office of Community Services. This shall not be construed to deny services provided by the eligible entity to a person otherwise eligible to receive such services.
- C. A board member or employee of an eligible entity agency shall not participate in any matter involving any funds or other funds administered by

the State Office of Community Services which affects, to his/her knowledge, the financial interest of:

1. Such board member or employee, or his/her immediate family (this prohibition shall not apply to matters of reimbursement of board members in accordance with these regulations or to an employee's contract of employment);
 2. His/her business partner(s) or a business organization with which he/she is associated;
 3. Any person or organization with whom he/she is negotiating or has any arrangement concerning prospective employment.
- D. No person may serve on the eligible entity board that is an employee of the eligible entity agency, Arkansas Department of Human Services, the U. S. Department of Health and Human Services, or the U. S. Department of Energy.
- E. No person shall be employed while he/she or a member of his/her immediate family serves on a board or committee of an eligible entity if that board or committee has authority to order personnel actions affecting his/her job.
- F. No person shall hold a position of employment in which a member of his/her immediate family exercises supervisory authority.
- G. No person shall be employed in a position in which he/she reports to the same supervisor as a member of his/her immediate family.
- H. Board members and employees of the eligible entity agency shall refrain from conduct which gives the appearance of violating any of the above standards.
- I. Failure of an agency to comply with these policies shall be cause for suspension.

Affirmative Action (Section 3130, State CSBG Policy)

An equal opportunity and affirmative action work plan which must establish objectives to indicate compliance with federal and state laws relative to nondiscrimination in the use of the State Office of Community Services funds must be on file and available for review.

- A. At a minimum, objectives and activities must include: Procedures for addressing any prohibited discrimination and resolving any complaints and grievances pertaining to such discrimination; means for addressing the underutilization of any protected class in employment or receipt of the State Office of Community Services program benefits; and methods to insure that no person is denied program access on account of handicap in accordance with federal and state law.

- B. The following information must be updated: Name of the Equal Opportunity Officer and a description of his/her duties; a description of duties of the Equal Opportunity Governing Board (if any) and a list of its members; a numerical analysis of the composition of the agency's work force by position type and the Governing Board membership on the basis of sector represented.

The agency may not appoint as its Equal Opportunity Officer the Executive Director. The eligible entity shall have this information available for review by OCS Monitors or available upon request by OCS.

Americans with Disabilities Act_(Section 3135, State CSBG Policy)

The Americans with Disabilities Act (ADA) of 1990 prohibits discrimination against any individual with a disability in regard to employment, benefits, and services. As an integral part of its overall affirmative action plan, the eligible entities must comply with the guidelines and requirements specified in the ADA.

In accordance with ADA, the eligible entity will not discriminate against any individual with a disability and shall ensure compliance in the following areas:

- A. The eligible entity will not discriminate against any employee, client, or applicant for employment because of physical or mental disability.
- B. The eligible entity further agrees to comply with the rules and regulations promulgated by the State Office of Community Services and specified in the Americans with Disabilities Act of 1990.
- C. The eligible entity agrees to post in conspicuous places relating to clients, employees and applicants for employment, any notices approved by the Director of U.S. Department of Labor or other federal funding agencies.
- D. The eligible entity must notify OCS of any complaints received regarding non-compliance with ADA.

Prohibited Political Activities_(Section 3140, State CSBG Policy)

- A. The Coats Human Services Reauthorization Act of 1998 specifically makes eligible entities subject to certain provisions of the federal Hatch Act. Unless superseded by federal statute, guidelines, directives, or regulations, the following is intended to provide guidance to eligible entities as to appropriate standards of conduct relative to political activities, as well as to the use of any funds administered by the State Office of Community Services for political purposes.
 - 1. Eligible entities must administer programs in a politically nonpartisan manner. The use of any funds administered by the State Office of Community Services, the provision of services and the assignment of personnel must not result in the identification of the program with any partisan political activity which is designed to further any election or defeat of a candidate for public or party office.

In addition, the eligible entity may not use any funds administered by the State Office of Community Services, the provision of services, or the assignment of personnel in connection with transporting voters or potential voters to the polls.

2. Anti-poverty programs often include activities which may become the subject of political controversy. Eligible entities may, of course, undertake activities dealing with issues related to their basic program responsibilities, such as organizing and advocating for the needs of low-income persons. In carrying out their basic mission and goals, eligible entities may actively engage in campaigns connected with constitutional amendments, referenda, municipal ordinances, law reform and lawful attempts to influence government officials to respond to the grievances of the poor. Eligible entities need not avoid such activities merely because partisan officials or candidates for public office may take or have taken positions with respect to the issue. Agency officials acting in their official capacities must, however, deal with questions which have become a subject of political controversy on their merits and not because they are supported or opposed by a particular party or candidate.
3. Except as set forth in these requirements, employees of eligible entity agencies are free to engage in various kinds of political activities during their off-duty hours and in their private capacities. A broad range of participation in elections is permitted. These restrictions apply to the use of any funds administered by the State Office of Community Services, the provisions of services, and the assignment of agency personnel in a manner which identifies any State Office of Community Services funded programs with partisan political activity, nonpartisan activity associated with a candidate or contending faction or group in an election for public or party office, voter registration and the transportation of voters to the polls. These restrictions are, in a broad sense, designed to prohibit the use of any funds administered by the State Office of Community Services for certain purposes. Insofar as the individual employee is concerned, however, these restrictions deal only with what he or she does as an employee.
4. The following restrictions apply to all employees, volunteers and board members:
 - a. Must not use their official position, authority or influence with the agency for the purpose of interfering with or affecting the result of an election or a nomination for a party or public office.
 - b. Must not directly or indirectly coerce, attempt to coerce, command or advise an employee or any other person who is subject to these restrictions to pay, lend or contribute personal services to a party, committee, organizations, agency or person for political purposes.
 - c. Must not use any funds administered by the State Office of Community Services for any political purpose or to influence any election for public or party office.

- d. Must not permit the use of equipment or premises purchased or leased with funds administered by the State Office of Community Services for any political purpose or to influence outcome of any election for public or party office. This restriction applies only to facilities when under the control of the eligible entity.
- e. Must not discriminate, or threaten or promise discrimination, against or in favor of any employee or beneficiary in the program, or any potential employee or beneficiary, because of his/her political affiliations or beliefs, or require any applicant, employee or beneficiary to disclose his/her political affiliation.
- f. Must not offer any person employment, promotion or benefits under the program as a reward for the support or defeat of any political party or candidate for public or party office, or threaten or create disadvantage in employment or deprivation of benefits as a penalty for such support, except that a person may be deprived of employment or subject to lesser penalties for engaging in activities which are forbidden by this subsection.
- g. May not, while carrying out the programs of their agencies, engage in voter registration activity or in transporting voters or prospective voters to the polls. (Board members are not included in this restriction.) This restriction applies to the use of any funds administered by the State Office of Community Services, facilities or equipment purchased with Office of Community Services funds, as well as to the provision of the State Office of Community Services, and the assignment of OCS-funded personnel. All persons may participate in voter registration during their off-duty hours, so long as they avoid identification of such off-duty activities with the eligible entity.
- h. An eligible entity may properly conduct a citizenship education program which includes, as part of the curriculum, information about the mechanics and function of voter registration. Such a program may be valuable in educating the poor as to the legitimate and constructive roles they as citizens may play in local community life and in the American democratic process.
- i. Candidates' meetings, even if all rival candidates for one or more public offices appear, shall not be sponsored or conducted with State Office of Community Services funds or facilities. This restriction on the use of any funds administered by the State Office of Community Services does not, however, limit the rights of employees, volunteers or board members to participate in candidates' meetings, subject to these restrictions.

Bonding and Liability Insurance (Section 3140, State CSBG Policy)

- A. The eligible entity must, as a condition for the receipt of OCS funds, secure fidelity bond coverage for appropriate eligible entity officials. Coverage must be secured for each person authorized to sign or countersign checks or to transport, maintain custody of, or disburse sizable amounts of cash (such as for payrolls) in the minimum amount equal to ten percent of total OCS funds awarded to be disbursed (CSBG, ESG, Shelter Plus Care, LIHEAP, Commodities and any other funds awarded by DHS/OCS).
- B. Prior to its initial agreement with OCS for funding, each eligible entity shall submit assurance that this condition has been met. This assurance shall take the form of a letter from a bonding company or agent stating the type of bond, amount and period of coverage, positions covered, and the annual cost of the bond that has been obtained. OCS must be notified by the eligible entity within thirty days of any changes in bonding coverage.

Travel Reimbursement (Section 3140, State CSBG Policy)

- A. Travel costs will be reimbursed at actual cost not to exceed the current rate paid by the State of Arkansas to its employees.
- B. The eligible entity cannot charge travel costs in excess of the maximums outlined in state agency regulations except in an alternative travel reimbursement plan approved by the State lead agency prior to implementation by the eligible entity.
- C. Receipts must be obtained for all travel expenses except meals. Travel forms showing destination and reason for the trip must be approved by the director before reimbursement for mileage.
- D. The travel day shall commence at 6:00 a.m., include breakfast, lunch, dinner and one night's lodging and shall end the following morning at 6:00 a.m.
- E. Before an employee can claim reimbursement for meals and lodging, an "official station" must be established by the Executive Director. Reimbursement cannot be claimed for meals and lodging within the city or town designated as the traveler's "official station". The city or town where meals and lodging were purchased must be listed on the travel form. When privately owned vehicles are used for authorized travel, the eligible entity will assume no responsibility for any maintenance, operational costs, accidents or fines incurred by the owner of the vehicle.
- F. The following are not reimbursable expenses: entertaining, flowers, valet service, laundry, cleaning or other similar services.
- G. When traveling by air on official business, the traveler should use less than "first class" accommodations when available.
- H. All claims for travel by agency employees must be made out by the traveler and payment will be made only to the traveler. One employee may not

include in his travel expense statement the expenses of another employee traveling in his company.

- I. Claims made out in the name of a hotel or claimant other than the traveler will not be approved for payment.
- J. Expenses for rental of space, decorations, entertainment or other arrangements in connection with banquets held solely for the benefit of agency employees are not reimbursable.
- K. For out-of-state travel, reimbursement shall be the lesser of air fare according to H above or the current state mileage reimbursement rate when a private car is used.

Procurement (Section 3147, State CSBG Policy)

- A. The eligible entity shall establish written procurement procedures which provide for, at a minimum, the following:
 - 1. Proposed procurement actions shall follow a procedure to assure that unnecessary or duplicative items are not purchased. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economically practical procurement.
 - 2. Solicitations for goods and services shall be based on a clear and accurate description of the technical requirements for the material, product or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equal" description may be used as a means to define the performance or other salient requirements of a procurement, and when so used the specific features of the named brand which must be met by bidders/offers shall be clearly specified.
 - 3. The type of procuring instruments used, e.g., fixed price contracts, cost reimbursable contracts, purchase orders, incentive contracts, shall be determined by the procuring party but must be appropriate for the particular procurement and for promoting the best interest of the grant project or program involved. The "cost-plus-a-percentage of construction costs" method of contracting shall not be used.
 - 4. Contracts shall be only with responsible contractors who possess the ability to perform successfully under the terms and conditions of a proposed procurement.
 - 5. All procurement transactions shall be conducted in a manner to provide to the maximum extent practical, open and free competition.
 - a. Purchases up to \$10,000.00 may be made without competitive bids. However, competition should be used to the maximum extent practical.

- b. Purchases that exceed \$10,000.00 and up to \$25,000.00 shall require at least three informal bids. These may be either verbal or written. The records should indicate these bids and how they were obtained.
 - c. Purchases over \$25,000.00 shall be made only after receiving competitive sealed bids in response to advertised requests.
 - d. Written justification must be in the file if other than the lowest bid is accepted.
 - e. Splitting purchases to avoid competitive bids will not be allowed.
 - f. Notice inviting bids shall be given not less than five (5) calendar days nor more than thirty (30) calendar days preceding the date for the opening of bids by publishing such notice at least one (1) time in at least one (1) newspaper having general circulation in the state, but in all instances, adequate notice shall be given. The notice shall include a general description of the commodities or services to be procured and shall state where invitations for bid may be obtained. The notice shall also state the date, time, and place of bid opening.
 - g. Bids shall be opened publicly in the presence of one (1) or more witnesses at the time and place designated in the invitation for bids. Each bid, together with the name of the bidder, shall be recorded and open to public inspection.
6. Solicitations shall clearly set forth all requirements that the bidder/offeree must fulfill in order for the bid/offer to be evaluated. Awards shall be made to the responsible bidder/offeree whose bid/offer in response to the solicitation is most advantageous to the eligible entity, price and other factors considered. Factors such as discounts, transportation costs, and taxes may be considered in determining the lowest bid. Any and all bids/offers may be rejected when it is in the eligible entities interest to do so.

Eligible entities may not place unreasonable requirements on firms in order to qualify to do business or unnecessary experience and bonding requirements.

7. The eligible entity must make some form of price or cost analysis in connection with every procurement action with a total cost of \$500.00 or more. Price analysis may be accomplished in various ways, including the comparison of price quotations, market prices and similar indicators together with discounts. Cost analysis is the review and evaluation of each element of cost proposed by the offerer to determine reasonableness, allocability and allowability.
8. Where an eligible entity proposes to enter into a sole-source contract, or a contract where only one bid or proposal is received, such contract shall be subject to prior approval by the state lead

agency. All contracts, where possible, must be free and open to competition.

9. Eligible entities shall maintain records sufficient to detail the significant history of procurement. These records shall include, but are not necessarily limited to, information pertinent to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection and the basis for the cost or price.
 10. A system of contract administration shall be maintained to ensure contractor conformance with terms, conditions, and specifications of the contract and to ensure adequate and timely follow-up of all purchases.
- B. All contracts for procurement of property and/or services shall be in writing and shall provide appropriate remedies to the eligible entity in case of breach of the contractor.
 - C. Where possible, eligible entities shall make every effort to contract with minority businesses.

Financial Policies and Procedures Manual (Section 3180, State CSBG Policy)

- A. All eligible entities are required to maintain an updated Financial Procedures Manual which establishes procedures to meet each fiscal standard as set forth in these requirements. This manual will set forth the procedures for the authorization of purchases, approval of obligations, preparation of vouchers, the signing of checks, the recording of financial data in books or record, inventory control and, in general, the safeguarding of assets and records. The completed manual (and any amendments thereto) must be approved by the eligible entity's Board of Directors and an informational copy submitted to the State Office of Community Services.
- B. As a condition for receipt of the State Office of Community Services funds, the eligible entity must have a financial management system that meets the following standards:
 1. Accurate, current and complete disclosure of programs so that funds can be traced from receipt to actual delivery of services to low-income persons.
 2. Records that identify adequately the source and application of funds for State Office of Community Services sponsored programs. The records shall contain information pertaining to awards, authorizations, obligation, unobligated balances, assets, outlays and income.
 3. Effective control over and accountability for all funds, property and other assets. Agencies shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.
 4. Comparison of actual outlays with budget amounts for each grant or other agreement. Financial information should be related to performance data.

5. Procedures for determining the reasonableness, allowability and allocability of costs in accordance with the provisions of the applicable cost principles and the terms of the contract.
6. Accounting records that are supported by source documentation.
7. Audit to determine, at a minimum, the fiscal integrity of financial transactions and reports, and the compliance with laws, regulations, and administrative requirements. The eligible entity will schedule and complete such audits annually.
8. A systematic method to assure timely and appropriate resolution of audit findings and recommendations.

C. Property Management

1. Real Property. No real property (i.e., land, buildings, or other resources still attached to or within the land) may be purchased in whole or in part with any funds administered by the State Office Of Community Services unless specifically approved by the State lead agency in writing.
2. Property Disposition: When property purchased with any funds administered by the State Office of Community Services funds is no longer needed for the approved project, the eligible entity shall submit a written request for disposition instructions or permission to use that property in other programs consistent with the Office of Community Services purposes. This provision applies to tangible personal property having a useful life of more than one year and an acquisition cost of \$1,000.00 or more per unit.
3. Inventory Procedures:
 - a. The eligible entity shall maintain an inventory listing of all property (with a unit cost of \$500.00 or more) purchased with any funds administered by the State Office of Community Services. This listing shall include the date of purchase, inventory number, cost, portion of funds used to purchase the property, if not fully paid for by State Office of Community Services funds, procurement procedures used for purchase, location of property, and the State Office of Community Services contract/program for which the property was purchased. This listing shall be kept current at all times.
 - b. All property (with a unit cost of \$500.00 or more) shall be labeled with the inventory number assigned to it by the inventory listing required below.
 - c. This inventory listing need not be submitted to the State lead agency but must be made available on request.

- d. A comprehensive inventory to assure inventory listing accuracy must be conducted and recorded at least every two years.

D. Cost Principles. Each eligible entity shall adhere to the Cost Principles set forth in the U. S. Office of Management and Budget (OMB) Super Circular ("Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards") in the use of OCS funds. All OCS funds shall be maintained in a bank account separate from any other funds an agency might possess. However, this will be waived if the agency can demonstrate that their system provides for program identification of funds. OCS bank statements will be reconciled to the general ledger and checkbook monthly. All checks written on funds administered by the State Office of Community Services bank accounts will require two signatures, one of which will be the Executive Director or designee.

1. Salaries and wages: Regular full-time, part-time, and extra help employees must be supported by time sheets.
2. Fringe benefits: The agency's proportion of the amounts necessary to contribute the agency's share to match the deductions from the salaries of employees for social security and other approved benefits. The maximum amount allowed in this category shall not exceed the current amount allowed for fringe benefits by the State of Arkansas to its employees.
3. Professional Fees: Expenses for contractual agreements entered into by the eligible entity with an individual, partnership, corporation or anyone other than an employee of the respective eligible entity to provide a particular document, report, speech, or study must be supported by itemized invoice authorized by the agency director.
4. Travel: Actual costs of the agency employee's travel, subsistence, meals, lodging, and transportation while traveling on official business and actual cost of travel expense for representatives of agency boards, subject to travel reimbursement provisions of State CSBG Policy 3160.
5. Space Costs and Rentals, Operating Expense: Postage, equipment, surety and performance bonds, insurance premiums, association dues and memberships, contractual services, newspaper, court cost, and equipment not capitalized must be approved by the Executive Director.
6. Lease and Purchase of Equipment: Lease or purchase of vehicles, office equipment and furniture and expenditures from this category must have the written approval of the the State Office of Community Services Assistant Director *Equipment* means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000. Each agency must maintain an inventory of fixed assets which can

be reconciled to the accounting records. The approval should be maintained in the property records for audit purposes.

- E. Prohibition on Use of any funds administered by the State Office of Community Services for Lobbying Activities. Such funds of a contract or grant recipient may not be used to pay the salary or expenses of any staff member or agent acting for such recipients to engage in activity designed to influence legislation or appropriations pending before the U. S. Congress or the Arkansas Legislature.

F. Retention and Disposition of Records

1. Financial records, supporting documents, statistical records, and all other records pertinent to an State lead agency contract are covered by these requirements.
2. The retention period for each year's records starts from the end date of the eligible entity's program year.
3. Records shall be retained for a minimum of three years. If any litigation, claim or audit has not been fully resolved before the expiration of the three year period, all relevant records shall be retained until one year after resolution.
4. When records and materials are to be discarded, they will be destroyed by burning or shredding. These methods of destruction will maintain confidentiality by insuring that none of the confidential information can be obtained by unauthorized individuals.
Records, such as data forms, policy issuances, etc., which do not contain client names or information which is traceable to a client, may be discarded as the eligible entity deems best.

G. **Access to Records**

Eligible entities shall provide the State lead agency and/or its authorized representative access to all books, records, documents and compilations of data relating to any programs administered by the State Office of Community Services.

H. **Certification of Accounting System**

1. Before funds will be released to an eligible entity receiving an initial contract using any funds administered by the State Office of Community Services, the eligible entity must submit a statement certifying that its accounting system meets financial requirements and standard acceptable accounting practices. The accounting system must have internal controls adequate to safeguard their assets, check the accuracy and data, promote operating efficiency and encourage compliance with State lead agency policies. The certification shall be furnished by an independent Certified Public Accountant.

2. Within three months after the effective date of an initial contract, an eligible entity must have its accounting system surveyed and evaluated by an independent CPA. If the independent CPA's findings show significant departure from these policies, OCS shall take steps to have the eligible entity correct the deficient practices prior to suspension or termination.
3. Although accounting system certifications are usually required only for the initial contract with an eligible entity, if the submitted annual audit or finance reports indicate system deficiencies, the State lead agency may require a new certification from an ongoing contract agency.

Corrective Action, Suspension, Termination and Establishment of Eligible Entity Status. (Section 3200, State CSBG Policy)

- A. Corrective Action: OCS shall require an agency to submit a Quality Improvement Plan (QIP) when OCS determines that an eligible entity has failed to comply with and meet the requirements contained in regulations or published administrative requirements of OCS, has failed to fulfill its funded work program, or has breached the terms of its funding agreement with OCS.

If the OCS Assistant Director determines that an emergency situation exists due to threat of imminent loss or waste of OCS funds and that immediate action is required due to the seriousness of the violation and/or is necessary to protect OCS funds or property: 1) OCS shall notify the agency (by certified mail) of the deficiency to be corrected and may require that the eligible entity develop a Quality Improvement Plan to correct the deficiency within sixty days from date of notice. OCS will establish a reasonable time frame for the eligible entity to correct the deficiency. 2) OCS may immediately suspend the agency from participation pending an opportunity for appeal. 3) OCS may offer training and technical assistance, if appropriate, to help correct the deficiency.

When technical assistance is offered by the State, OCS will prepare and submit to the Secretary a report describing the training and technical assistance offered within 60 days from the date of notification for QIP. If the state determines that such training and technical assistance are not appropriate, OCS will prepare and submit to the Secretary a report stating the reasons for this determination within sixty days from date of notification for QIP.

OCS will review the Quality Improvement Plan submitted by the agency and inform the eligible entity of its approval or disapproval status within 30 days from the date the Quality Improvement Plan is received by OCS.

If the plan is not approved, OCS will notify the eligible entity of disapproval (by certified mail), specify reason the plan was not approved, and give notice of suspension.

- B. Suspension: The suspension notification shall include a date beyond which no OCS funds may be expended by the entity, or alternatively, such other restrictions on OCS expenditures as OCS may require. If the eligible entity wishes to appeal this determination, it must submit a written request to the Assistant Director to remove the suspension. This request must be made within twenty days of the date of the suspension notice. The eligible entity may include a request for a meeting with the DCO Director upon which the DCO Director shall schedule such a meeting to be held within ten days of receipt of the request and issue a finding, in writing, within ten days of adjournment of the meeting.

If the DCO Director denies the appeal, the eligible entity may appeal to the DHS Director, in writing within ten days. The DHS Director shall schedule such an appeal to be held within ten days of receipt of the request and shall issue written findings within ten days of adjournment of the appeal hearing. If the DHS Director denies the appeal, OCS may initiate termination of status of the agency as an eligible entity according to procedures as set forth in 3200 C. If entity requests review by HHS, no funds determination is final until HHS reviews.

C. Termination.

1. OCS may initiate procedures to terminate the status as an eligible entity of a Community Action Agency in the following instances:
 - a. Where an eligible entity has been suspended under 3200 B., following either passage of the twenty days allotted for the eligible entity's appeal or a denial of the appeal by the DHS Director.
 - b. As provided in any exclusion or debarment law or rule.
2. The procedures for termination of status as an eligible entity of a subgrantee shall be as follows:
 - a. OCS shall provide the eligible entity with written notice (by certified mail) of OCS's intent to terminate the status of the eligible entity and the reasons for this termination. The notice shall specify the effective date of termination of status and termination of all OCS funded activities, which date shall be no sooner than sixty days from the time of sending such notice to the eligible entity. The notice shall also provide necessary program instructions, including any restrictions on eligible entity expenditures, pending the effective date of termination of status.

- b. The eligible entity may appeal, in writing, to the DCO Director within twenty calendar days following receipt of the notice of OCS's intent to terminate status. This appeal shall address the reasons for termination and, where appropriate, any corrective action taken, or proposed to be taken, by the eligible entity. The appeal may also include a request by the eligible entity that the DCO Director or his/her designee hold a public hearing before making a decision, in which case such a public hearing "on the record" shall be held within twenty days. At this hearing the eligible entity shall have the right to present evidence and argument on all issues contained in the appeal.
- c. The DCO Director shall make specific written findings of fact and conclusions of law and enter one of the following decisions:
 - (1) Reverse the agency decision and remove the notice of intent to terminate.
 - (2) Reverse the termination but affirm the specific corrective action that must be taken in order for the agency to maintain its status as an eligible entity. If the eligible entity subsequently fails to take such corrective action, OCS may terminate the agency.
 - (3) Affirm the agency action. The eligible entity may request review by the federal funding agency. If an agency requests a review by the federal funding agency, no determination, other than an emergency action shall be effective until the federal funding agency affirms or rejects the state's finding of cause. The DHHS Director's decision is the final agency determination.

D. Voluntary Suspension of Status as Eligible Entity

An eligible entity may request and OCS may approve voluntary suspension of the status of the eligible entity for a stated period of time. OCS shall make arrangements it deems necessary to assure the continued provision of services during the period of voluntary suspension. The voluntary status of suspension shall be lifted at the agreed upon time. If upon completion of the period of voluntary suspension, OCS determines that suspension shall continue, normal steps for corrective action prior to suspension shall apply, including the rights of appeal by the eligible entity. The eligible entity may request and OCS may approve an extension of the period of voluntary suspension.

E. Establishing Eligible Entity Status

If an existing eligible entity terminates its service, the Governor will solicit applications from eligible entities and designate an eligible entity to provide services in the unserved area. The eligible entity shall be:

1. A private nonprofit organization (which may be an eligible entity), that is geographically located in the unserved area, that is capable of providing a broad range of CSBG services designed to eliminate poverty and foster self-sufficiency. Special consideration will be given to qualifying organizations that are providing related services in the unserved area, consistent with the needs identified by a community-needs assessment.
2. A private nonprofit eligible entity that is geographically located in an area contiguous to or within reasonable proximity of the unserved area and that is already providing related services in the unserved area. The nonprofit eligible entity selected shall have its board constituted so as to assure adequate board representation as follows:
 - a. The private nonprofit eligible entities shall administer the Community Services Block Grant Program through a tripartite board that fully participates in the development, planning, implementation, and evaluation of the program to serve low-income communities.
 - b. The members of the board shall be selected by the entity.
 - c. The board shall be composed so as to assure that (1) elected public officials or their permanent representatives shall comprise one-third of the board. (2) representatives of low-income persons shall comprise at least one-third of the board. (3) Representatives of business, industry, labor, religious, law enforcement, education or other major groups and interests in the community shall comprise the remainder of the board.
3. No Qualifying Organizations in or Near Area:
If there is no private nonprofit organization identified or determined to be qualified to serve as an eligible entity, the Governor may solicit application from, and designate a political subdivision to serve as an eligible entity to provide services in the unserved area. The political subdivision shall have a tripartite board or other mechanism to assure decision making and participation by low-income individuals in the development, planning, implementation, and evaluation of programs. The board

shall be constituted so as to assure that no less than 1/3 of the members are representatives of low-income individuals and families in the neighborhoods and that they reside in the neighborhoods served.

Abuse or Misuse of Funds (Section 3210, State CSBG Policy)

Any evidence of suspected criminal activity related to OCS funds or programs by an eligible entity or any of its staff or board members shall be referred to appropriate authorities for possible prosecution.

Single Agency Audit (Section 3220, State CSBG Policy)

A. Annual Audit.

1. Each eligible entity shall arrange for an annual audit to confirm that the financial statements present fairly and accurately the financial position of the eligible entity, that the eligible entity is complying with applicable OCS requirements and with general and special contract conditions, and that appropriate financial and administrative procedures and controls have been installed, are operating effectively, and are consistent with the eligible entity's Financial Procedures Manual. The audit shall cover the eligible entity's prior audit year in total and shall be submitted to OCS no later than 120 days after the eligible entity's program year ends.
2. Eligible entities are required to conduct a single agency audit in accordance with OMB Super Circular Subpart F.
3. Each eligible entity shall enter into a written agreement with an auditor for this purpose specifically stating the scope of the audit, that DHS/OCS regulations will be applied as the basis of the audit, the auditor's responsibility, the date by which the audit will be completed, and the fee to be paid by the eligible entity.
4. If an audit report does not meet the standards of the Single Agency Audit Act Amendments of 1996, the eligible entity will receive notice as to what further action, if any is necessary, to meet these requirements. The cost of an audit that does not meet these requirements may be disallowed as a charge against DHS/OCS funds.
5. On the basis of resultant findings and conclusions, DHS/OCS will determine whether any of the costs or expenditures incurred shall be disallowed as charges against DHS/OCS funds. In the event of disallowance, DHS/OCS may seek recovery of sums by appropriate means. DHS/OCS may also impose additional requirements to assure that conditions which gave rise to the disallowance have been corrected and are not likely to recur.

B. Audit Resolution

1. The eligible entity shall respond in writing to all findings, recommendations, observations, and questioned costs in its annual audit reports when requested to do so by DHS/OCS. The response shall be submitted to DHS/OCS within thirty calendar days from the date DHS/OCS notifies the eligible entity of its findings and recommendations or the stated time period requested by DHS/OCS.
2. In the response, the eligible entity may take exceptions to particular findings and recommendations. The rationale for such exceptions should be clearly set out in the response. The response should point out corrections already made and state what action is proposed and the estimated completion date of such action. Although the eligible entities need not send DHS/OCS all documentation supporting corrections unless requested to do so, documentation of actions taken is very important and must be available for review during later audits.
3. DHS/OCS will consider the response and any additional requested information in determining whether specific expenditures of DHS/OCS funds will be disallowed. If any are disallowed, DHS/OCS will send the eligible entity written notice of the determination.
4. Any appeal of disallowed expenditures shall be submitted in writing within thirty days of the notice of disallowance and shall contain a clear statement of the issue(s) which the eligible entity wishes to have considered. The eligible entity may include with the appeal statements any supporting facts or arguments which the eligible entity feels should be considered. DHS/OCS shall offer the subgrantee an informal hearing conducted by the DHSOCS Assistant Director or his/her designee. The eligible entity is allowed legal counsel during the course of this appeal. The decision on the appeal shall be made in writing within thirty days of the hearing and be final.

Arkansas Statutes Section 5-713 provides subgrantees the right to appeal this decision to the Circuit Court of any County in which the eligible entity is located or does business or to the Circuit Court of Pulaski County. This request must be filed within thirty days of receipt of the appeal decision.

5. In the absence of an appeal, disallowances become final thirty days after the notice provided for in B.3. All final disallowances shall be satisfied within ninety days of the date on which notification of the disallowance was made through cash payments to DHS/OCS unless the eligible entity has received written notice allowing an alternative means of notification. Failure by the eligible entity to satisfy a final disallowance or take corrective action to remedy deficiencies in its accounting system and internal controls after audit may result in corrective action, suspension, termination of status as an eligible entity or other remedial action. In addition, DHS/OCS reserves the

right to bring suit or take other appropriate legal action to recover the amounts in question.

C. Selection of an Auditor and Auditor Responsibilities

1. The services of an independent Certified Public Accountant shall be secured.
2. An eligible entity receiving an initial DHS/OCS contract shall, within thirty days following the contract starting date, supply DHS/OCS with the name of the auditor or auditing organization which it has selected. DHS/OCS will notify the eligible entity in writing within thirty days if the selection is not acceptable, along with the reason(s).
3. The auditor approved to conduct the preliminary audit survey may also conduct the annual audit. Once an auditor has been selected and approved, it is not necessary to re-nominate the auditor in subsequent years. However, when an eligible entity changes its auditor or when DHS/OCS notifies the eligible entity in writing that its present auditor is unacceptable and why, re-nomination must take place and approval must again be obtained from DHS/OCS.
4. The eligible entity shall furnish the auditor with copies of the DHS/OCS approved work program and budget, all official DHS/OCS contracts, and all applicable DHS/OCS requirements.
5. The auditor selected by the eligible entity is responsible for conducting a preliminary audit survey and/or annual audit in accordance with DHS/OCS requirements and presenting the results to the agency, including the Board of Directors. The audit survey will be directed toward an evaluation of the adequacy of the eligible entity's accounting system and internal controls. The survey should determine whether sufficient internal controls have been established to safeguard assets, check the accuracy and reliability of accounting data, promote operating efficiency and encourage compliance with prescribed management policies and any additional fiscal responsibilities and accounting requirement established by DHS/OCS. The report should include an evaluation of the accounting system and internal controls and make recommendations for improvements.
6. The auditor must submit one electronic copy of all completed audit reports to The Arkansas Department of Human Services Audit Department to the attention of Kelton.Phillips@dhs.arkansas.gov.

In the event of a change in Audit Department contact, DHS/OCS will notify the eligible entities in writing of the change.

Closeout Reports (Section 3230, State CSBG Policy)

Within 45 days after the completion date of each grant administered by OCS, each eligible entity shall submit a financial closeout report and other reports, as required, by the terms and conditions of the award.

The closeout report shall consist of the following:

- Carryover funds from the previous grant year.
- Actual funds received for the respective grant year.
- Actual expenditures on costs incurred and paid within the program year.

COMMUNITY SERVICES BLOCK GRANT

Purpose and Scope

Following passage of the federal Omnibus Budget Reconciliation Act of 1981, which established the Community Services Block Grant (CSBG), the Governor designated the Office of Community Services (OCS) in the Division of County Operations (DCO) in the Department of Human Services (DHS) to administer the CSBG program in Arkansas. Act 345 of 1985 designates the same agency to administer the CSBG program. Community Action Agencies (CAAs) located throughout the state receive CSBG funds from OCS to carry out the purposes of the Act.

In order to meet the requirements of the Act and to encourage the efficient and effective use and management of these funds, OCS is issuing these regulations which are applicable to CAAs and other eligible entities.

Designation of Community Action Agencies (Section 4100, State CSBG Policy)

Act 477 of 1977, as amended by Act 345 of 1985, designates the Community Action Agencies of the state (which are eligible CSBG grantees) and their service areas.

As required by federal law, OCS has established reasonable program and fiscal requirements which a CAA must meet to receive (CSBG) funds from the state.

- A. Purposes of a Community Action Agency. An agency designated as a Community Action Agency has the following purposes:
1. Community Action Agencies are recognized private non-profit 501 (c)(3) organizations providing to low-income persons in the state human services such as aging, health, transportation, nutrition, housing, developmental child care, and other related activities. An agency designated as a Community Action Agency has the

responsibility of carrying out the purposes of the Community Services Block Grant in the counties its area encompasses.

2. At all reasonable opportunities, the CAA shall provide substantive comment on projects proposed to be operated by the State of Arkansas within its designated area(s) which are to meet the needs of low-income persons and counties.

B. Areas to be served.

1. Act 345 of 1985 specifies the counties to be included in each Community Action Agency's service area. The CAA shall carry out CSBG programs funded by OCS only in these counties, unless specifically approved to do otherwise by OCS. The CAA shall assure access to its programs for all low-income persons in its designated areas.
2. Changes of service areas may be affected only as described in Act 345 of 1985.
3. OCS shall develop formulas for equitable distribution of CSBG funds to the various service areas, taking into account existing levels of services, the share of the state's low-income persons living in the area and other considerations OCS deems appropriate.

Requirements for CAA Eligible Entity Board of Directors (Section 4120, State CSBG Policy)

- A. Composition of the Board. The board shall consist of at least fifteen and not more than thirty-nine members, except in the case of an agency whose designated service area has a population of over 250,000 persons, in which case the board size may be not more than fifty-one.
1. Elected public officials or their permanent representatives shall comprise one-third of the board.
 2. Representatives of low-income persons shall comprise at least one-third of the board.
 3. Representatives of business, industry, labor, religious, law enforcement, welfare, education, and other major groups or interests in the community shall comprise the remainder of the board.

B. Public Officials.

1. For each designated eligible entity, all elected public officials in the service area of the entity shall be afforded equitable opportunity to serve or be represented on the Board of Directors.
2. In the event there are not enough elected public officials available and willing to fill positions on the board, appointed public officials may be selected. Both the elected and the appointed public officials selected to serve on the board shall have either general governmental responsibilities or responsibilities which require them to be involved with poverty-related matters. The selected public official may choose one permanent representative to serve on the board full-time in his/her stead. These representatives need not be public officials themselves, but they shall have full authority to act for the elected (or appointed) official on the board. In a case where the selected representative is not a public official, he/she shall meet the limitation on Board service requirement described in section 4120 F. If the public officials, both elected and appointed, who are willing to serve do not comprise one-third of the board, then those unfilled seats must remain vacant. (The selection of public officials to serve on the board must reasonably reflect the geographic distribution of the low-income population served by the entity.)

C. Representatives of Low-income Persons. Representatives of low-income persons shall be chosen in accordance with democratic selection procedures adequate to assure they represent the low-income persons in the geographic area served by the entity. Representatives of low-income persons may be selected either to represent a specific area, group or neighborhood served by the entity. Among the selection procedures which may be used, either separately or in combination, are the following:

1. Nominations and elections, either within the neighborhoods or within the community as a whole.
2. Selection at a meeting or conference of low-income persons such that the date, time and place of such a meeting or conference have been adequately publicized.
3. Selection on a small area basis (such as a neighborhood or town) of representatives who in turn select members for the eligible entity board.
4. The eligible entity board may recognize a group(s) or organization(s) composed primarily of low-income persons and representing the interests of the low-income population, whose membership may select one or more representatives to the eligible entity board.

Persons at or below one hundred twenty-five percent of the poverty line shall be permitted to vote in these selection processes. An

eligible entity may request a waiver from this one hundred twenty-five percent of poverty line eligibility in order to establish residency or other criteria as a basis for eligibility. The eligible entity shall make the request in writing to the Assistant Director of the Office of Community Services including specific justification.

- D. Representatives of Organizations. Organizations shall be selected in such a manner as to assure the board will benefit from broad community involvement. Once an organization is selected and indicates its agreement to be represented, it shall choose the person to represent it on the board.
- E. Residency Requirement. Each member of the board selected to represent a specific geographic area within the community must reside in the area he/she represents.
- F. Limitations on Board Service. No board member may serve more than ten years at any one community action agency. Public officials or their representatives, serve at the pleasure of the official or officials selecting them and only as long as the public official is currently holding office. A representative of a public official may not serve more than ten years even if the public official represented continues to hold office; in such cases, the public official may choose to serve directly or name a new representative.
- G. The board of a political subdivision shall be constituted so as to assure that no less than 1/3 of the members are representatives of low-income persons.

Board Responsibility (Section 4130, State CSBG Policy)

Board members of a CAA or other eligible entity must recognize that it is they, rather than the staff of the agency to whom the CSBG award is made. The board is responsible to see the funds go to provide the services needed by the low-income persons of their area and that the funds are spent for the purposes stated. Board members may be responsible as individuals where they negligently or knowingly allow the misuse or abuse of CSBG funds. Annual training shall be conducted in order to ensure board members are knowledgeable of their legal and fiduciary responsibilities. The board is responsible for an orientation process for new members.

- A. Board Responsibilities. The governing board of an eligible entity must carry out the following responsibilities:
 - 1. To hire, fire and evaluate the performance of the Executive Director of the entity. (Evaluations must be conducted annually.)
 - 2. To determine major personnel, organization, fiscal and program policies.
 - 3. To determine and approve overall program goals and priorities for the entity, including provisions for evaluating programs against performance.

4. To make final approval of all programs, applications, proposals, budgets and amendments.
5. To enforce compliance with all contract and grant requirements.
6. To oversee the extent and the quality of the participation of the poor in the programs of the entity.
7. To determine rules and procedures for the governing board.
8. To select the officers and the executive committee, if any, of the governing board.
9. To develop short and long range strategic plans for the agency.

B. By-Law Requirements. The by-laws of the eligible entity shall include the following:

1. The total number of seats on the board and the allotment of seats to public officials, representatives of low-income individuals and representatives of organizations.
2. Procedures for selecting board members as follows:
 - a. A description of the selection process for members who are public officials or their representatives.
 - b. A plan for selecting representatives of low-income person, ensuring that all areas of the low-income community will be represented in proportion to their low-income population. This plan shall include procedures and safeguards to limit voting to persons 16 years of age and older, with one vote per person.
 - c. A plan for selecting representatives of organizations, indicating the criteria for such selection. Representatives will be allocated among business and industry, labor, religious, welfare, law enforcement, educational and other major groups or interests in the community.
3. A description of any performance standards (such as attendance, etc.) for members of the board, the violation of which may be grounds for removal. This shall include standards of conduct for board members.
4. A description of specific procedures to be followed in the case of removal of representatives of low-income persons, organizations, and public officials.
5. Procedures for selecting new board members in the case of a vacancy on the board. For the purpose of this paragraph, there is a

vacancy on the board when a member has been notified of his/her official removal by the board for cause; when a member notifies the board of his/her resignation; when a member dies; when a member who is a public official leaves office or is removed by the selecting local official; or, in the case of public officials, when the selected official leaves office.

- a. With respect to representatives of low-income persons, the by-laws shall include one of two methods for filling a vacancy: the selection procedure under 4120 C may be repeated, or alternatively, the remaining low-income representatives may select a replacement to serve for the remainder of the term. In the latter case, the person selected shall, to the maximum extent possible, represent the same constituency as the original representative.
 - b. When the seat of a representative of an organization is vacant, the board shall ask the organization to name another representative to serve the remainder of the term. In the event the organization chooses not to name a new representative, the board shall choose another organization to name a new representative.
 - c. When the seat of a public official is vacant, the board shall request the selecting public official to name a replacement.
6. Procedures for low-income individuals, community organizations, or religious organizations, or representatives of low-income individuals that considers its organization or low-income individuals, to be inadequately represented on the board (or other mechanism) to petition for adequate representation.
7. The quorum for a meeting of the board shall be at least 50 percent of the non-vacant seats on the board.
8. The board shall meet at least quarterly. The meetings shall be scheduled for the convenience of its members and of the general public. The eligible entity shall provide notice (in writing) of any meeting and an agenda to all members at least seven days in advance. The eligible entity shall provide public notice of its meeting at least five days in advance. The eligible entity shall provide OCS copies of meeting minutes and notices of Board meetings no later than 30 days after each meeting. Minutes will also be made available for public review during normal business hours.
9. All meetings of the eligible entity boards shall be open to the public. Executive sessions may be held where consistent with the rules for openness of meetings in state regulations. The board shall keep written minutes for each meeting in accordance with Robert's Rules of Order. These minutes shall be signed by the Board Secretary and maintained in an orderly manner at the principle office of the eligible entity.

10. The board may appoint an executive committee composed of some of its members to transact business for the full board. Each sector of the board must be fairly represented. The executive committee shall provide a written report and obtain board ratification for its actions at the next meeting of the full board. The quorum for the executive committee may not be less than fifty percent of the non-vacant seats on the committee.
11. The board may establish any committees it considers necessary for carrying out its business. Each sector of the board must be fairly represented on such committees to the maximum extent feasible.
12. Voting by proxy is not permitted at meetings of the board or of its committees. This prohibition applies to all members of the board.
13. The by-laws shall designate the procedures, including persons responsible, for convening board meetings.
14. Alternates may be provided for only under the following conditions:
 - Selection and service of alternates must be described in the by-laws of the agency
 - Alternates must be elected/selected in the same manner, at the same time and by the same body that elected/selected the representative
 - Representatives of public officials may not select alternates to substitute for them
 - All alternates must be listed on the membership roster of the Board of Directors
 - No alternate may be counted toward a quorum or cast a vote when his/her primary board member is attending the meeting
 - No alternate may hold an office of the board

Planning, Funding Application, and Reporting Requirements (Section 4140, State CSBG Policy)

A. Local Community Services Plans.

1. In order to be eligible for CSBG funding, each eligible entity shall conduct a public hearing on the needs of low-income persons in the service area, every two years and by the seventh month prior to the end of the State's second CSBG fiscal year of a two year plan. The needs assessment of the primary poverty problems of the area,

including the causes and effects of poverty, shall be updated at this time through citizen input. Poverty problems to be addressed shall include: problems of low-income persons in: 1) securing and retaining meaningful employment; 2) attaining an adequate education; 3) making better use of available income; 4) obtaining and maintaining adequate housing and a suitable living environment; 5) obtaining emergency assistance; including urgently needed health services, nutritional food, and other human services; 6) removing obstacles and solving problems blocking attainment of self-sufficiency; and 7) participating in decisions which affect their lives. 8) to address the needs of youth in low-income communities; and 9) to make more effective use of and coordinate with other programs. As a result of this hearing the board shall adopt a Community Action Plan which will indicate the primary poverty problems the eligible entity will address and the share of available funds to be allocated to each.

This CAP (and any subsequent amendments) must be approved by the eligible entity's Board of Directors and will serve as a basis for the projects proposed by the board for CSBG funding.

B. CSBG Purposes and Eligible Activities. The following eligible entity program activities are eligible for funding by OCS with Community Services Block Grant funds. In the funding application, each eligible entity shall demonstrate that its goals and objectives address, at a minimum, (1), (2) g, (3), (4), (5) and (6) of the eligible activities set forth below. In addition, the State OCS may set out goals and objectives within which the eligible entities shall develop their priorities.

1. To provide a range of services and activities having a measurable and potentially major impact on causes of poverty in the community or those areas of the community where poverty is a particularly acute problem; this may include advocacy, organizing and development of self-help institutions as a means of improving community conditions.
2. To provide activities designed to assist low-income participants including the elderly poor:
 - to secure and retain meaningful employment
 - to attain an adequate educational level
 - to make better use of available income
 - to obtain and maintain adequate housing and a suitable living environment
 - to obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs, including the need for health services, nutritious food, housing and employment related assistance

- to remove obstacles and solve problems which block the attainment of self-sufficiency; and
 - to achieve greater participation in the affairs of the community
3. To make more effective use of other programs related to meeting the needs of low-income persons and communities.
 4. To provide on an emergency basis for the provisions of such supplies and services, nutritious foods and related services as may be necessary to counteract conditions of starvation and malnutrition among the poor.
 5. To coordinate and establish linkages between governmental and other social services programs to assure the effective delivery of such services to low-income individuals.
 6. To encourage the use of entities in the private sector of the community in efforts to ameliorate poverty in the community.

C. Eligible Population

1. Eligible entities shall use the most current poverty line definition as promulgated by the Director of the Office of Management and Budget and published in the U. S. Federal Register to establish eligibility of individuals to receive service provided with CSBG funds.
2. No person on the basis of race, sex, religion, national origin, age or handicap shall be excluded from participation in, or be denied the benefits of, or otherwise be subjected to discrimination in any eligible entity program funded with CSBG funds.

D. Funding Application

1. OCS shall notify the eligible entity of the amount of funds available for application in accordance with the Arkansas CSBG State Plan (as amended), any special conditions for funding, and the documents necessary for submission prior to the beginning of its program year. Those documents that are to be submitted upon request or updated and submitted:
 - any changes in the Articles of Incorporation, By-laws, and Personnel Policies and Procedures,
 - Financial Procedures,
 - Administrative Procedures,

- evidence of current bond and Equal Opportunity and Affirmative Action Plan
- current listing of eligible entity board members by sector and by county
- inventory list

The eligible entity shall be notified by letter which of these documents are required to be submitted to OCS, in whole or in part, along with any other documents that are necessary. All of these documents will be reviewed at the time of the annual on-site monitoring.

2. The eligible entity Board of Directors shall review, amend as appropriate, and approve the following agency documents: Articles of Incorporation, By-Laws, Personnel Policies and Procedures, Financial Procedures, and administrative procedures. Upon approval, the Board Chairperson must attest to the date each document was approved.
3. No later than ninety days before the end of its federal fiscal year, the eligible entity shall submit a funding application in conformance with any special requirements contained in the notification from OCS. This application shall include the following:
 - A work program with objectives and activities for the eligible entity to accomplish in each project area which the eligible entity will operate during its CSBG program year. These objectives shall state in verifiable terms the results to be achieved in each quarter of the program year
 - A budget which specifies the CSBG program costs to accomplish each of the projects
 - An agency wide and a comprehensive administrative budget for the eligible entity which indicates how CSBG funds and funds from other funding sources finance the efforts of the eligible entity
 - These work programs and budgets shall be submitted in a form prescribed by OCS

- E. Use of CSBG Funds for Agency Administration. Each eligible entity may use CSBG funds for agency administration of CSBG-related activities of an eligible entity provided the costs do not exceed 10 percent of the agency's total budget consisting of all funds received which are CSBG-related.

For purposes of this paragraph, administrative services are considered to be management and operating functions which span several or all agency functions. With the approval of the Assistant Director of OCS, a different definition for administrative services may be used by an eligible entity for purposes of this paragraph.

All requests to use CSBG funds for administration must include full justification. Additionally, where application is made to utilize CSBG funds for administrative support of programs funded from other sources than CSBG, the agency shall:

- submit the total eligible entity budget
- list the amount and sources of funds in (1) above
- indicate the amount of funds from each source in (2) above which are actually to be used for administrative costs, and
- document efforts by the agency to obtain the use of funds for administrative costs from each source in (2) above

- F. Match. There is no match requirement for CSBG funds; however, CSBG funds may be used as match for HUD programs in accordance with CSBG regulations.
- G. Accrued Leave. Funds must be reserved for accrued leave monthly. The amount reserved shall be based on salaries and fringe costs in effect that month. As leave is used, funds will be released from the reserve on a first in first out basis.
- H. Transfer of Funds. An eligible entity may transfer up to ten percent between line items of costs within the same cost center/program activity. (An agency may not transfer funds between cost centers/program activity without a formal request to, and approval by, OCS. Additionally, a subsequent budget revision incorporating the change is required.) The Assistant Director of OCS may waive these prior approval requirements in the case of natural disaster or health threatening emergency.
- I. Separate Firms. Any eligible entity whose bookkeeping/accounting is being performed by an independent accounting firm may not use the same firm for auditing purposes.
- J. Carryover Funds. Eligible entities will be allowed to reprogram up to 20% CSBG funds from their annual CSBG budget. Eligible entities are encouraged to conduct periodic internal evaluations of programs, compare

actual expenditures with budgets and develop appropriate programs in order to ensure a pattern of reprogramming funds is not a practice.

- K. Grant Award. If OCS determines that the eligible entity has met the requirements for CSBG funding, OCS shall provide the eligible entity with a CSBG funding grant containing such terms and conditions as OCS may require, which shall accord with the officially adopted Arkansas CSBG State Plan, the promulgated CSBG regulations, and other state and federal laws or regulations which may be applicable. The State Agency shall notify the eligible entities of the amount of federal funds available to them ninety days prior to the application date, subject to that information being made available by the federal funding source.

When the CSBG section of OCS has completed review of the application work program and budgets, the Assistant Director of OCS will determine whether the application should be approved as submitted, or he may place special conditions on the grant, or he may require changes. He will notify the applicant agency of his decision in writing. The state agency shall reply to the eligible entity within forty five days of receipt of a completed application. If no response is sent by the state agency within forty five days, the application shall be deemed to be complete and acceptable as submitted. The state agency shall issue a Notice of Grant Award within fifteen days after a work program has been approved, subject to receipt of federal funds.

In the event the eligible entity does not accept any stated conditions or does not agree to any required changes, the eligible entity may appeal, in writing, to the Assistant Director of OCS within ten days, stating the reasons why the stated conditions or changes should not be required. If the Assistant Director does not agree with the appeal, he will so notify the eligible entity, in writing, within ten days. At this point, the eligible entity, within ten days, may request the Assistant Director of OCS to seek the advice of an appeals body to be appointed by him. The body shall be appointed and directed to meet within ten days of receipt of the request by the OCS Assistant Director. The appeals body shall consist of two eligible entity directors and a staff member of the Division of County Operations not previously involved in the decision. The appeals body shall review the application file, discuss, deliberate and issue a written recommendation to the OCS Assistant Director within five days of adjournment. If the appeals body cannot reach a consensus, dissenting members may submit separate written recommendations within the same five day period. After reviewing the advice of the appeals body, the Assistant Director of OCS will make his finding to the eligible entity, in writing, within ten days. At this point, within ten days, the eligible entity may appeal, in writing, to the DCO Director. The DCO Director shall notify the eligible entity of his finding within ten days. The eligible entity may appeal his finding, within ten days, to the Director of DHS. The Director of DHS shall respond within ten days. The findings of the Director of DHS shall be final.

- M. Reporting. The eligible entity shall provide a monthly fiscal report on the operation of funded projects. This report is to be submitted to OCS not later than ten days after the end of each month of the funding period. Reports will meet this requirement if postmarked by the tenth (10th) of the

month. Additionally, at the end of each quarter of its program year, the eligible entity shall report on the status of the implementation and operation of its work programs. This report is to be submitted to be received in OCS not later than thirty calendar days after the end of the period covered by the report and is required for the release of funds for the second month of each program quarter. All reports submitted to OCS subsequent to the last board meeting shall be presented for review and approval by the board.

Failure to comply with this requirement by a timely and accurate reporting of financial and program activity in the format requested may result in corrective action prior to suspension of funding for the respective project. Where an eligible entity has a history of failure to comply with reporting requirements, OCS may suspend all funding to the eligible entity which fails to submit any required report in a timely and complete manner or fails to respond to any other reasonable request by OCS regarding their program. Any financial or program report at least thirty days in arrears may serve as the basis for the initiation of corrective action proceeding prior to suspension of all funding.

Monitoring and audit reports shall be submitted to the Board for review and approval.

- N. Amendments. The eligible entity may propose amendments to its planned work program and budget for review and approval by OCS. Amendments are required to delete, add or change the planned work program or budget. Proposed amendments must be submitted to OCS in advance of the applicable quarter(s), along with a written request and explanation of why the change is necessary.
- O. Failure of agency to provide services as agreed upon in the agency approved work program. When an agency submits its quarterly program reports, it shall adequately explain any variances of twenty percent or more from the approved work program in any activity or objective when the goal was not met. The agency shall include any necessary corrective actions the agency intends to make to satisfy the work program activity or objective where the goal was not met. The Assistant Director of OCS shall determine the adequacy of the explanation and of the intended corrective actions. If they are not adequate, he will inform the agency of any steps necessary to meet the requirements of the grant and set a time for their accomplishment. If the agency does not agree to the corrective actions or fails to meet them in the stated time, the Assistant Director of OCS may withhold any further funding to the agency until such time as the conditions are met, or he may institute corrective action proceedings prior to suspension of agency funds. If no notification is sent by the OCS within thirty working days after receipt of quarterly reports, the report shall be deemed to be accepted as submitted.
- P. Administrative Procedures. Eligible entity will maintain an Administrative Procedures Manual which outlines management and operating procedures.

Section 3

State Plan Development and Statewide Vision and Goals

State Lead Agency

The Arkansas Department of Human Services is the lead agency responsible for the Community Services Block Grant activities in the State of Arkansas. More specifically, the Office of Community Services (OCS), within the Division of County Operations, will be responsible for administering the Community Services Block Grant Program.

Mission and Responsibilities of Lead Agency

The mission of the Arkansas Department of Human Services is to improve the quality of life of all Arkansans by protecting the vulnerable, fostering independence, and promoting better health.

It is the mission of the State Office of Community Services to be the lead agency in state government in dealing with the problems of the poor. This agency is responsible for providing technical assistance to local communities and local agencies in providing community services to low-income persons.

The State is responsible for the administration of the Community Services Block Grant, Emergency Solutions Grant, Shelter Plus Care Grant, Low-Income Home Energy Assistance Program, Commodity Distribution Unit and other grant programs designated by state government. The State Office of Community Services is charged with informing the Governor, Legislature and state government about the problems of the poor and the overall efforts of the agency and eligible entities to improve the quality of life for Arkansans.

Goals and Objectives of Lead Agency

The goals of the lead agency in administering the CSBG Program are to provide assistance to local communities through a network of eligible entities for the reduction of poverty and the revitalization of low-income communities, as well as the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient; and to support other Federal Statutory Purposes and Goals of the CSBG Act.

The objectives of the lead agency are as follows:

- Develop the CSBG State Plan and Application for Fiscal Years 2016-2017, to be submitted to the U.S. Department of Health and Human Services, by September 1, 2015.
- Hold at least one public hearing in the State, with sufficient time for statewide distribution of notice of such hearing, and provide opportunity for public comment on the proposed use and distribution of Community Services Block Grant funds for Fiscal Years 2016-2017, before September 1, 2015.
- Conduct reviews of eligible entities for program evaluation and administrative compliance, under Section 678, at least once annually, during Fiscal Years 2016-2017.

- Carry out the statutory purposes and goals of the CSBG Act and assure compliance with all applicable statutes, rules, regulations, policies and procedures set forth by Federal and State Government, during Fiscal Years 2016-2017.

The State accessed the State National Performance Indicators, the U.S. Census data, eligible entities community assessments and eligible entities CSBG work plans in the development of the State Plan.

The State also attended meetings, conferences and teleconferences with the eligible entities and with the State Community Action Association and with regional associations in gathering data for the State Plan.

All the eligible entities and the State Association were given a draft copy of the State Plan, made of aware of the public comment period and invited to the public hearing.

Section 4

CSBG Hearing Requirements

Public Hearing Requirements

The State of Arkansas has complied with public and legislative hearing requirements of the CSBG Act regarding the State Application and Plan, as follows:

1. Public Hearing

The Act requires the designated lead agency to conduct at least one Public Hearing to provide an opportunity for comment on the proposed use and distribution of funds, in conjunction with development of the State Application and Plan. Arkansas held one public hearing, _____. Notice of the hearing was published in the statewide daily newspaper for three consecutive days and posted on the Arkansas Department of Human Services website. The public was offered the opportunity to comment on the proposed use and distribution of funds for the plan period (fiscal years 2016-2017).

2. Legislative Hearing

The Act requires the State to hold at least one legislative hearing every three (3) years in conjunction with the development of the State Plan. The Arkansas Legislative Council of the Arkansas General Assembly conducted a legislative hearing for fiscal years 2016-2017 on _____. The Legislative Council also held a legislative hearing in conjunction with the development of the 2016-2017 State Plan on _____.

3. Public Inspection of State Plan

The Act requires the State to make the Plan available for public inspection, to facilitate review of and comment on the plan. The State Plan for fiscal years 2016-2017 was made available for public inspection and comment from _____ - _____, at the Arkansas Department of Human Services website. Those who wished to comment could respond orally at the Public Hearings or submit comments directly to the Arkansas Department of Human Services, Division of County Operations, Office of Community Services. Notice of the public hearing and comment period was provided in the Arkansas statewide daily newspaper and via the Arkansas Department of Human Services website.

Copies of the plan will be made available at the Arkansas State Library, Arkansas Department of Human Services, Legislative Council, Community Action Agencies, and the Arkansas Department of Human Services website www.dhs.arkansas.gov.

Section 5

CSBG Eligible Entities

CSBG Eligible Entity	Nonprofit	Type of Agency	Geographical (Counties)Area Served
Arkansas River Valley Area Council, Inc 613 North 5th Street Dardanelle, Arkansas 72834	Nonprofit	CAA	Conway, Franklin, Johnson, Logan, Perry, Polk, Pope, Scott, Yell
Black River Area Dev. Corp. 1403 Hospital Drive Pocahontas, Arkansas 72455	Nonprofit	CAA	Clay, Lawrence, Randolph
Central Arkansas Dev. Council 321 Edison Benton, Arkansas 72015	Nonprofit	CAA	Calhoun, Clark, Columbia, Dallas, Hot Spring, Lonoke, Montgomery, Ouachita, Pike, Pulaski, Saline, Union
Community Action Program for Central Arkansas, Inc 707 Robins Street, Ste. 118 Conway, Arkansas 72034	Nonprofit	CAA	Cleburne, Faulkner, White
Crowley's Ridge Dev. Council, Inc. 2401 Fox Meadow Lane Jonesboro, Arkansas 72401	Nonprofit	CAA	Craighead, Crittenden, Cross, Greene, Jackson, Poinsett, St. Francis, Woodruff
Crawford-Sebastian Comm Dev. Council, Inc. 4831 Armor Street Fort Smith, Arkansas 72914	Nonprofit	CAA	Crawford, Sebastian
Community Services Office, Inc. 600 West Grand Avenue Hot Springs, Arkansas 71901	Nonprofit	CAA	Garland
Economic Opportunity Agency of Washington, Co. Inc. 614 East Emma Avenue, Suite M401 Springdale, Arkansas 72764	Nonprofit	CAA	Washington
Mississippi County, Arkansas Economic Opportunity Commission, Inc. 1400 North Division Street Blytheville, Arkansas 72316-1289	Nonprofit	CAA	Mississippi
Mid-Delta Community Services, Inc. 610 South Biscoe Street Helena, Arkansas 72342	Nonprofit	CAA	Lee, Monroe, Phillips, Prairie
Northcentral Arkansas Dev. Council, Inc, 550 9th Street Batesville, Arkansas 72503	Nonprofit	CAA	Fulton, Independence, Izard, Sharp, Stone

CSBG Eligible Entity	Nonprofit	Type of Agency	Geographical (Counties)Area Served
Office of Human Concern, Inc. 506 East Spruce Street Rogers, Arkansas 72757	Nonprofit	CAA	Benton, Carroll, Madison
Ozark Opportunities, Inc. 701 East Prospect Avenue Harrison, Arkansas 72601	Nonprofit	CAA	Baxter, Boone, Marion, Newton, Searcy, Van Buren
Pine Bluff-Jefferson County Economic Opportunities Commission, Inc. 817 South Cherry Pine Bluff, Arkansas 71611	Nonprofit	CAA	Arkansas, Cleveland, Grant, Jefferson, Lincoln
Southeast Arkansas Comm. Action Corp. 1208 North Myrtle Street Warren, Arkansas 71671	Nonprofit	CAA	Ashley, Bradley, Chicot, Desha, Drew
Southwest Arkansas Dev. Council, Inc. 3902 Sanderson Lane Texarkana, Arkansas 71854	Nonprofit	CAA	Hempstead, Howard, Lafayette, Little River, Miller, Nevada, Sevier

There are 16 Community Action Agencies (eligible entities) in the State of Arkansas. There has been no changes in the number of entities or in the list since the submission of the State's last State Plan.

Section 6

CSBG Organizational Standards

CSBG Organizational Standards

The State lead agency, the Arkansas Community Action Agencies Association and the Arkansas Community Action Agencies officially adopted the CSBG Organizational Standards as described in IM 138. The CSBG Organizational Standards have been included as a part of the State CSBG Policies and Procedures.

The State lead agency used FY 2015 as the baseline year for the Organizational Standards. Each eligible entity conducted a self-assessment that was validated by the State lead agency in April, 2015. Collectively the entities met 78% of the CSBG Organizational Standards at the time of the April, 2015 assessments.

The State lead agency will assess each eligible entity in FY 2016 and FY 2015 by on site monitoring.

The State lead agency in collaboration with Arkansas Community Action Agencies Association will provide technical assistant through training and Peer –to-Peer reviews during FY 2016 and FY 2017. Each entity is expected to be in 100% compliance with all 58 of the CSBG Organizational Standards by the time of the FY2017 on-site monitoring.

The State lead agency will neither modify the Center Of Excellence – developed Organizational Standards, nor make any exceptions in applying the Organizational Standards for any of the eligible entities.

COE-developed Organizational Standards for Private, Nonprofit CSBG Eligible Entities

ORGANIZATIONAL STANDARDS FOR PRIVATE, NONPROFIT CSBG ELIGIBLE ENTITIES

1. MAXIMUM FEASIBLE PARTICIPATION

Category One: Consumer Input and Involvement

Community Action is rooted in the belief that people with low incomes are in the best position to express what they need to make a difference in their lives. CSBG eligible entities work in partnership with the people and communities they serve. Community Action works in a coordinated and comprehensive manner to develop programs and services that will make a critical difference in the lives of participants. Individuals and families are well attuned to what they need, and when Community Action taps into that knowledge, it informs our ability to implement high-impact programs and services.

Research shows that through engagement in community activities such as board governance, peer to peer leadership, advisory bodies, volunteering, and other participatory means, the poor build personal networks and increase their social capital so that they are able to move themselves and their families out of poverty. Community Action is grounded in helping families and communities build this social capital for movement to self-sufficiency.

Standard 1.1 - The organization demonstrates low-income individuals' participation in its activities.

Standard 1.2 - The organization analyzes information collected directly from low-income individuals as part of the community assessment.

Standard 1.3 - The organization has a systematic approach for collecting, analyzing, and reporting customer satisfaction data to the governing board.

Category Two: Community Engagement

No CSBG eligible entity can meet all of a community's needs independently. Through formal and informal partnerships, ongoing community planning, advocacy, and engagement of people with low incomes, partners ranging from community and faith-based organizations, educational institutions, government, and business work together with Community Action Agencies and other CSBG eligible entities to successfully move families out of poverty and revitalize communities.

Community Action is often the backbone organization of community efforts to address poverty and community revitalization: leveraging funds, convening key partners, adding the voice of the underrepresented, and being the central coordinator of efforts. It is not an easy role to play, but a vital one for families and communities.

Standard 2.1 - The organization has documented or demonstrated partnerships across the community, for specifically identified purposes; partnerships include other anti-poverty organizations in the area.

Standard 2.2 - The organization utilizes information gathered from key sectors of the community in assessing needs and resources, during the community assessment process or other times. These sectors would include at minimum: community-based organizations, faith-based organizations, private sector, public sector, and educational institutions.

Standard 2.3 - The organization communicates its activities and its results to the community.

Standard 2.4 - The organization documents the number of volunteers and hours mobilized in support of its activities.

Category Three: Community Assessment

Local control of Federal CSBG resources is predicated on regular comprehensive community assessments that take into account the breadth of community needs as well as the partners and resources available in a community to meet these needs. Regular assessment of needs and resources at the community level is the foundation of Community Action and a vital management and leadership tool that is used across the organization and utilized by the community to set the course for both CSBG and all agency resources.

Standard 3.1 - The organization conducted a community assessment and issued a report within the past 3 years.

Standard 3.2 - As part of the community assessment, the organization collects and includes current data specific to poverty and its prevalence related to gender, age, and race/ethnicity for their service area(s).

Standard 3.3 - The organization collects and analyzes both qualitative and quantitative data on its geographic service area(s) in the community assessment.

Standard 3.4 - The community assessment includes key findings on the causes and conditions of poverty and the needs of the communities assessed.

Standard 3.5 - The governing board formally accepts the completed community assessment.

2. VISION AND DIRECTION

Category Four: Organizational Leadership

Community Action leadership is exemplified at all levels across the organization and starts with a mission that clarifies Community Action's work on poverty. A well-functioning board, a focused chief executive officer (CEO)/executive director, well-trained and dedicated staff, and volunteers giving of themselves to help others will establish Community Action as the cornerstone and leverage point to address poverty across the community. Ensuring strong leadership both for today and into the future is critical.

This category addresses the foundational elements of mission as well as the implementation of the Network's model of good performance management (ROMA). It ensures CAAs have taken steps to plan thoughtfully for today's work and tomorrow's leadership.

Standard 4.1 - The governing board has reviewed the organization's mission statement within the past 5 years and assured that:

1. The mission addresses poverty.
2. The organization's programs and services are in alignment with the mission.

Standard 4.2 - The organization's Community Action plan is outcome-based, anti-poverty focused, and ties directly to the community assessment.

Standard 4.3 - The organization's Community Action plan and strategic plan document the continuous use of the full Results Oriented Management and Accountability (ROMA) cycle or comparable system (assessment, planning, implementation, achievement of results, and evaluation). In addition, the organization documents having used the services of a ROMA-certified trainer (or equivalent) to assist in implementation.

Standard 4.4 - The governing board receives an annual update on the success of specific strategies included in the Community Action plan.

Standard 4.5 - The organization has a written succession plan in place for the CEO/executive director, approved by the governing board, which contains procedures for covering an emergency/unplanned, short-term absence of 3 months or less, as well as outlines the process for filling a permanent vacancy.

Standard 4.6 - An organization-wide, comprehensive risk assessment has been completed within the past 2 years and reported to the governing board.

Category Five: Board Governance

Community Action boards are uniquely structured to ensure maximum feasible participation by the entire community, including those the network serves. By law, Community Action boards are comprised of at least 1/3 low-income consumers (or their representatives), 1/3 elected officials (or their appointees), and the remainder private-sector community members. To make this structure work as intended, CAAs must recruit board members thoughtfully, work within communities to promote opportunities for board service, and orient, train, and support them in their oversight role. Boards are foundational to good organizational performance and the time invested to keep them healthy and active is significant, but necessary.

Standard 5.1 - The organization's governing board is structured in compliance with the CSBG Act:

1. At least one third democratically-selected representatives of the low-income community;
2. One-third local elected officials (or their representatives);
3. the remaining membership from major groups and interests in the community.

Standard 5.2 - The organization's governing board has written procedures that document a democratic selection process for low-income board members adequate to assure that they are representative of the low-income community.

Standard 5.3 - The organization's bylaws have been reviewed by an attorney within the past 5 years.

Standard 5.4 - The organization documents that each governing board member has received a copy of the bylaws within the past 2 years.

Standard 5.5 - The organization's governing board meets in accordance with the frequency and quorum requirements and fills board vacancies as set out in its bylaws.

Standard 5.6 - Each governing board member has signed a conflict of interest policy within the past 2 years.

Standard 5.7 - The organization has a process to provide a structured orientation for governing board members within 6 months of being seated.

Standard 5.8 - Governing board members have been provided with training on their duties and responsibilities within the past 2 years.

Standard 5.9 - The organization's governing board receives programmatic reports at each regular board meeting.

Category Six: Strategic Planning

Establishing the vision for a Community Action Agency is a big task and setting the course to reach it through strategic planning is serious business. CSBG eligible entities take on this task by looking both at internal functioning and at the community's needs. An efficient organization knows where it is headed, how the board and staff fit into that future, and how it will measure its success in achieving what it has set out to do. This agency-wide process is board-led and ongoing. A "living, breathing" strategic plan with measurable outcomes is the goal, rather than a plan that gets written but sits on a shelf and stagnates. Often set with an ambitious vision, strategic plans set the tone for the staff and board and are a key leadership and management tool for the organization.

Standard 6.1 - The organization has an agency-wide strategic plan in place that has been approved by the governing board within the past 5 years.

Standard 6.2 - The approved strategic plan addresses reduction of poverty, revitalization of low-income communities, and/or empowerment of people with low incomes to become more self-sufficient.

Standard 6.3 - The approved strategic plan contains family, agency, and/or community goals.

Standard 6.4 - Customer satisfaction data and customer input, collected as part of the community assessment, is included in the strategic planning process.

Standard 6.5 - The governing board has received an update(s) on progress meeting the goals of the strategic plan within the past 12 months.

2. OPERATIONS AND ACCOUNTABILITY

Category Seven: Human Resource Management

The human element of Community Action's work is evident at all levels of the organization and the relationship an organization has with its staff often reflects the organization's values and mission. Oversight of the chief executive officer (CEO)/executive director and maintaining a strong human resources infrastructure are key responsibilities of board oversight. Attention to organizational elements such as policies and procedures, performance appraisals, and training lead to strong organizations with the capacity to deliver high-quality services in low-income communities.

Standard 7.1 - The organization has written personnel policies that have been reviewed by an attorney and approved by the governing board within the past 5 years.

Standard 7.2 - The organization makes available the employee handbook (or personnel policies in cases without a handbook) to all staff and notifies staff of any changes.

Standard 7.3 - The organization has written job descriptions for all positions, which have been updated within the past 5 years.

Standard 7.4 - The governing board conducts a performance appraisal of the CEO/executive director within each calendar year.

Standard 7.5 - The governing board reviews and approves CEO/executive director compensation within every calendar year.

Standard 7.6 - The organization has a policy in place for regular written evaluation of employees by their supervisors.

Standard 7.7 - The organization has a whistleblower policy that has been approved by the governing board.

Standard 7.8 - All staff participate in a new employee orientation within 60 days of hire.

Standard 7.9 - The organization conducts or makes available staff development/training (including ROMA) on an ongoing basis.

Category Eight: Financial Operations and Oversight

The fiscal bottom line of Community Action is not isolated from the mission, it is a joint consideration. Community Action boards and staff maintain a high level of fiscal accountability through audits, monitoring by State and Federal agencies, and compliance with Federal Office of Management Budget circulars. The management of Federal funds is taken seriously by CSBG eligible entities and the Standards specifically reflect the board's oversight role as well as the day-to-day operational functions.

Standard 8.1 - The organization's annual audit (or audited financial statements) is completed by a Certified Public Accountant on time in accordance with Title 2 of the Code of Federal Regulations, Uniform Administrative Requirements, Cost Principles, and Audit Requirement (if applicable) and/or State audit threshold requirements.

Standard 8.2 - All findings from the prior year's annual audit have been assessed by the organization and addressed where the governing board has deemed it appropriate.

Standard 8.3 - The organization's auditor presents the audit to the governing board.

Standard 8.4 - The governing board formally receives and accepts the audit.

Standard 8.5 - The organization has solicited bids for its audit within the past 5 years.

Standard 8.6 - The IRS Form 990 is completed annually and made available to the governing board for review.

Standard 8.7 • private The governing board receives financial reports at each regular meeting that include the following:

1. Organization-wide report on revenue and expenditures that compares budget to actual, categorized by program; and
2. Balance sheet/statement of financial position.

Standard 8.8 - All required filings and payments related to payroll withholdings are completed on time.

Standard 8.9 - The governing board annually approves an organization-wide budget.

Standard 8.10 - The fiscal policies have been reviewed by staff within the past 2 years, updated as necessary, with changes approved by the governing board.

Standard 8.11 - A written procurement policy is in place and has been reviewed by the governing board within the past 5 years.

Standard 8.12 - The organization documents how it allocates shared costs through an indirect cost rate or through a written cost allocation plan.

Standard 8.13 - The organization has a written policy in place for record retention and destruction.

Category Nine: Data and Analysis

The Community Action Network moves families out of poverty every day across this country and needs to produce data that reflect the collective impact of these efforts. Individual stories are compelling when combined with quantitative data: no data without stories and no stories without data. Community Action needs to better document the outcomes families, agencies, and communities achieve. The Community Services Block Grant funding confers the obligation and opportunity to tell the story of agency-wide impact and community change, and in turn the impact of the Network as a whole.

Standard 9.1 - The organization has a system or systems in place to track and report client demographics and services customers receive.

Standard 9.2 - The organization has a system or systems in place to track family, agency, and/or community outcomes.

Standard 9.3 - The organization has presented to the governing board for review or action, at least within the past 12 months, an analysis of the agency's outcomes and any operational or strategic program adjustments and improvements identified as necessary.

Standard 9.4 - The organization submits its annual CSBG Information Survey data report and it reflects client demographics and organization-wide outcomes.

Section 7

State use of CSBG Funds

Distribution Formula

Ninety (90) percent of funds made available to the State will be used to make grants to eligible entities for stated purposes of the Community Services Block Grant program. A total of 35% of funds will be awarded based on poverty in the area and 65% of funds will be awarded based on hold harmless.

State Act 345 specifies that CSBG funds appropriated for payments to eligible entities shall be allocated on the basis of equitable criteria established by the Arkansas Department of Human Services, Division of Community Services based upon application for programs.

Eligible Entities and Planned Allocations

Act 345 of 1985 designates Community Action Agencies as eligible entities to carry out the Community Services Block Grant Program in Arkansas, as well as defines the geographic coverage area.

Through the administrative rule-making process, the State has established policies and procedures to be followed by eligible entities in carrying out the CSBG program in their specific service areas that are consistent with the requirements of the CSBG Federal Act and regulations.

Eligible entities have submitted information describing the programs, services and activities to be conducted in fiscal years 2016-2017. The general program components to be addressed are self-sufficiency, employment, education, income maintenance, housing, emergency services, nutrition, community participation, health and welfare independence.

The following is a list of eligible entities and geographic areas served. Combined, CAAs provide statewide coverage for all 75 Arkansas counties.

Grants Process

Prior to receipt of funding, each CAA must submit an application (community action plan), which includes a community needs assessment. As required by federal law, the State has established reasonable program and fiscal requirements which eligible entities must meet to receive CSBG funding.

In order to be eligible for CSBG funding, each CAA shall conduct a public hearing on the needs of low-income persons in the service area, at least once every two years, and by the seventh month prior to the end of the State's second CSBG fiscal year of a two-year plan. The needs assessment of the primary poverty problems of the area, including the causes and effects of poverty, shall be updated at this time through citizen's input.

As a result of this hearing, the board shall adopt a Community Action Plan which will indicate the primary poverty problems the eligible entity will address and the share of available funds to be allocated to each. This CAP (and any subsequent amendments) must be approved by the eligible entity's Board of Directors and will serve as a basis for the projects proposed by the board for CSBG funding.

No later than ninety days before the end of the State's two-year grant period, the eligible entity shall submit a funding application to OCS, including the date of the most recent needs assessment and public hearing. Applications shall be submitted based on the federal fiscal year, unless otherwise approved by OCS. Poverty problems to be addressed shall include problems of low-income persons in:

- securing and retaining meaningful employment
- attaining an adequate education
- making better use of available income
- obtaining and maintaining adequate housing and a suitable living environment
- obtaining emergency assistance; including urgently needed health services, nutritional food, and other human services
- removing obstacles and solving problems blocking attainment of self-sufficiency
- participating in decisions which affect their lives
- addressing the needs of youth in low-income communities
- making more effective use of and coordinating with other programs

The Act requires the State to hold at least one legislative hearing every three (3) years in conjunction with the development of the State Plan. The Arkansas Legislative Council of the Arkansas General Assembly conducted a legislative hearing for fiscal years 2016-2017 on _____.

After getting State authority, the State lead agency expects to make funds available to eligible entities within 15 to 30 calendar days of receiving notice of grant award.

The Arkansas Department of Human Services, Division of County Operations, Office of Community Services, will use 5% of the total allocation for administration.

There will be a total of 5 State staff positions funded in whole or in part with CSBG funds under this State Plan.

The remaining 5% will be spent as discretionary funds. Approximately 65% of the Discretionary funds will be used to provide technical assistance and training needed by eligible entities and organizations. 15% of the funds will be used for coordination of State-operated programs and or local programs. 5% of the funds will be used to fund asset-building programs in the eligible entities. 5% will be used to fund innovative programs and activities by the eligible entities (may include fatherhood and strengthening families initiatives). 5% of the funds will be used for

technology upgrades for the eligible entities. The final 5% of the funds will be used for analysis of CSBG funds to determine if targeting greatest need. This will be further described in section 8 (State Training and Technical Assistance Plan).

Planned CSBG 90 Percent Funding

CSBG Eligible Entity	Year One	Year Two
Arkansas River Valley Area Council, Inc 613 North 5th Street Dardanelle, Arkansas 72834	\$728,466	\$728,466
Black River Area Dev. Corp. 1403 Hospital Drive Pocahontas, Arkansas 72455	\$201,868	\$201,868
Central Arkansas Dev. Council 321 Edison Benton, Arkansas 72015	\$2,125,727	\$2,125,727
Community Action Program for Central Arkansas, Inc 707 Robins Street, Ste. 118 Conway, Arkansas 72034	\$362,113	\$362,113
Crowley's Ridge Dev. Council, Inc. 2401 Fox Meadow Lane Jonesboro, Arkansas 72401	\$900,782	\$900,782
Crawford-Sebastian Comm Dev. Council, Inc. 4831 Armor Street Fort Smith, Arkansas 72914	\$348,640	\$348,640
Community Services Office, Inc. 600 West Grand Avenue Hot Springs, Arkansas 71901	\$316,907	\$316,907
Economic Opportunity Agency of Washington, Co. Inc. 614 East Emma Avenue, Suite M401 Springdale, Arkansas 72764	\$322,665	\$322,665
Mississippi County, Arkansas Economic Opportunity Commission, Inc. 1400 North Division Street Blytheville, Arkansas 72316-1289	\$312,190	\$312,190
Mid-Delta Community Services, Inc. 610 South Biscoe Street Helena, Arkansas 72342	\$343,064	\$343,064
Northcentral Arkansas Dev. Council, Inc, 550 9th Street Batesville, Arkansas 72503	\$257,916	\$257,916

Planned CSBG 90 Percent Funding

CSBG Eligible Entity	Year One	Year Two
Office of Human Concern, Inc. 506 East Spruce Street Rogers, Arkansas 72757	\$302,699	\$302,699
Ozark Opportunities, Inc. 701 East Prospect Avenue Harrison, Arkansas 72601	\$478,225	\$478,225
Pine Bluff-Jefferson County Economic Opportunities Commission, Inc. 817 South Cherry Pine Bluff, Arkansas 71611	\$409,337	\$409,337
Southeast Arkansas Comm. Action Corp. 1208 North Myrtle Street Warren, Arkansas 71671	\$354,679	\$354,679
Southwest Arkansas Dev. Council, Inc. 3902 Sanderson Lane Texarkana, Arkansas 71854	\$369,938	\$369,938

Section 8

State Training and Technical Assistance Plan

State Training and Technical Assistance Plan

The State will partner with the State Community Action Agencies Association and with outside consultants to provide training and technical assistance as needed and requested by the eligible entities in FY 2016 and in FY 2017. State CSBG staff will provide training and technical assistance in areas to include, but not limited to reporting, risk assessment, ROMA and financial management.

Training and technical assistance will focus on the whole agency approach to effectively increase the level of skills of the Board, executive staff, front line staff and other agency staff in areas to include, but not limited to : governance and Board training, community needs assessments, community action plans, community strategic planning, technology, financial management, and data analysts.

Eligible entities have requested training and technical assistance in the areas of family development, basic computer skills, ethics, health and safety, human resources, financial management, leadership, governance and board training, case management and risk assessment.

Focus in year-one will be around training and technical assistance on Organizational Standards 1.3; 3.1; 4.6; 6.1 and 9.3. These standards center on Risk Assessment, Comprehensive Community needs assessment, agency-wide strategic planning, data analysis, Community Action Plan Development and customer satisfaction data analysis.

Training and technical assistance will also include ROMA training, reporting and case management.

Focus in year-two will expand into technical assistance in the areas of year-one training.

Approximately 65% of the Discretionary funds will be used to provide technical assistance and training needed by eligible entities and organizations. 15% of the funds will be used for coordination of State-operated programs and or local programs. 5% of the funds will be used to fund asset-building programs in the eligible entities. 5% will be used to fund innovative programs and activities by the eligible entities (may include fatherhood and strengthening families initiatives). 5% of the funds will be used for technology upgrades for the eligible entities. The final 5% of the funds will be used for analysis of CSBG funds to determine if targeting greatest need.

The State CSBG staff will create individual staff development plans that will include receiving formal training from local, state, regional, and national sources.

Section 9

State Linkages and Communication

Linkages and Coordination

As a condition for funding, Arkansas CSBG Policies and Procedures requires eligible entities to establish linkages between governmental and other social services programs to assure the effective delivery of such services to low-income individuals, identify gaps in services through the provision of information, referrals, case management and follow-up consultation, including the organizations listed below. Also, eligible entities will continue to partner with, as well as support innovative community and neighborhood-based initiatives related to the purposes of the CSBG Act [675C (b) (1) (B)].

1. Community Organizations

- Boy/Girl Scouts
- Churches
- Community Coalitions
- County Resource Councils
- Domestic Violence Programs
- Faith-based organizations
- Family Day Care Homes
- Food Banks/Food Pantries
- Homeless Shelters
- Job Training Programs
- Local Initiative Support Group (LISC)
- Literacy Councils
- Red Cross
- Salvation Army
- Soup Kitchens
- Single Parent Scholarship Fund
- Statewide CAAs
- United Way

2. Government/Education

- Adult Education and Literacy Councils
- Arkansas Development Finance Authority
- Childcare Programs
- Colleges and Universities
- Community Colleges/Technical Schools
- County DHS Offices
- County Extension Offices
- County Health Departments
- Educational Cooperatives
- Employment Security Department/Workforce Services
- Health Education Centers
- Home Instruction Program for Pre-school Youngsters
- Local government agencies
- Postal Service
- Public Housing Authority

School Districts
Transitional Employment Assistance Programs
Workforce Investment Boards/Workforce Alliance

3. **Clubs and Organizations**

Junior Auxiliary
Kiwanis
Lions Clubs
Realtors Associations
Rotary Clubs
Sheriff's Associations

4. **Other**

Chambers of Commerce
Foundations and Corporations
Financial Institutions
Health Professionals
Legal Services
Local Businesses
Media
Utility Providers

Planned activities of eligible entities will assist low-income persons to achieve greater community participation in community affairs. Low-income program participants are encouraged to become involved in programmatic policy and procedures through community programs, including:

- Head Start/Early Head Start Policy Advisory Council
- Federal Emergency Management Assistance Advisory Board
- Senior Wellness Centers Policy Advisory Committee
- County Resource Councils
- CAA Board of Directors
- Section 8 Resident Advisory Board
- Housing & Urban Development Advisory Board
- Local Emergency Food and Shelter Board
- Single Parent Scholarship Program
- Community Action Teams
- Community Involvement Workshops
- Local Advisory Board and Committees

The Assistant Director or his/her designee attends the monthly meeting of the eligible entities Executive Director and the Executive Director of the Arkansas Community Action Agencies Association. Feedback and updates of funding or program status are provided to the entities, and concerns are addressed at the meetings. Communication on a less formal basis is on-going in the form of email, telephone and mailings.

The State lead agency will report on State Accountability measures in order to ensure accountability and improve program performance. The state lead agency will provide feedback within 60 calendar days to local entities and the State Community Action Association regarding performance on State Accountability Measures. This feedback may be in various forms, including but not limited to, meetings and presentations, mailings, emails or social media.

Section 10

Fiscal Controls and Monitoring

FISCAL CONTROLS AND MONITORING

DHS/OCS staff will conduct, at a minimum, an annual on-site program evaluation and compliance review of eligible entities in order to determine whether eligible entities meet the performance goals, administrative standards, financial management requirements and other requirements of the State.

As established in Section 678 B, the State will also conduct:

- an on-site review of each newly designated entity immediately after the completion of the first year in which such entity receives funds
- follow-up reviews including prompt return visits to eligible entities, and their programs, that fail to meet the goals, standards, and requirements established by the State
- other reviews as appropriate, including reviews of entities with programs that have had other Federal, State, or local grants (other than CSBG) terminated for cause

The State lead agency conducts financial and compliance audits of block grant funds, which the State receives under the CSBG Act. Each audit will cover a one-year period and will be conducted in accordance with standards established by the Comptroller General for the audit of the governmental organizations, programs, activities and functions. Use of the Office of Management and Budget cost and accounting standards will apply.

A copy of the audit conducted by the Legislative Audit staff will be made available to the State Legislature 30 days after completion, a copy is provided the Legislative Audit Committee, and a copy will be forwarded to the Secretary. Appropriate documents, papers, and records shall be made available to the Secretary and Comptroller General of the United States, or any duly authorized representatives.

CSBG is not audited as a major program under the State's single audit. It is audited by the State's Legislative Audit Division as part of the Department of Human Services' audit.

Monitoring of Eligible Entities

Before funds will be released to an eligible entity receiving an initial contract using OCS funds, the eligible entity shall submit a statement to OCS certifying that its accounting system meets OCS financial requirements and standard acceptable accounting practices. The accounting system must have internal controls adequate to safeguard their assets, check the accuracy and reliability of accounting data, promote operating efficiency, and encourage compliance with OCS policies. The certification must be furnished by an independent Certified Public Accountant (CPA).

Reporting – As a condition for funding, the eligible entity signs assurances that it will provide monthly financial reports and quarterly progress reports, in the form and at the time the Office of Community Services requires. State policy 4140 M requires that the eligible entity shall provide

monthly fiscal reports on the operation of funded project. This policy also states at the end of each quarter of its program year, the eligible entity shall report on the status of the implementation and operation of its work programs. All quarterly reports submitted to OCS subsequent to the last board meeting shall be presented for review and approval by the board. In addition to other safeguards, assurances are signed that the agency will, on an annual basis, conduct a single agency audit in accordance with OMB circular A-133 covering all funds received by the agency. A copy of the report will be provided to the Department of Health and Human Services.

In accordance with section 678, below is a description of monitoring activities:

Eligible entities must provide monthly financial reports documenting expenditure of funds requested. Reports are reviewed by OCS and fiscal staff to ensure funds requested are consistent with planned expenditures. Payment is made based on the monthly requests.

As part of the eligible entities community action plan (application), a budget is submitted detailing the proposed use of funds. The community action plan containing the proposed budget is reviewed and approved by the Office of Community Services.

The State Office of Community Services monitors will conduct, at a minimum an annual on-site program evaluation and compliance review of eligible entities in order to determine whether eligible entities meet the performance goals, administrative standards, financial management requirements, and other requirements of the State.

- **Official Notification** – The Office of Community Services monitor contacts the eligible entity by telephone to establish monitoring dates for the program evaluation or compliance review. Follow-up correspondence is sent to the agency as official notification of the monitoring dates.
- **Entrance Conference** – The entrance conference is held with the executive director or designee(s) to discuss the purpose, process, format, and procedures to be followed during the monitoring visit.
- **Exit Conference** - An exit conference is held with the executive director or designee(s) to report findings during the monitoring visit. The executive director or designee(s) is given the opportunity to provide comments and present additional evidence where a finding may be disputed by the agency.
- **Report to Agency** – A monitoring report is forwarded to the agency. All monitoring reports must be reviewed and approved by the agency's Board of Directors.
- **Grantee Action Plans** – When there are findings, the eligible entity will be notified in writing, provided suggested recommendations for improvement, and required to submit a plan detailing the actions it will take to correct monitoring findings. Plans should be submitted within the timeframe specified by OCS. Plans are reviewed by OCS to ensure all findings have been adequately addressed. Where findings are not adequately

addressed, OCS will make necessary contacts with the eligible entity until all findings have been appropriately addressed, and will notify the agency when their plan is accepted.

The Program Evaluation – The program evaluation is primarily concerned with the quality of program reporting and service delivery as indicated by records and client interviews. During the on-site program evaluation, agency records are reviewed in order to support actual services provided by the eligible entity and reported to OCS. Case management records are reviewed to determine agency and client's progress made in reaching the client's established self-sufficiency goals. Monitors verify documentation at the eligible entities sites, and interviews with randomly selected clients are conducted to verify that services were provided as reported and to determine whether clients are satisfied with services received. A satisfaction survey is completed on each randomly selected client interviewed.

Compliance Review – The compliance review is primarily concerned with the review of eligible entity program administration and planning, financial functions, board leadership and development, agency director leadership and other requirements of the State.

During the on-site compliance review, agency records are reviewed in order to determine compliance in specific areas including but not limited to: obligation to provide services in designated area; adequate board representation; board powers, responsibilities and training; composition of board committees; by-laws requirements; public hearings; statement of purposes and strategy, and needs assessment requirement; eligible activities; eligible populations and residency; requirements for funding application; grant award; citizens access; code of conduct; and financial record keeping. During the on-site review, monitors verify records to determine agency compliance with CSBG policies and procedures. Board members, and in some instances the Executive Director, are interviewed to determine the level of knowledge of board powers, roles and responsibilities, as well as responsibilities of the Executive Director.

Monitoring of newly designated entities – OCS will conduct an on-site review of each newly designated entity immediately after the completion of the first year in which such entity receives funds. Follow-up reviews will be conducted including prompt return visits to eligible entities, and their programs, that fail to meet the goals, standards, and requirements established by the State. Other reviews will be conducted as appropriate, including reviews of entities with programs that have had other Federal, State or local grants (other than CSBG) terminated for cause.

Designation of New Eligible Entities

If an existing eligible entity terminates its service, the Office of Community Services will solicit applications from eligible entities and designate an eligible entity to provide services in the non-served area. The eligible entity shall be:

1. A private nonprofit organization that is capable of providing a broad range of CSBG services designed to eliminate poverty and foster self-sufficiency. Special consideration

will be given to qualifying organizations that are providing related services in the non-served area, consistent with the needs identified by a community-needs assessment.

2. A private nonprofit eligible entity that is geographically located in an area contiguous to or within reasonable proximity of the non-served area and that is already providing related services in the non-served area. The nonprofit eligible entity selected shall have its board constituted so as to assure adequate board representation as follows:
 - The private nonprofit eligible entity shall administer the Community Services Block Grant Program through a tripartite board that fully participates in the development, planning, implementation, and evaluation of the program to serve low-income communities
 - The members of the board shall be selected by the entity
 - The board shall be composed so as to assure that
 - a. elected public officials or their permanent representatives shall comprise one-third of the board
 - b. representatives of low-income persons shall comprise at least one-third of the board
 - c. representatives of business, industry, labor, religious, law enforcement, education or other major groups and interests in the community shall comprise the remainder of the board
3. If there is no private non-profit organization identified or determined to be qualified to serve as an eligible entity, the Governor may solicit applications from and designate a political subdivision to serve as an eligible entity to provide services in the non-served area. The political subdivision shall have a tripartite board or other mechanism to assure decision-making and participation by low-income individuals in the development, planning, implementation and evaluation of programs. The board shall be constituted so as to assure that no less than one-third of the members are representatives of low-income individuals and families in the neighborhoods and that they reside in the neighborhoods served.

Corrective Action, Termination or Reduction of Funding

The State will comply with the requirements of Section 678C of the Act, in regard to corrective action, termination, or reduction of funding. Section 3200 of CSBG policies outlines these procedures in a section entitled, "Corrective Action, Suspension, Termination and Establishment of Eligible Entity Status". The policy is as follows:

Corrective Action: OCS shall require an agency to submit a Quality Improvement Plan (QIP) when OCS determines that an eligible entity has failed to comply with and meet the requirements contained in regulations or published administrative requirements of OCS, has failed to fulfill its funded work program, or has breached the terms of its funding agreement with OCS.

If the OCS Assistant Director determines that an emergency situation exists due to threat of imminent loss or waste of OCS funds and that immediate action is required due to the seriousness of the violation and/or is necessary to protect OCS funds or property:

- a. DHS/OCS shall notify the agency (by certified mail) of the deficiency to be corrected and may require that the eligible entity develop a Quality Improvement plan to correct the deficiency within sixty days from date of notice. DHS/OCS will establish a reasonable time frame for the eligible entity to correct the deficiency.
- b. DHS/OCS may immediately suspend the agency from participation pending an opportunity for appeal.
- c. DHS/OCS may offer training and technical assistance, if appropriate, to help correct the deficiency.

When training or technical assistance is offered by the State, OCS will prepare and submit to the Secretary a report describing the training and technical assistance offered within 60 days from the date of notification for QIP. If the State determines that such training and technical assistance are not appropriate, OCS will prepare and submit to the Secretary a report stating the reasons for this determination within sixty days from date of notification for QIP.

DHS/OCS will review the Quality Improvement Plan submitted by the agency and inform the eligible entity of its approval or disapproval status within 30 days from the date the Quality Improvement Plan is received by OCS.

If the plan is not approved, OCS will notify the eligible entity of disapproval (by certified mail), specify reason the plan was not approved, and give notice of suspension.

Suspension: The suspension notification shall include a date beyond which no DHS/ OCS funds may be expended by the entity, or alternatively, such other restrictions on DHS/OCS expenditures as OCS may require. If the eligible entity wishes to appeal this determination, it must submit a written request to the Assistant Director to remove the suspension. This request must be made within twenty days of the date of the suspension notice. The eligible entity may include a request for a meeting with the DCO Director upon which the DCO Director shall schedule such a meeting to be held within ten days of receipt of the request and issue a finding, in writing, within ten days of adjournment of the meeting.

If the DCO Director denies the appeal, the eligible entity may appeal to the DHS Director, in writing within ten days. The DHS Director shall schedule such an appeal to be held within ten days of receipt of the request and shall issue written findings within ten days of adjournment of the appeal hearing. If the DHS Director denies the appeal, OCS may initiate termination of status of the agency as an eligible entity. If entity requests review by HHS, no funds determination is final until HHS reviews.

Termination of Funding: OCS may initiate procedures to terminate the status as an eligible entity of a Community Action Agency in the following instances:

1. Where an eligible entity has been suspended under DHS/OCS CSBG Policy 3200 B, following either passage of the twenty days allotted for the eligible entity's appeal or a denial of the appeal by the DHS Director.

The procedures for termination of status as an eligible entity of a sub grantee shall be as follows:

- OCS shall provide the eligible entity with written notice (by certified mail) of OCS' intent to terminate the status of the eligible entity and the reasons for the termination. The notice shall specify the effective date of termination of status and termination of all OCS funded activities, which date shall be no sooner than sixty days from the time of sending such notice to the eligible entity. The notice shall also provide necessary program instructions, including any restrictions on eligible entity expenditures, pending the effective date of termination of status.
- The eligible entity may appeal, in writing, to the DCO Director within twenty calendar days following receipt of the notice of OCS' intent to terminate status. This appeal shall address the reasons for termination and, where appropriate, any corrective action taken, or proposed to be taken, by the eligible entity. The appeal may also include a request by the eligible entity that the DCO Director or his/her designee hold a public hearing before making a decision, in which case such a public hearing "on the record" shall be held within twenty days. At this hearing the eligible entity shall have the right to present evidence and argument on all issues contained in the appeal.
- The DCO Director shall make specific written findings of fact and conclusions of law and enter one of the following decisions:
 - a. Reverse the agency decision and remove the notice of intent to terminate.
 - b. Reverse the termination, but affirm the specific corrective action that must be taken in order for the agency to maintain its status as an eligible entity. If the eligible entity subsequently fails to take corrective action, OCS may terminate the agency.
 - c. Affirm the agency action. The eligible entity may request review by the federal funding agency. If an agency requests a review by the federal funding agency, no determination, other than an emergency action shall be

effective until the Federal funding agency affirms or rejects the State's finding of cause. The DHHS Director's decision is the final agency determination.

Voluntary Suspension of Status as Eligible Entity

An eligible entity may request and OCS may approve voluntary suspension of the status of the eligible entity for a stated period of time. OCS shall make arrangements it deems necessary to assure the continued provision of services during the period of voluntary suspension. The voluntary status of suspension shall be lifted at the agreed upon time. If upon completion of the period of voluntary suspension, OCS determines that suspension shall continue, normal steps for corrective action prior to suspension shall apply, including the rights of appeal by the eligible entity. The eligible entity may request and OCS may approve the extension of the period of voluntary suspension.

State procedure for compliance with Title 2 of the Code of Federal Regulations, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards [2 CFR 200.521]

The State lead agency conducts financial and compliance audits of block grant funds, which the State receives under the CSBG Act. Each audit will cover a one-year period and will be conducted in accordance with standards established by the Comptroller General for the audit of the governmental organizations, programs, activities and functions. Use of the Office of Management and Budget cost and accounting standards will apply.

A copy of the audit conducted by the Legislative Audit staff will be made available to the State Legislature 30 days after completion, a copy is provided the Legislative Audit Committee, and a copy will be forwarded to the Secretary. Appropriate documents, papers, and records shall be made available to the Secretary and Comptroller General of the United States, or any duly authorized representatives.

Cooperation with Federal Investigations [Section 676 (b) (7)]

The director and staff persons of the State lead agency are directed and required to cooperate fully with any federal investigation relative to State use or eligible entity use of CSBG funds. Any additional resources of State Government necessary to assist in such investigations are pledged, and will be provided. Each eligible entity is required, as a condition of funding, to provide written assurances they will allow and cooperate with any Federal or State investigation relative to the use of CSBG funds.

Eligible Entities Monitoring Schedule

CSBG Eligible Entity	Review Type	Target Date of next review	Date of Last Full Onsite Review
Arkansas River Valley Area Council, Inc 613 North 5th Street Dardanelle, Arkansas 72834	On-Site Annual	FY1 Q3 FY2 Q3	December, 2014
Black River Area Dev. Corp. 1403 Hospital Drive Pocahontas, Arkansas 72455	On-Site Annual	FY1 Q3 FY2 Q3	May, 2014
Central Arkansas Dev. Council 321 Edison Benton, Arkansas 72015	On-Site Annual	FY1 Q3 FY2 Q3	July, 2014
Community Action Program for Central Arkansas, Inc 707 Robins Street, Ste. 118 Conway, Arkansas 72034	On-Site Annual	FY1 Q3 FY2 Q3	November, 2014
Crowley's Ridge Dev. Council, Inc. 2401 Fox Meadow Lane Jonesboro, Arkansas 72401	On-Site Annual	FY1 Q3 FY2 Q3	October, 2014
Crawford-Sebastian Comm Dev. Council, Inc. 4831 Armor Street Fort Smith, Arkansas 72914	On-Site Annual	FY1 Q3 FY2 Q3	July, 2014
Community Services Office, Inc. 600 West Grand Avenue Hot Springs, Arkansas 71901	On-Site Annual	FY1 Q3 FY2 Q3	April, 2014
Economic Opportunity Agency of Washington, Co. Inc. 614 East Emma Avenue, Suite M401 Springdale, Arkansas 72764	On-Site Annual	FY1 Q3 FY2 Q3	August, 2014
Mississippi County, Arkansas Economic Opportunity Commission, Inc. 1400 North Division Street Blytheville, Arkansas 72316-1289	On-Site Annual	FY1 Q4 FY2 Q4	September, 2014
Mid-Delta Community Services, Inc. 610 South Biscoe Street Helena, Arkansas 72342	On-Site Annual	FY1 Q4 FY2 Q4	July, 2014
Northcentral Arkansas Dev. Council, Inc. 550 9th Street Batesville, Arkansas 72503	On-Site Annual	FY1 Q4 FY2 Q4	October, 2014

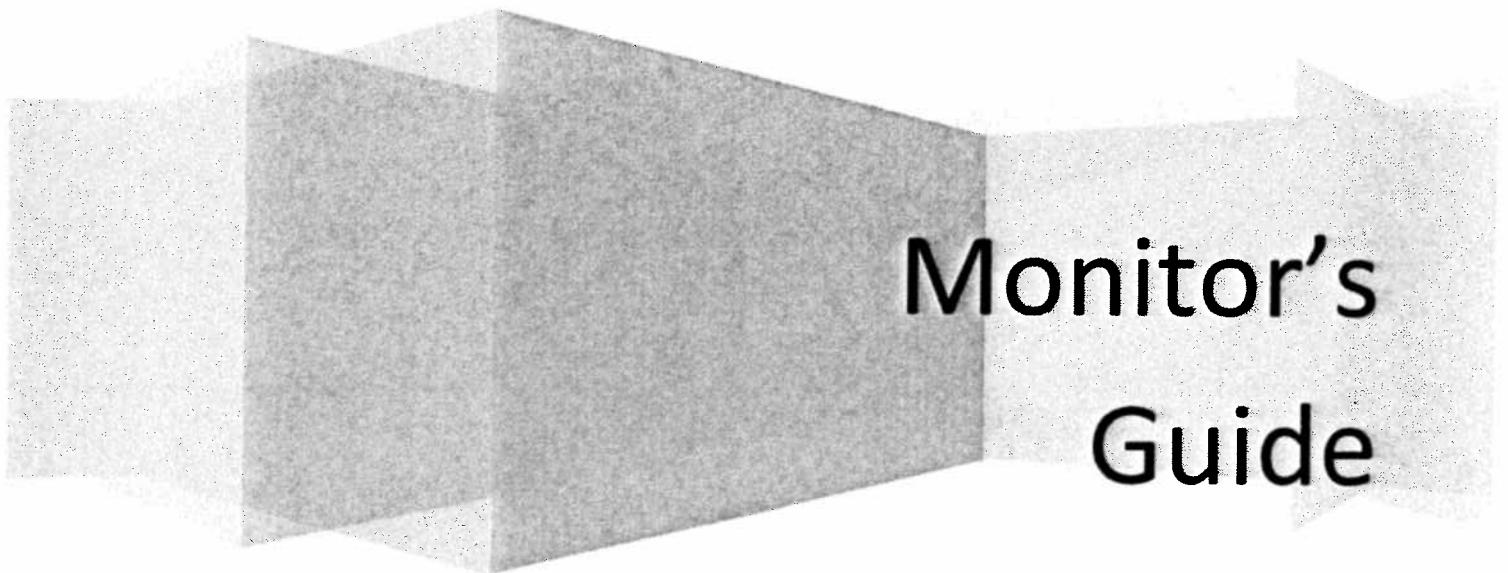
Eligible Entities Monitoring Schedule

CSBG Eligible Entity	Review Type	Target Date of next review	Date of Last Full Onsite Review
Office of Human Concern, Inc. 506 East Spruce Street Rogers, Arkansas 72757	On-Site Annual	FY1 Q4 FY2 Q4	October, 2014
Ozark Opportunities, Inc. 701 East Prospect Avenue Harrison, Arkansas 72601	On-Site Annual	FY1 Q4 FY2 Q4	November, 2014
Pine Bluff-Jefferson County Economic Opportunities Commission, Inc. 817 South Cherry Pine Bluff, Arkansas 71611	On-Site Annual	FY1 Q4 FY2 Q4	June, 2014
Southeast Arkansas Comm. Action Corp. 1208 North Myrtle Street Warren, Arkansas 71671	On-Site Annual	FY1 Q4 FY2 Q4	October, 2014
Southwest Arkansas Dev. Council, Inc. 3902 Sanderson Lane Texarkana, Arkansas 71854	On-Site Annual	FY1 Q4 FY2 Q4	August, 2014

Arkansas Department of Human Services/Office of
Community Services

Monitoring Practices and Principles

Community Services Block Grant



Monitoring Practices and Principles

1. Purpose

The CSBG Act of 1998 requires the State CSBG office to monitor local community action agencies at least once every three years (the Arkansas State CSBG office monitors CAAs annually).

DHS/OCS staff will conduct, at a minimum, an annual on-site program evaluation and compliance review of eligible entities in order to determine whether eligible entities meet the performance goals, administrative standards, financial management requirements and other requirements of the State.

As established in Section 678 B, the State will also conduct:

- an on-site review of each newly designated entity immediately after the completion of the first year in which such entity receives funds
- follow-up reviews including prompt return visits to eligible entities, and their programs, that fail to meet the goals, standards, and requirements established by the State
- other reviews as appropriate, including reviews of entities with programs that have had other Federal, State, or local grants (other than CSBG) terminated for cause

The State lead agency conducts financial and compliance audits of block grant funds, which the State receives under the CSBG Act. Each audit will cover a one-year period and will be conducted in accordance with standards established by the Comptroller General for the audit of the governmental organizations, programs, activities and functions. Use of the Office of Management and Budget cost and accounting standards will apply.

A copy of the audit conducted by the Legislative Audit staff will be made available to the State Legislature 30 days after completion, a copy is provided the Legislative Audit Committee, and a copy will be forwarded to the Secretary. Appropriate documents, papers, and records shall be made available to the Secretary and Comptroller General of the United States, or any duly authorized representatives.

Monitoring of Eligible Entities

Before funds will be released to an eligible entity receiving an initial contract using OCS funds, the eligible entity shall submit a statement to OCS certifying that its accounting system meets OCS financial requirements and standard acceptable accounting practices. The accounting system must have internal controls adequate to safeguard their assets, check the accuracy and reliability of accounting data, promote operating efficiency, and encourage compliance with OCS policies. The certification must be furnished by an independent Certified Public Accountant (CPA).

Reporting – As a condition for funding, the eligible entity signs assurances that it will provide monthly financial reports and quarterly progress reports, in the form and at the time the Office of Community Services requires. State policy 4140 M requires that the eligible entity shall provide monthly fiscal reports on the operation of funded project. This policy also states at the end of each quarter of its program year, the eligible entity shall report on the status of the implementation and operation of its work programs. All quarterly reports submitted to OCS subsequent to the last board meeting shall be presented for review and approval by the board. In addition to other safeguards, assurances are signed that the agency will, on an annual basis, conduct a single agency audit in accordance with OMB circular A-133 covering all funds received by the agency. A copy of the report will be provided to the Department of Health and Human Services.

In accordance with section 678, below is a description of monitoring activities:

Eligible entities must provide monthly financial reports documenting expenditure of funds requested. Reports are reviewed by OCS and fiscal staff to ensure funds requested are consistent with planned expenditures. Payment is made based on the monthly requests.

As part of the eligible entities community action plan (application), a budget is submitted detailing the proposed use of funds. The community action plan containing the proposed budget is reviewed and approved by the Office of Community Services.

The State Office of Community Services monitors will conduct, at a minimum an annual on-site program evaluation and compliance review of eligible entities in order to determine whether eligible entities meet the performance goals, administrative standards, financial management requirements, and other requirements of the State.

- **Official Notification** – The Office of Community Services monitor contacts the eligible entity by telephone to establish monitoring dates for the program evaluation or compliance review. Follow-up correspondence is sent to the agency as official notification of the monitoring dates.
- **Entrance Conference** – The entrance conference is held with the executive director or designee(s) to discuss the purpose, process, format, and procedures to be followed during the monitoring visit.

- **Exit Conference** - An exit conference is held with the executive director or designee(s) to report findings during the monitoring visit. The executive director or designee(s) is given the opportunity to provide comments and present additional evidence where a finding may be disputed by the agency.
- **Report to Agency** – A monitoring report is forwarded to the agency. All monitoring reports must be reviewed and approved by the agency's Board of Directors.
- **Grantee Action Plans** – When there are findings, the eligible entity will be notified in writing, provided suggested recommendations for improvement, and required to submit a plan detailing the actions it will take to correct monitoring findings. Plans should be submitted within the timeframe specified by OCS. Plans are reviewed by OCS to ensure all findings have been adequately addressed. Where findings are not adequately addressed, OCS will make necessary contacts with the eligible entity until all findings have been appropriately addressed, and will notify the agency when their plan is accepted.

The Program Evaluation – The program evaluation is primarily concerned with the quality of program reporting and service delivery as indicated by records and client interviews. During the on-site program evaluation, agency records are reviewed in order to support actual services provided by the eligible entity and reported to OCS. Case management records are reviewed to determine agency and client's progress made in reaching the client's established self-sufficiency goals. Monitors verify documentation at the eligible entities sites, and interviews with randomly selected clients are conducted to verify that services were provided as reported and to determine whether clients are satisfied with services received. A satisfaction survey is completed on each randomly selected client interviewed.

Compliance Review – The compliance review is primarily concerned with the review of eligible entity program administration and planning, financial functions, board leadership and development, agency director leadership and other requirements of the State.

During the on-site compliance review, agency records are reviewed in order to determine compliance in specific areas including but not limited to: obligation to provide services in designated area; adequate board representation; board powers, responsibilities and training; composition of board committees; by-laws requirements; public hearings; statement of purposes and strategy, and needs assessment requirement; eligible activities; eligible populations and residency; requirements for funding application; grant award; citizens access; code of conduct; and financial record keeping. During the on-site review, monitors verify records to determine agency compliance with CSBG policies and procedures. Board members, and in some instances the Executive Director, are interviewed to determine the level of knowledge of board powers, roles and responsibilities, as well as responsibilities of the Executive Director.



Monitoring of newly designated entities – OCS will conduct an on-site review of each newly designated entity immediately after the completion of the first year in which such entity receives funds. Follow-up reviews will be conducted including prompt return visits to eligible entities, and their programs, that fail to meet the goals, standards, and requirements established by the State. Other reviews will be conducted as appropriate, including reviews of entities with programs that have had other Federal, State or local grants (other than CSBG) terminated for cause.

Designation of New Eligible Entities

If an existing eligible entity terminates its service, the Office of Community Services will solicit applications from eligible entities and designate an eligible entity to provide services in the non-served area. The eligible entity shall be:

1. A private non-profit organization that is capable of providing a broad range of CSBG services designed to eliminate poverty and foster self-sufficiency. Special consideration will be given to qualifying organizations that are providing related services in the non-served area, consistent with the needs identified by a community-needs assessment.
2. A private non-profit eligible entity that is geographically located in an area contiguous to or within reasonable proximity of the non-served area and that is already providing related services in the non-served area. The non-profit eligible entity selected shall have its board constituted so as to assure adequate board representation as follows:
 - The private non-profit eligible entity shall administer the Community Services Block Grant Program through a tripartite board that fully participates in the development, planning, implementation, and evaluation of the program to serve low-income communities
 -
 - The members of the board shall be selected by the entity
 - The board shall be composed so as to assure that:
 - a. elected public officials or their permanent representatives shall comprise one-third of the board
 - b. representatives of low-income persons shall comprise at least one-third of the board
 - c. representatives of business, industry, labor, religious, law enforcement, education or other major groups and interests in the community shall comprise the remainder of the board
3. If there is no private non-profit organization identified or determined to be qualified to serve as an eligible entity, the Governor may solicit applications from and designate a political subdivision to serve as an eligible entity to provide services in the non-served area. The political subdivision shall have a tripartite board or other mechanism to assure decision-making and participation by low-income individuals in the development, planning, implementation and evaluation of programs.

The board shall be constituted so as to assure that no less than one-third of the members are representatives of low-income individuals and families in the neighbourhoods and that they reside in the neighbourhoods served.

Corrective Action, Termination or Reduction of Funding

The State will comply with the requirements of Section 678C of the Act, in regard to corrective action, termination, or reduction of funding. Section 3200 of CSBG policies outlines these procedures in a section entitled, "Corrective Action, Suspension, Termination and Establishment of Eligible Entity Status". The policy is as follows:

Corrective Action: OCS shall require an agency to submit a Quality Improvement Plan (QIP) when OCS determines that an eligible entity has failed to comply with and meet the requirements contained in regulations or published administrative requirements of OCS, has failed to fulfil its funded work program, or has breached the terms of its funding agreement with OCS.

If the OCS Assistant Director determines that an emergency situation exists due to threat of imminent loss or waste of OCS funds and that immediate action is required due to the seriousness of the violation and/or is necessary to protect OCS funds or property:

- a. DHS/OCS shall notify the agency (by certified mail) of the deficiency to be corrected and may require that the eligible entity develop a Quality Improvement Plan to correct the deficiency within sixty days from date of notice. DHS/OCS will establish a reasonable time frame for the eligible entity to correct the deficiency.
- b. DHS/OCS may immediately suspend the agency from participation pending an opportunity for appeal.
- c. DHS/OCS may offer training and technical assistance, if appropriate, to help correct the deficiency.

When training or technical assistance is offered by the State, OCS will prepare and submit to the Secretary a report describing the training and technical assistance offered within 60 days from the date of notification for QIP. If the State determines that such training and technical assistance are not appropriate, OCS will prepare and submit to the Secretary a report stating the reasons for this determination within sixty days from date of notification for QIP.

DHS/OCS will review the Quality Improvement Plan submitted by the agency and inform the eligible entity of its approval or disapproval status within 30 days from the date the Quality Improvement Plan is received by OCS.

If the plan is not approved, OCS will notify the eligible entity of disapproval (by certified mail), specify reason the plan was not approved, and give notice of suspension.

Suspension: The suspension notification shall include a date beyond which no DHS/ OCS funds may be expended by the entity, or alternatively, such other restrictions on DHS/OCS expenditures as OCS may require. If the eligible entity wishes to appeal this determination, it must submit a written request to the Assistant Director to remove the suspension. This request must be made within twenty days of the date of the suspension notice. The eligible entity may include a request for a meeting with the DCO Director upon which the DCO Director shall schedule such a meeting to be held within ten days of receipt of the request and issue a finding, in writing, within ten days of adjournment of the meeting.

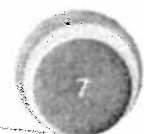
If the DCO Director denies the appeal, the eligible entity may appeal to the DHS Director, in writing within ten days. The DHS Director shall schedule such an appeal to be held within ten days of receipt of the request and shall issue written findings within ten days of adjournment of the appeal hearing. If the DHS Director denies the appeal, OCS may initiate termination of status of the agency as an eligible entity. If entity requests review by HHS, no funds determination is final until HHS reviews.

Termination of Funding: OCS may initiate procedures to terminate the status as an eligible entity of a Community Action Agency in the following instances:

1. Where an eligible entity has been suspended under DHS/OCS CSBG Policy 3200 B, following either passage of the twenty days allotted for the eligible entity's appeal or a denial of the appeal by the DHS Director.
- 2.

The procedures for termination of status as an eligible entity of a sub grantee shall be as follows:

- OCS shall provide the eligible entity with written notice (by certified mail) of OCS' intent to terminate the status of the eligible entity and the reasons for the termination. The notice shall specify the effective date of termination of status and termination of all OCS funded activities, which date shall be no sooner than sixty days from the time of sending such notice to the eligible entity. The notice shall also provide necessary program instructions, including any restrictions on eligible entity expenditures, pending the effective date of termination of status.
- The eligible entity may appeal, in writing, to the DCO Director within twenty calendar days following receipt of the notice of OCS' intent to terminate status. This appeal shall address the reasons for termination and, where appropriate, any corrective action taken, or proposed to be taken, by the eligible entity. The appeal may also include a request by the eligible entity that the DCO Director or his/her designee hold a public hearing before making a decision, in which case such a public hearing "on the record" shall be held within twenty days. At this hearing the eligible entity shall have the right to present evidence and argument on all issues contained in the appeal.



- The DCO Director shall make specific written findings of fact and conclusions of law and enter one of the following decisions:
 - a. Reverse the agency decision and remove the notice of intent to terminate.
 - b. Reverse the termination, but affirm the specific corrective action that must be taken in order for the agency to maintain its status as an eligible entity. If the eligible entity subsequently fails to take corrective action, OCS may terminate the agency.
 - c. Affirm the agency action. The eligible entity may request review by the federal funding agency. If an agency requests a review by the federal funding agency, no determination, other than an emergency action shall be effective until the Federal funding agency affirms or rejects the State's finding of cause. The DHHS Director's decision is the final agency determination.

Voluntary Suspension of Status as Eligible Entity

An eligible entity may request and OCS may approve voluntary suspension of the status of the eligible entity for a stated period of time. OCS shall make arrangements it deems necessary to assure the continued provision of services during the period of voluntary suspension. The voluntary status of suspension shall be lifted at the agreed upon time. If upon completion of the period of voluntary suspension, OCS determines that suspension shall continue, normal steps for corrective action prior to suspension shall apply, including the rights of appeal by the eligible entity. The eligible entity may request and OCS may approve the extension of the period of voluntary suspension.

CSBG Organizational Standards

The State lead agency, the Arkansas Community Action Agencies Association and the Arkansas Community Action Agencies officially adopted the CSBG Organizational Standards as described in IM 138. The CSBG Organizational Standards have been included as a part of the State CSBG Policies and Procedures.

The State lead agency used FY 2015 as the baseline year for the Organizational Standards. Each eligible entity conducted a self-assessment that was validated by the State lead agency in April, 2015. Collectively the entities met 78% of the CSBG Organizational Standards at the time of the April, 2015 assessments.

The State lead agency will assess each eligible entity in FY 2016 and FY 2015 by on site monitoring.

The State lead agency in collaboration with Arkansas Community Action Agencies Association will provide technical assistant through training and Peer –to-Peer reviews

during FY 2016 and FY 2017. Each entity is expected to be in 100% compliance with all 58 of the CSBG Organizational Standards by the time of the FY2017 on-site monitoring.

The State lead agency will neither modify the Center Of Excellence – developed Organizational Standards, nor make any exceptions in applying the Organizational Standards for any of the eligible entities.

“The questions we ask today are not whether our government is too big or too small, but whether it works – whether it helps families find jobs at a decent wage, care they can afford, a retirement that is dignified. Where the answer is yes, we intend to move forward. Where the answer is no, programs will end. And those of us who manage the public’s dollars will be held to account, to spend wisely, reform bad habits, and do our business in the light of day, because only then can we restore the vital trust between a people and their government.”
President Barack Obama, Inaugural Address, January 20, 2009

2. Monitoring Standards

- **Mutual Respect**

In working with CAA boards, staff, and consultants, the Arkansas State CSBG office values and recognizes the unique knowledge, ability, and independence of each person. The State CSBG office is committed to treating all persons fairly and maintaining credibility by matching actions with words.

- **Open Communication**

Effective communication is key in facilitating good working relationships with partners and the State CSBG office is committed to keeping lines of communication open. The purpose of communication is to assist in developing solutions to problems, to share program improvement ideas, and to provide information on new developments in the anti-poverty field.

- **Joint Problem Solving**

The State CSBG office operates under the basic belief that a team approach to problem solving is in the best interest of all parties involved. The State CSBG office want to promote an environment in which the office and all Community Action partners will be open to change and can work together in exploring options and developing mutually agreeable solutions.

3. Monitoring Practices

CAAs often focus their energies on ‘preparing for the monitoring test’, instead of implementing on-going SYSTEMS that will identify areas needing improvement.

The State CSBG office will assess the health of the entire agency, not just program-by-program compliance. This assessment will include general oversight, desk reviews, and on-site reviews of the following: community action plan, needs assessments, service delivery systems, administration/management systems, board and governance systems and financial systems.

Governance – CSBG Law, Section 676B and Section 676(b)(10)

- Board of Directors – composition, training, effectiveness, knowledge of roles and responsibilities, and attendance.

Planning – CSBG Law, Section 676B(a)(1), Section 676B(b)(2), and Section 676(b)(11)

- Agency Mission, Vision and Values
- Strategic planning, evaluation, and community assessment

Evaluation – CSBG Law, Section 678E and Section 676(b)(12)

- ROMA Implementation (Board and staff) on an agency-wide basis as a framework for sound management
- Agency outcomes and performance measures
- Reporting to funders and to the Board of Directors

Partnerships – CSBG Law, Section 676(b)(9)

- Coordination, collaborations and linkages with relevant partners

Administrative systems and procedures – CSBG Law, Section 678D, Section 678F

- Human Resources and personnel policies
- Procurement and inventory records
- Policies and Procedures Manuals
- CSBG Assurances and Prohibitions

Fiscal Systems and Procedures – CSBG Law, Section 678D and 678F

- Review monitoring reports for other funding sources
- Review Chart of Accounts and financial reports
- Review purchases and support documents

Governance – CSBG Law, Section 676B and Section 676(b)(10)

Composition

- Is the Board fully seated?
- How many openings are on the board and from which sectors?
- How long have these vacancies been open?
- Describe procedure used to fill vacancies.
- Board members representing a specific geographic area reside within the community he/she represents? Describe method used to verify residence.
- Has any board member exceeded the ten-year service limitation requirement?
- What is the board orientation process for new members?

Training

- Does the board have an awareness of ROMA concepts as a result of ROMA training?
- Does the agency have an approved Board and Staff Development Training Plan?

Effectiveness

- How does the board exercise oversight and ensure accountability for agency outcomes and fiscal integrity?
- Do the bylaws accurately reflect current practices including: elections, committee composition, attendance policy, annual meetings and vacancies?

Knowledge of roles and responsibilities

- Does the board conduct an annual evaluation of the Executive Director?
- Is there a job description for the Executive Director?
-
- What reports are provided to the board to keep it informed about progress, problems or changes needed in agency programs (listen for types of reports)

Attendance

- If a review of the board minutes indicates low attendance, what efforts are being made to increase board member attendance? (Listen for familiarity with recruitment processes)

Planning – CSBG Law, Section 676B(a)(1), Section 676B(b)(2), and Section 676(b)(11)

Agency Mission, Vision and Values

- The agency has a written mission statement that is understood by staff and board

Strategic planning, evaluation, and community assessment

- The agency has a current written strategic plan
- The strategic plan reflects understanding and application of ROMA goals and measures
- The strategic plan includes all programs and activities

Evaluation – CSBG Law, Section 678E and Section 676(b)(12)

- ROMA Implementation (Board and staff) on an agency-wide basis as a framework for sound management
- Agency outcomes and performance measures
- Reporting to funders and to the Board of Directors

Partnerships – CSBG Law, Section 676(b)(9)

- Coordination, collaborations and linkages with relevant partners

Administrative systems and procedures – CSBG Law, Section 678D, Section 678F

- Human Resources and personnel policies
- Procurement and inventory records
- Policies and Procedures Manuals
- CSBG Assurances and Prohibitions
- Pending and past litigation

Fiscal Systems and Procedures – CSBG Law, Section 678D and 678F

- Monitoring reports for other funding sources
- Chart of Accounts and financial reports
- Purchases and support documents
- Audit and results of previous/other monitoring/fiscal issues

4. On-Site Monitoring

- Entrance meeting – Executive Director and other Agency Staff
- Schedule and conduct interviews with Board, Clients and Partners
- Schedule dates and times for review of CSBG Program documentation
- Schedule dates and times for review of Agency finance documentation
- Schedule exit meeting – Executive Director and other Agency Staff

5. Monitoring Follow-Up Process

- No findings will be added to the monitoring report that was not discussed at the exit interview.
- The CAAs will receive a timely written report after the on-site visit which will officially inform the agency of any findings and/or deficiencies.
- When there are findings, the CAA must submit a corrective action plan detailing actions it will take to address monitoring findings. Plans must be submitted to OCS for approval, within the timeframe specified.
- The State CSBG office and ACAAA will be available to provide training and technical assistance as deemed necessary.

CSBG Monitoring Checklist	
	Agency Organizational Chart
	Signed Board Minutes with media notices
	Board member list with street addresses and how verified
	Board member list by sector, county and service dates
	Board member committee lists
	Last two financial reports to the Board
	Description of Board orientation process
	Policies and procedures manuals (Personnel/Financial Procedures/Equal Opportunity and Affirmative Action, etc)
	EEOC Officer
	Written Conflict of Interest Policies
	Current inventory list and explanation of how inventory is tracked in accounting system
	Partnership agreements
	LIHEAP/WX/Head Start most recent monitoring reports
	Current Auditor contract (date approved by Board and OCS)
	Proof of payment of payroll taxes
	Copy of most recent 990 form
	Declaration page of fidelity (crime) bond with list of covered positions
	Proof of payment of fidelity (crime) bond
	Copy of General Ledger as pertains to CSBG and other funders as requested
	Copies of invoices, purchase orders and journal entries as requested
	Copies of all consultant contracts paid with CSBG dollars
	Payroll and personnel records of all CSBG paid employees
	CSBG Case management (Family Development) files/intake forms
	Bank reconciliations

I, _____ certify that as of this date, _____, I have not received any services from _____ except for _____
(Insert the name of the agency)
the following:
Brief description of services received and time period when services were received.

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper has a slightly textured appearance and is set against a dark background.

Printed name: _____ Title: _____

Signature: _____ Date: _____

Board Interview

Member Name _____

Position _____

Service _____

Dates _____

Committees _____

County of _____

Residence _____

1. Does the board annually plan its work and evaluate its own performance?
2. Is the board active and engaged in fulfilling the mission of the agency?
3. Is the board driving the strategic plans for the agency?
4. Is the board should be well-trained regarding their fiduciary responsibilities?
5. Can the board explain the agency mission statement?

Comments _____

Internal Controls and Standards for Financial Management

Accounting System	Yes	No
-------------------	-----	----

1. The agency has written, current, approved fiscal procedures
2. Financial procedures are applied uniformly and universally throughout the agency (Head Start, satellite offices do not have separate systems and procedures)
3. Are the duties of accounting personnel of the organization defined in
 - a. In a written policy manual
 - b. By job description
4. Does the Accounting manual define who has approval authority and any limits of authority?
5. Does the Accounting Manual contain a chart of accounts?
6. Does the organization prepare audited financial statements and have A-133 audit conducted annually?
7. Has the A-133 audit report been submitted in accordance with A-133 timelines?
8. Does the organization have a written allocation plan for indirect costs?
9. Are journal entries approved and explained with supporting documentation?
10. Who is the approval authority for journal entries?
11. Are accounting records and valuables secured in a limited-access area?

Cash Disbursements	Yes	No
--------------------	-----	----

1. Blank checks are accounted for and blank checks are not signed in advance
2. Bank accounts are reconciled monthly
3. Bank accounts and check signers are authorized by the board of directors
4. Is a check signing machine used?
5. Is the authority for a check to be signed delegated to someone not authorized to sign checks

Budgetary Controls	Yes	No
--------------------	-----	----

1. The agency has a current agency wide budget
2. The board of directors and program manager receive regular financial statements
3. Are there budgetary controls in effect to preclude incurring obligations in excess of total funds available for an award?
4. Is there a comparison of budget with actual expenditures on a monthly basis?
5. The agency can provide an agency wide balance sheet upon request
6. The agency CFO can substantiate the balance sheet line items
7. The financial officer presents financial information at board meetings
8. The agency submits financial reports to funders on a timely basis
9. Financial reports are submitted correctly the first time

Consultants	Yes	No
-------------	-----	----

1. Are there written policies or consistently followed procedures regarding the use of consultants?
2. Are consultants required to sign consulting agreements outlining services to be rendered, duration of engagement, reporting requirements and pay rates?

Property Management	Yes	No
---------------------	-----	----

1. Does the agency prepare a physical inventory every two years?
2. Is the inventory reconciled with equipment records?
3. Does the inventory records include:
 - a. Description
 - b. Serial Number
 - c. Source of funds/grant number
 - d. Acquisition date
 - e. Location and condition
 - f. Unit acquisition cost

Purchases	Yes	No
-----------	-----	----

1. Does the agency have written purchasing procedures?
2. Does the purchasing procedures provide for:
 - a. Pre-numbered purchase orders
 - b. Procedures to insure procurements are competitive prices
 - c. Invoices matched with purchase orders and receiving reports
 - d. Segregation of duties for purchasing, receiving and voucher approval
 - e. Bid procedures in place that are board approved
3. Purchase orders are prepared before purchases are made and before invoices are received
4. Are there purchases charged to the grant that are not a part of the OCS approved form 2425?
5. Are there purchases charged to the grant that are not allowed under the CSBG statute?
6. Does the agency have Conflict of interest policies for vendors and consultant:
 - a. Board members
 - b. Purchases
 - c. Selecting and awarding officials

Travel	Yes	No
--------	-----	----

1. Does the organization have written travel policies?
2. Are travel charges reimbursed based on actual costs incurred or by use of per diem and/or mileage rates?
3. Are receipts for lodging and meals required when reimbursement is based on actual costs incurred?
4. Are travel requests approved prior to occurrence?
5. Do travel expense reports show purpose of the trip?

Credit Cards

Yes

No

1. Does the agency have written policies to control the use of the organizational credit cards, access to credit cards, and prohibit any personal expenditure?
2. Do policies require prior approval of expenditures, documentation of amounts charged and limit the amount and types of expenses?

Audit

Yes

No

1. Does the agency A-133 audit report contain:
 - a. Schedule of expenditures of federal awards
 - b. Report on compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards
 - c. Schedule of findings and questioned costs, including a summary of the auditor's results
 - d. Summary of schedule of prior audit findings
 - e. Data Collection form
 - f. Additional report for immaterial noncompliance and other items not required to be reported according to A-133 (management letter) or assurance one was not issued.
 - g. Agency's response/corrective action plan for each audit issue
 - h. The management letter was presented to the board

Payroll and Personnel

Yes

No

1. Is employment properly authorized?
2. Are changes in payroll properly authorized?
3. How long before payment is made to the appropriate vendor once an employees' benefit is withheld?
4. Are original time records properly prepared and approved by supervisors?
5. Are payroll records regularly compared with the records of the personnel department?
6. How is the payroll distributed to employees?
7. Who reconciles the payroll checking account?
8. Who prepares the quarterly payroll tax reports?
9. Who signs the payroll checks? Is it consistent with other authorized check signers?
10. Obtain a list from the Personnel department of all employees
11. Obtain a printouts (at least two from each year monitored) of the payroll that includes by pay period:
 - a. Hours worked
 - b. Gross pay
 - c. Deductions
 - d. Net pay amount
 - e. Cost center charged
12. Are there written personnel policies?
13. Does employee files contain the following:
 - a. Job description
 - b. Rate of pay
 - c. Drug Free Workplace Act Statement
 - d. Types and levels of fringe benefits

Compensation Policies	Yes	No
-----------------------	-----	----

1. Agency has written, board approved policies that clearly define fringe benefits
2. Time sheets are signed by employee or by a responsible supervisory official who has first hand knowledge of the activities performed by the employee
3. Time sheets are consistent with actual pay

Taxes, Premiums and Contributions	Yes	No
-----------------------------------	-----	----

1. All employee withholding and other taxes are paid on a timely basis
2. Monies withheld from employees' pay checks are used only to pay the taxes, premiums and contributions for which they were intended.
3. IRS reports have been properly completed and filed with the IRS (IRS 990, 941, and 1099)

Benefits Administration	Yes	No
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1. Agency furnished vehicles are not available to employees for personal use
2. Use of agency credit cards by staff is tightly controlled
3. Agency credit cards are never used by employees to cover personal expenses
4. Leave obligations are calculated and recorded

Client Survey

The purpose of this survey is to determine your level of satisfaction with the services and assistance provided by _____. Please provide a response to the item below.

1. What service(s) have you received from this agency?
☐ Employment ☐ Transportation ☐ Educational Assistance
☐ Food ☐ Housing ☐ Utility Assistance
☐ Weatherization ☐ Substance Abuse Treatment
☐ Child Care ☐ Did not receive services
☐ Other: _____
- a. If no services were received, check the reason(s) why.
☐ Lack of agency funds ☐ Did not qualify for services
☐ Service requested was not available from the agency
☐ Other: _____
- b. Were you referred by CAA to another agency for assistance?
☐ Yes ☐ No
- c. If yes, to which agency were you referred?
☐ Health Dept ☐ Salvation Army ☐ DHS
☐ Other: _____
2. On a scale of 1-5, 1 being the worst, 5 being the best, how courteous were the CAA staff members?
☐ Not Courteous at all (1) ☐ A Little Courteous (2) ☐ Average (3)
☐ Courteous (4) ☐ Very Courteous (5)
3. On a scale of 1-5, 1 being the worst, 5 being the best, how quickly was the CAA staff able to assist you?
☐ Very Slow (1) ☐ Slow (2) ☐ Average (3)
☐ Quick (4) ☐ Very Quick (5)

Comments _____

Additional Resources:

Public Law 105-285 Section 676B, Section 678D, Section 678E and Section 678F

Arkansas State CSBG Plan

NASCSP Monitoring Standards

OMB Circular A-133 Standards

OMB Circular A-110

OMB Circular A-122

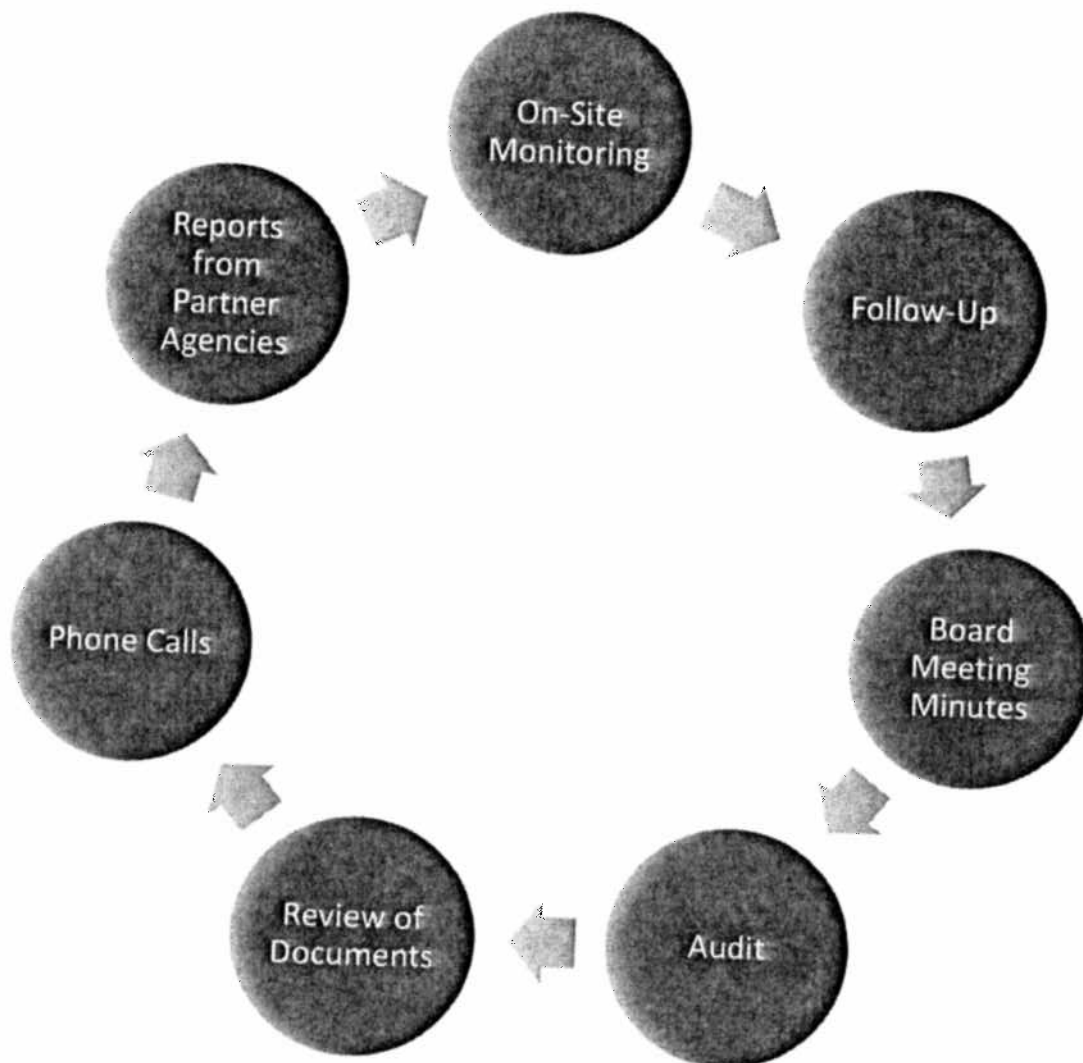
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I.M. 49

I.M. 82

I.M. 94

Monitoring Process is Ongoing



AGENCY COMPLIANCE REVIEW DOCUMENT

Agency:

Contact:

Reviewer:

Review Date(s):

PERIOD COVERED:

AREA OF COMPLIANCE: SERVICE AREA (Ref. P&P 4100)

Should be determined through review of documents and interviews with the Executive Director.

Yes: ☐

No: ☐

1. Agency serves all counties in its service area. If no, explain the method counties are served.

Yes: ☐

No: ☐

2. Agency operates the CSBG program in its territory only, unless specifically approved to do otherwise by OCS.

AREA OF COMPLIANCE: BOARD COMPOSITION (Ref. P&P 4120)

Should be determined through the review of documents (See by-laws and current Board list)

Yes: ☐

No: ☐

3. Agency Board of Directors has the proper number of members.

Proper Number of Seats

0

Slots Filled

0

Slots Vacant

0

Yes: ☐

No: ☐

4. Representatives of low-income persons constitute at least one-third of Board members.

Slots Filled

0

Slots Vacant

0

Low-income representatives are chosen (by low-income persons) through adequate democratic procedures.

Describe procedure to fill vacancy(ies) (BY-LAWS).

Describe procedure used to fill vacancy(ies), if any, since last monitoring visit.

Yes: ☐
No: ☐

5. Representatives of community-at-large constitute one-third of Board members.

Slots Filled 0
Slots Vacant 0

Describe procedure to fill vacancy(ies). (BY-LAWS)

Describe procedure the agency used to fill vacancy(ies) if any since last monitoring visit.

Yes: ☐
No: ☐

6. Elected officials of each county are afforded equitable opportunity to serve on the Board and constitute at least one-third of Board members.

Slots Filled 0
Slots Vacant 0

Describe procedure to fill vacancy(ies). (BY-LAWS)

Describe procedure agency used to fill vacancy(ies), if any, since last monitoring visit.

Yes: ☐
No: ☐

7. Board members representing a specific geographic area reside within the community he/she represents. Describe method used to verify residence.

Yes: ☐
No: ☐

8. No Board member has exceeded the ten-year service limitation requirement. (Not applicable to public officials but applicable to representatives of public officials.) Explain any exceptions.

Yes: ☐
No: ☐

9. The Board has an orientation process for new members. Describe orientation process.

Date of last Board orientation: 00/00/00

List attendees:

Yes: <input type="checkbox"/> No: <input type="checkbox"/>	10. Each year Board's legal and fiduciary responsibilities and liabilities are formally addressed at a Board meeting or formal training session. Give last day of training: <u>00/00/00</u> Conducted by: List other Board trainings: Dates: <u>00/00/00</u> Conducted by:
Yes: <input type="checkbox"/> No: <input type="checkbox"/>	11. Governing Board is aware that the Board is responsible for the hiring, firing, and evaluating the performance of the Executive Director. Is there a job description for the Executive Director? Yes: <input type="checkbox"/> No: <input type="checkbox"/> Is the Board aware of the Executive Director's responsibilities? Yes: <input type="checkbox"/> No: <input type="checkbox"/>
Yes: <input type="checkbox"/> No: <input type="checkbox"/>	12. Governing Board evaluates the performance of the Executive Director annually. If not, how often?
Yes: <input type="checkbox"/> No: <input type="checkbox"/>	13. Governing Board is aware that the Board determines major personnel, organization, fiscal, and program policies.
Yes: <input type="checkbox"/> No: <input type="checkbox"/>	14. Governing Board is aware that Board members may be responsible as individuals if they negligently or knowingly allow the misuse of funds.
Yes: <input type="checkbox"/> No: <input type="checkbox"/>	15. Governing Board is aware that the Board determines and approves overall program goals and the priorities for the CAA, including provisions for evaluating program performance against plans.
Yes: <input type="checkbox"/> No: <input type="checkbox"/>	16. Is there a job description for Board members?
Yes: <input type="checkbox"/> No: <input type="checkbox"/>	17. Governing Board is aware that the grant is made to the Board and not the staff and that the Board is responsible for approval of all programs, applications, proposals, budgets, and amendments.
Yes: <input type="checkbox"/> No: <input type="checkbox"/>	18. Governing Board is aware that it is the responsibility of the Board to enforce compliance with all contract and grant requirements, and to ensure funds are spent for purposes in approved agency work programs.
Yes: <input type="checkbox"/> No: <input type="checkbox"/>	19. Governing Board is aware that it is the responsibility of the Board to ensure the extent and the quality of participation of the poor in programs of the CAA.
Yes: <input type="checkbox"/> No: <input type="checkbox"/>	20. Governing Board is aware that the Board determines rules and procedures for itself.
Yes: <input type="checkbox"/> No: <input type="checkbox"/>	21. Governing Board is aware that the Board is responsible for electing officers and the executive committee, if any, of the Governing Board.

Yes: ☐
No: ☐

22. CAA Executive Director is aware of the Board responsibilities. If no, explain the provisions made for training the CAA Executive Director.

Yes: ☐
No: ☐

23. The Governing Board is aware that it is responsible for developing short and long range strategic plans for the agency.

Date of plan (long range): 00/00/00
Date of latest update: 00/00/00
Date of plan (short range): 00/00/00

AREA OF COMPLIANCE: BOARD COMMITTEES (Ref. P&P 4130)

Should be determined through review of Board minutes and other agency records.

Yes: ☐
No: ☐

24. Governing Board is aware that all committees of the Board should be comprised of the same makeup as the Board.

a. List standing Committees

Yes: ☐
No: ☐

b. Are committees presently functioning?

Yes: ☐
No: ☐

c. Is each committee comprised of the same makeup as the Board, as far as practical?

d. How often does each committee meet? _____

AREA OF COMPLIANCE: BY-LAWS (Ref. P&P 4130)

Items should be answered through review of by-laws, Board minutes, Board notices, and other documents.

25. Agency by-laws include the following:

Yes: ☐
No: ☐

a. The total number of seats on the Board and the allotment of seats to public officials, representatives of low-income individuals, and representatives of community organizations.

Yes: ☐
No: ☐

b. Procedures for selecting Board members.

Yes: ☐
No: ☐

c. A description of any performance standards for members of the Board, the violation of which may be grounds for removal. This shall include standards of conduct.

Yes: ☐

No: ☐

d. A description of specific procedures to be followed in case of removal of representatives.

Yes: ☐

No: ☐

Are procedures for removal being followed? If no, explain.

Yes: ☐

No: ☐

e. Procedures for selecting new Board members in case of a vacancy on the Board.

Yes: ☐

No: ☐

f. It is stated that the quorum for a meeting of the Board be at least 50 percent of the non-vacant seats on the Board.

Yes: ☐

No: ☐

g. Board meets at least quarterly. Explain exceptions.

Yes: ☐

No: ☐

h. The by-laws designate the procedures, including persons responsible for convening board meetings.

Yes: ☐

No: ☐

i. All meetings, other than executive sessions, are open to the public.

Yes: ☐

No: ☐

j. Board members are provided a notice and agenda at least seven days in advance of meetings. List exceptions and explain.

Yes: ☐

No: ☐

k. The public is given five days notice of Board meeting. List exceptions and explain.

Yes: ☐

No: ☐

l. Minutes are taken at Board meetings and maintained at the principle office of the CAA.

Yes: ☐

No: ☐

m. Minutes list Board members present or absent at each meeting.

Yes: ☐

No: ☐

n. Board minutes list people present "other" than Board members.

Yes: ☐

No: ☐

o. All minutes are signed by the Board Secretary.

Yes: ☐

No: ☐

p. Minutes state a quorum was present at each meeting where the Board conducts agency business.

Yes: ☐

No: ☐

q. Voting by proxy is prohibited.

Yes: ☐

No: ☐

r. All minutes have been reviewed by the OCS monitor (since last monitoring visit).

Yes: ☐

No: ☐

s. Were problem areas cited? List problem areas cited.

AREA OF COMPLIANCE: ALTERNATES (Ref. P&P 4130)

Should be answered through the review of documents (See by-laws and current Board list).

Yes: ☐
No: ☐
NA: ☐

26. Does Agency by-laws describe the selection and service of alternates?

Yes: ☐
No: ☐
NA: ☐

27. Does Agency by-laws state that alternates are selected/elected in the same manner, at the same time, and by the same people who have selected/elected the representatives.

Yes: ☐
No: ☐
NA: ☐

28. Does Agency by-laws state that representatives of public officials may not select alternates to substitute for them?

Yes: ☐
No: ☐
NA: ☐

29. Are alternates listed on the Board Membership roster?

Yes: ☐
No: ☐
NA: ☐

30. Are alternates counted toward a quorum or do they cast votes only when his/her primary Board members are not present at meetings?

Yes: ☐
No: ☐
NA: ☐

31. Are alternates prohibited from holding an office on the Board?

AREA OF COMPLIANCE: PLANNING (Ref. P&P 4140)

Should be answered through the review of documents. (See Board meeting minutes, CAA Plan, Statement of Purpose and Strategy, and Agency Needs Assessment form.

Yes: ☐
No: ☐

32. Has Agency conducted a public hearing seven months prior to the beginning of the fiscal year on the needs and problems of low-income persons of the area?

If yes, list date(s) of public hearing: 00/00/00 00/00/00 00/00/00

Total attendance at the hearing(s): 0

If no, explain why public hearing(s) was held at another time.

Yes: ☐
No: ☐

33. Agency Board adopted a "Statement of Purpose and Strategy" which indicates the primary problems the CAA will address and the share of available funds to be allocated to program areas based on results of the public hearing. If yes, list date "statement of Purpose and Strategy" was adopted by the Board with evidence of Board approval.
00/00/00

Yes: ☐
No: ☐

34. The "Statement of Purpose and Strategy" has been forwarded to the State Agency.

Yes: ☐
No: ☐

35. Has Agency conducted an annual Needs Assessment? If yes, list date. If no, please explain.

36. Agency's needs assessment was updated through citizen's input to include poverty problems (all

Yes: ☐
No: ☐

a. securing and retaining meaningful employment;

Yes: ☐
No: ☐

b. attaining an adequate education;

Yes: ☐
No: ☐

c. making better use of available income;

Yes: ☐
No: ☐

d. obtaining and maintaining adequate housing and a suitable living environment;

Yes: ☐
No: ☐

e. obtaining emergency assistance;

Yes: ☐
No: ☐

f. removing obstacles and solving problems blocking attainment of self-sufficiency;

Yes: ☐
No: ☐

g. community participation; and

Yes: ☐
No: ☐

h. mandated national goals/measures.

AREA OF COMPLIANCE: ELIGIBLE ACTIVITIES (Ref. P&P 4140)

Should be answered through interviews, review of funding application and review of other documents.

Yes: ☐
No: ☐

37. Agency provides a range of services and activities which have a measurable and potentially major impact on causes of poverty. If no, explain.

38. Eligible activities are designed to assist low-income participants including the poor to (not all

Yes: ☐
No: ☐

a. securing and retaining meaningful employment;

Yes: ☐
No: ☐

b. attaining an adequate education;

Yes: ☐
No: ☐

c. making better use of available income;

Yes: ☐
No: ☐

d. obtaining and maintaining adequate housing and a suitable living environment;

Yes: ☐
No: ☐

e. obtaining emergency assistance;

Yes: ☐
No: ☐

f. removing obstacles and solve problems which block attainment of self-sufficiency;

Yes: ☐
No: ☐

g. achieve greater participation in the affairs of the community; and

Yes: ☐
No: ☐

h. become self-sufficient.

Yes: ☐ No: ☐ 39. Agency makes effective use of other programs related to meeting the needs of low-income persons and communities as evidenced by the fact that CSBG funds constitute less than one-half of the CAA anti-poverty budget.

Yes: ☐ No: ☐ 40. Agency provides on an emergency basis for the provision of such supplies and services, nutritious foods and related services as may be necessary to counteract conditions of starvation and malnutrition among the poor.

Yes: ☐ No: ☐ 41. Agency coordinates and establishes linkages between governmental and other social programs to assure the effective delivery of such services to low-income individuals. Explain.

Yes: ☐ No: ☐ 42. Agency encourages the use of entities in the private sector of the community in efforts to ameliorate poverty in the community. Explain.

AREA OF COMPLIANCE: ELIGIBLE POPULATION (Ref. P&P 4140)

Should be answered through interviews, review of documents and observation at agency facilities.

Yes: ☐ No: ☐ 43. Agency uses current poverty guidelines to establish participant eligibility.

Yes: ☐ No: ☐ 44. Poverty guidelines are posted in all agency facilities.

45. Agency has posters, policies and/or notification for the following items:

Yes: ☐ No: ☐ a. Equal Employment Opportunity;

Yes: ☐ No: ☐ b. Worker's Compensation;

Yes: ☐ No: ☐ c. Drug Free Workplace (Have employees signed notices);

Yes: ☐ No: ☐ d. American Disabilities Act;

Yes: ☐ No: ☐ e. Family Medical Leave Act; and

Yes: ☐ No: ☐ f. Fair Labor Standards Act.

AREA OF COMPLIANCE: FUNDING APPLICATION (Ref. P&P 4140)

46. Agency has submitted (or updated and submitted) documents required by the State Agency as

Yes: ☐ No: ☐ a. any changes in the Articles of Incorporation;
Latest update: 00/00/00

Yes: ☐ No: ☐ b. by-laws
Latest update: 00/00/00

Yes: ☐ No: ☐ c. personnel policies and procedures;
Latest update: 00/00/00

Yes: ☐ No: ☐ d. a financial procedures manual;
Latest update: 00/00/00

- Yes: ☐ No: ☐ e. administrative procedures manual;
Latest update: 00/00/00
- Yes: ☐ No: ☐ f. affirmative action work plan and equal opportunity plan;
Latest update: 00/00/00
- Yes: ☐ No: ☐ g. evidence of current bond;
Latest update: 00/00/00
- Yes: ☐ No: ☐ h. checklist certification for MOA Monitoring
Latest update: 00/00/00
- Yes: ☐ No: ☐ i. current listing of Board members by sector, county and service time;
Latest update: 00/00/00
- Yes: ☐ No: ☐ j. current inventory list;
Latest update: 00/00/00

Yes: ☐ No: ☐ 47. Agency submitted application not later than 90 days before the end of the program year.

- Yes: ☐ No: ☐ 48. Agency has submitted (or updated and submitted) documents required by the State Agency as
- Yes: ☐ No: ☐ a. A work program with measurable objectives and activities for the agency to accomplish in each project area the CAA operates during the program year.
- Yes: ☐ No: ☐ b. Mandated goals and outcome measures.
- Yes: ☐ No: ☐ c. A budget which specifies the CSBG program costs to accomplish each of the projects.
- Yes: ☐ No: ☐ d. A comprehensive administrative budget for the CAA which indicates how CSBG funds and funds

AREA OF COMPLIANCE: GRANTS AWARD(S) (Ref. P&P 4140)

Should be answered through review of monthly fiscal reports, quarterly reports, corrective action plans, and Board

Yes: ☐ No: ☐ 49. Agency submits monthly fiscal reports postmarked by the 10th of each month. If no, explain.

Yes: ☐ No: ☐ 50. Agency submits quarterly reports within 30 days after the end of the period covered by the report. If no, explain.

- Yes: ☐ No: ☐ a. Agency adequately explains variances of twenty percent or more from the approved work program in any activity or objective on quarterly reports when submitted.
- Yes: ☐ No: ☐ b. Agency submits necessary corrective actions it intends to perform to satisfy the work program activity or objectives.

Yes: ☐ No: ☐ 51. Agency submits all quarterly reports to the Board for review and approval. Give dates all quarterly reports were approved by the Board.

Date (First Quarter): 00/00/00
Date (Second Quarter): 00/00/00
Date (Third Quarter): 00/00/00
Date (Fourth Quarter): 00/00/00

Yes: ☐
No: ☐

52. Agency submits monitoring reports to the Board for review and approval.

Yes: ☐
No: ☐

53. Agency submits audit reports to the Board for review and approval.

Yes: ☐
No: ☐

54. Agency is aware that failure to comply with any financial or program report at least thirty days in arrears may serve as the basis for suspension of funding.

AREA OF COMPLIANCE: CITIZENS ACCESS (Ref. P&P 3100)

55. The following documents are available during normal working hours for public inspection:

Yes: ☐
No: ☐

a. funding application submitted to the State Agency for CSBG funds;

Yes: ☐
No: ☐

b. CAA's most recent Articles of Incorporation;

Yes: ☐
No: ☐

c. by-laws

Yes: ☐
No: ☐

d. Board membership list;

Yes: ☐
No: ☐

e. needs assessment;

Yes: ☐
No: ☐

f. Statement of Purposes and Strategy;

Yes: ☐
No: ☐

g. All contracts (including funding, consulting, good and services, and delegate contracts) pertaining to

Yes: ☐
No: ☐

h. all reports (including audits) made to the State Agency on projects funded with CSBG funds;

Yes: ☐
No: ☐

i. minutes of the meetings of the Board of Directors; and

Yes: ☐
No: ☐

j. position titles, salary ranges, and job descriptions for all compensated positions.

AREA OF COMPLIANCE: CODE OF CONDUCT (Ref. P&P 3120)

Should be answered through review of agency Code of Conduct document, personnel records and other agency documents.

Yes: ☐
No: ☐

56. The CAA and its delegate agencies have published codes of conduct which prohibit the following:

a. Board members, employees, and members of their immediate families from soliciting or accepting

- (1) any contractor, potential contractors or a sub-contractor of the CAA;
- (2) any person applying for or receiving benefits or services through or from the CAA; and
- (3) any person in a position to benefit otherwise from the activities of the CAA.

Yes: ☐
No: ☐

b. Board members, employees, or members of their immediate families having financial interest in the contracts of the CAA (except employment) which are supported by CSBG funds.

Yes: ☐
No: ☐

c. Board members or employees of a CAA participating in any matter involving CSBG funds which

- (1) themselves or their immediate families
- (2) their business partners or business organizations with which they are associated; and
- (3) persons or organizations with whom they are negotiating or having arrangements

Yes: ☐
No: ☐

d. Persons serving on CAA Board who are:

- (1) Board members or employees of a delegate agency, unless the agency is responsible for community planning for low-income areas served by the CAA.
- (2) employees of the CAA, DHS, U.S. Departments of Health and Human Services, Energy or Housing and Urban Development.

Yes: ☐
No: ☐

e. Board members, employees, or members of their immediate families having financial interest in the contracts of the CAA (except employment) which are supported by CSBG funds.

Yes: ☐
No: ☐

f. Persons holding positions of employment over which members of their immediate families exercise supervisory authority.

Yes: ☐
No: ☐

g. Board members and employees of the CAA engaging in conduct which gives the appearance of violating any of the above standards.

AREA OF COMPLIANCE: FINANCIAL (Ref. P&P 3180)

Should be answered through review of accounting records, audit reports, inventory lists, etc.

Yes: ☐
No: ☐

57. Agency maintains accurate, current and complete disclosure of funds so that they can be traced from receipt to actual delivery of services to low-income persons.

Yes: ☐
No: ☐

58. Incoming checks are logged and deposited on a regular basis.

Yes: ☐
No: ☐

59. Is the person(s) responsible for logging incoming checks also responsible for making deposits?

Yes: ☐
No: ☐

60. Agency requires two signatures on all checks.

Yes: ☐
No: ☐

61. Accounting records are supported by source documentation.

Yes: ☐
No: ☐

62. The agency has a systematic method to assure timely and appropriate resolution of audit findings and recommendations.

Yes: ☐
No: ☐

63. Are proper procurement procedures being followed?

AREA OF COMPLIANCE: FINANCIAL (Ref. P&P 3180)

Should be determined through review of Board minutes and other documents.

Yes: ☐
No: ☐

64. When was current auditor selected? List date.

Date: 00/00/00

Yes: ☐
No: ☐

65. Was selection of current auditor approved by the Board of Directors? If no, explain.

Yes: ☐
No: ☐

66. Did agency obtain approval of current auditor from OCS?

AREA OF COMPLIANCE: REVISIONS TO POLICIES AND PROCEDURES

Yes: ☐
No: ☐

67. Agency has available an updated copy of the current State Agency Policies and Procedures

AREA OF COMPLIANCE: REVISIONS TO POLICIES AND PROCEDURES (REF. P&P 2130)

Yes: ☐
No: ☐

68. Agency has taken necessary steps, including the adoption of amendments to existing by-laws, if necessary, in order to comply with the requirements of these regulations.

AREA OF COMPLIANCE: SUSPENSION AND TERMINATION OF ELIGIBLE ENTITY STATUS (REF. P&P 3200)

AREA OF COMPLIANCE: SEVERABILITY (REF. P&P 2120)

Section 11

Eligible Entity Tripartite Board

Requirements for CAA Eligible Entity Board of Directors [Section 676 (b) (10)]

- A. Composition of the Board. The board shall consist of at least fifteen and not more than thirty-nine members, except in the case of an agency whose designated service area has a population of over 250,000 persons, in which case the board size may be not more than fifty-one.
1. Elected public officials or their permanent representatives shall comprise one-third of the board.
 2. Representatives of low-income persons shall comprise at least one-third of the board.
 3. Representatives of business, industry, labor, religious, law enforcement, welfare, education, and other major groups or interests in the community shall comprise the remainder of the board.
- B. Public Officials.
1. For each designated eligible entity, all elected public officials in the service area of the entity shall be afforded equitable opportunity to serve or be represented on the Board of Directors.
 2. In the event there are not enough elected public officials available and willing to fill positions on the board, appointed public officials may be selected. Both the elected and the appointed public officials selected to serve on the board shall have either general governmental responsibilities or responsibilities which require them to be involved with poverty-related matters. The selected public official may choose one permanent representative to serve on the board full-time in his/her stead. These representatives need not be public officials themselves, but they shall have full authority to act for the elected (or appointed) official on the board. In a case where the selected representative is not a public official, he/she shall meet the limitation on Board service requirement described in section 4120 F. If the public officials, both elected and appointed, who are willing to serve do not comprise one-third of the board, then those unfilled seats must remain vacant. (The selection of public officials to serve on the board must reasonably reflect the geographic distribution of the low-income population served by the entity.)
- C. Representatives of Low-income Persons. Representatives of low-income persons shall be chosen in accordance with democratic selection procedures adequate to assure they represent the low-income persons in the geographic area served by the entity. Representatives of low-income persons may be selected either to represent a specific area, group or neighborhood served by the entity. Among the selection procedures which may be used, either separately or in combination, are the following:

1. Nominations and elections, either within the neighborhoods or within the community as a whole.
2. Selection at a meeting or conference of low-income persons such that the date, time and place of such a meeting or conference have been adequately publicized.
3. Selection on a small area basis (such as a neighborhood or town) of representatives who in turn select members for the eligible entity board.
4. The eligible entity board may recognize a group(s) or organization(s) composed primarily of low-income persons and representing the interests of the low-income population, whose membership may select one or more representatives to the eligible entity board.

Persons at or below one hundred twenty-five percent of the poverty line shall be permitted to vote in these selection processes. An eligible entity may request a waiver from this one hundred twenty-five percent of poverty line eligibility in order to establish residency or other criteria as a basis for eligibility. The eligible entity shall make the request in writing to the Assistant Director of the Office of Community Services including specific justification.

- D. Representatives of Organizations. Organizations shall be selected in such a manner as to assure the board will benefit from broad community involvement. Once an organization is selected and indicates its agreement to be represented, it shall choose the person to represent it on the board.
- E. Residency Requirement. Each member of the board selected to represent a specific geographic area within the community must reside in the area he/she represents.
- F. Limitations on Board Service. No board member may serve more than ten years at any one community action agency. Public officials or their representatives, serve at the pleasure of the official or officials selecting them and only as long as the public official is currently holding office. A representative of a public official may not serve more than ten years even if the public official represented continues to hold office; in such cases, the public official may choose to serve directly or name a new representative.
- G. The board of a political subdivision shall be constituted so as to assure that no less than 1/3 of the members are representatives of low-income persons.

Board Responsibility

Board members of a CAA or other eligible entity must recognize that it is they, rather than the staff of the agency to whom the CSBG award is made. The board is responsible to see the funds go to provide the services needed by the low-income persons of their area and that the funds are spent for the purposes stated. Board members may be responsible as individuals where they negligently or knowingly allow the misuse or abuse of CSBG funds. Annual training shall be conducted in order to ensure board members are knowledgeable of their legal and fiduciary responsibilities. The board is responsible for an orientation process for new members.

A. Board Responsibilities. The governing board of an eligible entity must carry out the following responsibilities:

1. To hire, fire and evaluate the performance of the Executive Director of the entity. (Evaluations must be conducted annually.)
2. To determine major personnel, organization, fiscal and program policies.
3. To determine and approve overall program goals and priorities for the entity, including provisions for evaluating programs against performance.
4. To make final approval of all programs, applications, proposals, budgets and amendments.
5. To enforce compliance with all contract and grant requirements.
6. To oversee the extent and the quality of the participation of the poor in the programs of the entity.
7. To determine rules and procedures for the governing board.
8. To select the officers and the executive committee, if any, of the governing board.
9. To develop short and long range strategic plans for the agency.

B. By-Law Requirements. The by-laws of the eligible entity shall include the following:

1. The total number of seats on the board and the allotment of seats to public officials, representatives of low-income individuals and representatives of organizations.
2. Procedures for selecting board members as follows:
 - a. A description of the selection process for members who are public officials or their representatives.
 - b. A plan for selecting representatives of low-income person, ensuring that all areas of the low-income community will be represented in proportion to their low-income population. This plan shall include procedures and safeguards to limit voting to persons 16 years of age and older, with one vote per person.
 - c. A plan for selecting representatives of organizations, indicating the criteria for such selection. Representatives will be allocated among business and industry, labor, religious, welfare, law enforcement, educational and other major groups or interests in the community.

3. A description of any performance standards (such as attendance, etc.) for members of the board, the violation of which may be grounds for removal. This shall include standards of conduct for board members.
4. A description of specific procedures to be followed in the case of removal of representatives of low-income persons, organizations, and public officials.
5. Procedures for selecting new board members in the case of a vacancy on the board. For the purpose of this paragraph, there is a vacancy on the board when a member has been notified of his/her official removal by the board for cause; when a member notifies the board of his/her resignation; when a member dies; when a member who is a public official leaves office or is removed by the selecting local official; or, in the case of public officials, when the selected official leaves office.
 - a. With respect to representatives of low-income persons, the by-laws shall include one of two methods for filling a vacancy: the selection procedure under 4120 C may be repeated, or alternatively, the remaining low-income representatives may select a replacement to serve for the remainder of the term. In the latter case, the person selected shall, to the maximum extent possible, represent the same constituency as the original representative.
 - b. When the seat of a representative of an organization is vacant, the board shall ask the organization to name another representative to serve the remainder of the term. In the event the organization chooses not to name a new representative, the board shall choose another organization to name a new representative.
 - c. When the seat of a public official is vacant, the board shall request the selecting public official to name a replacement.
6. Procedures for low-income individuals, community organizations, or religious organizations, or representatives of low-income individuals that considers its organization or low-income individuals, to be inadequately represented on the board (or other mechanism) to petition for adequate representation.
7. The quorum for a meeting of the board shall be at least 50 percent of the non-vacant seats on the board.
8. The board shall meet at least quarterly. The meetings shall be scheduled for the convenience of its members and of the general public. The eligible entity shall provide notice (in writing) of any meeting and an agenda to all members at least seven days in advance. The eligible entity shall provide public notice of its meeting at least five days in advance. The eligible entity shall provide OCS copies of meeting minutes and notices of Board meetings no later than 30 days after each meeting. Minutes will also be made available for public review during normal business hours.

9. All meetings of the eligible entity boards shall be open to the public. Executive sessions may be held where consistent with the rules for openness of meetings in state regulations. The board shall keep written minutes for each meeting in accordance with Robert's Rules of Order. These minutes shall be signed by the Board Secretary and maintained in an orderly manner at the principle office of the eligible entity.
10. The board may appoint an executive committee composed of some of its members to transact business for the full board. Each sector of the board must be fairly represented. The executive committee shall provide a written report and obtain board ratification for its actions at the next meeting of the full board. The quorum for the executive committee may not be less than fifty percent of the non-vacant seats on the committee.
11. The board may establish any committees it considers necessary for carrying out its business. Each sector of the board must be fairly represented on such committees to the maximum extent feasible.
12. Voting by proxy is not permitted at meetings of the board or of its committees. This prohibition applies to all members of the board.
13. The by-laws shall designate the procedures, including persons responsible, for convening board meetings.
14. Alternates may be provided for only under the following conditions:
 - Selection and service of alternates must be described in the by-laws of the agency
 - Alternates must be elected/selected in the same manner, at the same time and by the same body that elected/selected the representative
 - Representatives of public officials may not select alternates to substitute for them
 - All alternates must be listed on the membership roster of the Board of Directors
 - No alternate may be counted toward a quorum or cast a vote when his/her primary board member is attending the meeting
 - No alternate may hold an office of the board

The State lead agency will attend a minimum of one Board meeting of each of the eligible entities during the fiscal year 2016 and one during the fiscal year 2017. The State lead agency will review copies of Board meeting minutes of each eligible entity within thirty days after each eligible entity Board meeting and will keep a register of Board vacancies and composition. The State lead agency requires that each eligible entity provide copies of meeting minutes within thirty days after each meeting. Any updates of Bylaws or changes in Board composition are to be submitted within thirty days of the official change.

Section 12

Individual and Community Eligibility Requirements

Individual and Community Eligibility requirements:

A. Local Community Services Plans.

1. In order to be eligible for CSBG funding, each eligible entity shall conduct a public hearing on the needs of low-income persons in the service area, every two years and by the seventh month prior to the end of the State's second CSBG fiscal year of a two year plan. The needs assessment of the primary poverty problems of the area, including the causes and effects of poverty, shall be updated at this time through citizen input. Poverty problems to be addressed shall include: problems of low-income persons in: 1) securing and retaining meaningful employment; 2) attaining an adequate education; 3) making better use of available income; 4) obtaining and maintaining adequate housing and a suitable living environment; 5) obtaining emergency assistance; including urgently needed health services, nutritional food, and other human services; 6) removing obstacles and solving problems blocking attainment of self-sufficiency; and 7) participating in decisions which affect their lives. 8) to address the needs of youth in low-income communities; and 9) to make more effective use of and coordinate with other programs. As a result of this hearing the board shall adopt a Community Action Plan which will indicate the primary poverty problems the eligible entity will address and the share of available funds to be allocated to each.

This CAP (and any subsequent amendments) must be approved by the eligible entity's Board of Directors and will serve as a basis for the projects proposed by the board for CSBG funding.

B. CSBG Purposes and Eligible Activities. The following eligible entity program activities are eligible for funding by OCS with Community Services Block Grant funds. In the funding application, each eligible entity shall demonstrate that its goals and objectives address, at a minimum, (1), (2) g, (3), (4), (5) and (6) of the eligible activities set forth below. In addition, the State OCS may set out goals and objectives within which the eligible entities shall develop their priorities.

1. To provide a range of services and activities having a measurable and potentially major impact on causes of poverty in the community or those areas of the community where poverty is a particularly acute problem; this may include advocacy, organizing and development of self-help institutions as a means of improving community conditions.
2. To provide activities designed to assist low-income participants including the elderly poor:
 - to secure and retain meaningful employment
 - to attain an adequate educational level
 - to make better use of available income
 - to obtain and maintain adequate housing and a suitable living environment

- to obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs, including the need for health services, nutritious food, housing and employment related assistance
 - to remove obstacles and solve problems which block the attainment of self-sufficiency; and
 - to achieve greater participation in the affairs of the community
3. To make more effective use of other programs related to meeting the needs of low-income persons and communities.
 4. To provide on an emergency basis for the provisions of such supplies and services, nutritious foods and related services as may be necessary to counteract conditions of starvation and malnutrition among the poor.
 5. To coordinate and establish linkages between governmental and other social services programs to assure the effective delivery of such services to low-income individuals.
 6. To encourage the use of entities in the private sector of the community in efforts to ameliorate poverty in the community.

C. Eligible Population

1. Eligible entities shall use the most current poverty line definition as promulgated by the Director of the Office of Management and Budget and published in the U. S. Federal Register to establish eligibility of individuals to receive service provided with CSBG funds.
2. No person on the basis of race, sex, religion, national origin, age or handicap shall be excluded from participation in, or be denied the benefits of, or otherwise be subjected to discrimination in any eligible entity program funded with CSBG funds.

For services with limited in-take procedures (where individual income verification is not possible or practical), eligible entities generally verify income eligibility for services by a combination of client self-certify and validation by the entity.

Section 13

Results Oriented Management and Accountability System (ROMA)

Results Oriented Management and Accountability System (ROMA)

A. Service Delivery System

There are 16 Community Action Agencies in the State of Arkansas, which will provide statewide coverage for all 75 counties. A range of programs and services for low-income and elderly residents will address the following components, in accordance with the CSBG Act: self-sufficiency, employment, education, income maintenance, housing, emergency services, nutrition, community participation, health, and welfare independence. Conditions addressed are a result of needs assessments conducted by eligible entities.

In addition to CAA Offices, the service delivery system will include the following facilities to maximize the reach and impact of eligible entities:

- County Outreach Offices
- Community Development Corporations
- Emergency Homeless Shelters
- Family and Community Service Centers
- Family Planning Clinic
- Food Banks/Food Pantries
- Head Start/Early Head Start Centers
- Neighborhood Service Centers
- Non-profit Technical Center
- Resource Centers
- Senior Citizens Centers
- Substance Abuse Centers
- WIA One-Stop Center
- Community Dental Clinic

Additionally, eligible entities will offer the following programs, services and activities, including advocacy, counseling, family development, and case management:

1. **Employment**
Employment Counseling
Job Readiness and Placement Programs
On-the-Job Training Program
Resume Preparation Assistance
Transitional Employment Assistance Programs
Transportation Programs
Workforce Investment Act Programs
2. **Education**
Adult Basic Education/GED
Adult Literacy Programs
Child and Family Development

Comprehensive Child Development
Computer/Technical Training
Employment Skills Training
Head Start/Early Head Start
Special Skills Training
Youth Development Programs

3. **Income Maintenance**
Asset Development Program
Budget Counseling
Economic Literacy Classes
Energy Education
Income Utilization Classes
Individual Development Account Program

4. **Housing**
Homebuyer Education
Housing Rehabilitation
HUD Section 202 Rental Subsidy
HUD Section 8 Housing
Weatherization Assistance

5. **Emergency Services**
Disaster Relief
Domestic Violence Intervention
Emergency Food, Clothing and Shelter
Emergency Medical Care
Legal Assistance
Low-Income Home Energy Assistance
Rent and Utility Assistance

6. **Nutrition**
Child Nutrition Programs
Commodity Distribution
Congregate Meals
Elderly Nutrition Programs
Healthy Start Programs
Home Delivered Meals

7. **Health**
Elderly Socialization Programs
Family Planning/Pregnancy Prevention
Health Screenings
Physical Fitness
Substance Abuse Prevention
Support Groups

Teen Abstinence Program

8. **Welfare Independence**
Information and Referral Services
Life Skills Programs
Single Parent Scholarship Programs
Transportation

B. Linkages and Coordination

As a condition for funding, Arkansas CSBG Policy 4140 requires eligible entities to establish linkages between governmental and other social services programs to assure the effective delivery of such services to low-income individuals, identify gaps in services through the provision of information, referrals, case management and follow-up consultation, including the organizations listed below. Also, eligible entities will continue to partner with, as well as support innovative community and neighborhood-based initiatives related to the purposes of the CSBG Act.

1. **Community Organizations**
Boy/Girl Scouts
Churches
Community Coalitions
County Resource Councils

Domestic Violence Programs
Faith-based organizations
Family Day Care Homes
Food Banks/Food Pantries
Homeless Shelters
Job Training Programs
Local Initiative Support Group (LISC)
Literacy Councils
Red Cross
Salvation Army
Soup Kitchens
Single Parent Scholarship Fund
Statewide CAAs
United Way
2. **Government/Education**
Adult Education and Literacy Councils
Arkansas Development Finance Authority
Childcare Programs
Colleges and Universities
Community Colleges/Technical Schools
County DHS Offices

County Extension Offices
County Health Departments
Educational Cooperatives
Employment Security Department/Workforce Services
Health Education Centers
Home Instruction Program for Pre-school Youngsters
Local government agencies
Postal Service
Public Housing Authority
School Districts
Transitional Employment Assistance Programs
Workforce Investment Boards/Workforce Alliance

3. **Clubs and Organizations**

Junior Auxiliary
Kiwanis
Lions Clubs
Realtors Associations
Rotary Clubs
Sheriff's Associations

4. **Other**

Chambers of Commerce
Foundations and Corporations
Financial Institutions
Health Professionals
Legal Services
Local Businesses
Media
Utility Providers

Planned activities of eligible entities will assist low-income persons to achieve greater community participation in community affairs. Low-income program participants are encouraged to become involved in programmatic policy and procedures through community programs, including:

- Head Start/Early Head Start Policy Advisory Council
- Federal Emergency Management Assistance Advisory Board
- Senior Wellness Centers Policy Advisory Committee
- County Resource Councils
- CAA Board of Directors
- Section 8 Resident Advisory Board
- Housing & Urban Development Advisory Board
- Local Emergency Food and Shelter Board
- Single Parent Scholarship Program
- Community Action Teams

- Community Involvement Workshops
- Local Advisory Board and Committees

The State will comply with the requirement to secure from each eligible entity in the State, as a condition for funding, a community action plan. Each community action plan will include: a community needs assessment for the community served; a description of the service delivery system targeted to low-income individuals and families in the service area; a description of how linkages will be developed to fill identified gaps in services through information, referral, case management if applicable, and follow-up consultation; a description of outcome measures to be used to monitor success in promoting self-sufficiency, family stability, and community revitalization. Community needs assessments may be coordinated with community needs assessments conducted for other programs

The Program Evaluation/Monitoring – The program evaluation is primarily concerned with the quality of program reporting and service delivery as indicated by records and client interviews. During the on-site program evaluation, agency records are reviewed in order to support actual services provided by the eligible entity and reported to OCS. Case management records are reviewed to determine agency and client's progress made in reaching the client's established self-sufficiency goals. Monitors verify documentation at the eligible entities sites, and interviews with randomly selected clients are conducted to verify that services were provided as reported and to determine whether clients are satisfied with services received. A satisfaction survey is completed on each randomly selected client interviewed.

NATIONAL PERFORMANCE INDICATORS

NPI	Description
Goal 1: Low-income people become more self-sufficient.	
1.1	
1.1 A	Unemployed and obtained a job
1.1 B	Employed and maintained a job for at least 90 days
1.1 C	Employed and obtained an increase in employment income and/or benefits
1.1 D	Achieved "living wage" employment and/or benefits
1.2	
1.2 A	Obtained skills/competencies required for employment
1.2 B	Completed ABE/GED and received certificate or diploma
1.2 C	Completed post-secondary education program and obtained certificate or diploma
1.2 D	Enrolled children in before or after school programs
1.2 E	Obtained care for child or other dependent
1.2 F	Obtained access to reliable transportation and/or driver's license
1.2 G	Obtained health care services for themselves or family member
1.2 H	Obtained and/or maintained safe and affordable housing
1.2 I	Obtained food assistance
1.2 J	Obtained non-emergency LIHEAP energy assistance
1.2 K	Obtained non-emergency WX energy assistance
1.2 L	Obtained other non-emergency energy assistance (State/local/private energy programs. Do NOT include LIHEAP or WX)
1.3	
1.3 A	Number and percent of participants in tax preparation programs who qualified for any type of Federal or State tax credit and the expected aggregate dollar amount of credits
E.1	
1.3 B	Number and percent of participants who obtained court-ordered child support payments and the expected annual aggregated dollar amount of payments
E.2	
1.3 C	Number and percent of participants who were enrolled in telephone lifeline and/or energy discounts with the assistance of the agency and the expected aggregated dollar amount of savings
E.3	
1.3 D	Number and percent of participants demonstrating ability to complete and maintain a budget for over 90 days
U.1	
1.3 E	Number and percent of participants opening an Individual Development Account (IDA) or other savings account
U.2	
1.3 F	Number and percent of participants who increased their savings through IDA or other savings accounts and the aggregated amount of savings
U.3	
1.3 G	Number and percent of participants capitalizing a small business with accumulated savings
U.4a	
1.3 H	Number and percent of participants pursuing post-secondary education with accumulated savings
U.4b	
1.3 I	Number and percent of participants purchasing a home with accumulated savings
U.4c	
1.3 J	Number and percent of participants purchasing other assets with accumulated savings
U.4d	

NATIONAL PERFORMANCE INDICATORS

NPI	Description
Goal 2: The conditions in which low-income people live are improved	
2.1	
2.1 A	Jobs created, or saved, from reduction or elimination in the community
2.1 B	Accessible "living wage" jobs created, or saved, from reduction or elimination in the community
2.1 C	Safe and affordable housing units created in the community
2.1 D	Safe and affordable housing units in the community preserved or improved through construction, weatherization or rehabilitation achieved by Community Action activity or advocacy
2.1 E	Accessible safe and affordable health care services/facilities for low-income people created, or saved from reduction or elimination
2.1 F	Accessible safe and affordable child care or child development placement opportunities for low-income families created, or saved from reduction or elimination
2.1 G	Accessible before-school and after-school program placement opportunities for low-income families created, or saved from reduction or elimination
2.1 H	Accessible new or expanded transportation resources, or those that are saved from reduction or elimination, that are available to low-income people, including public or private transportation
2.1 I	Accessible or increased educational and training placement opportunities, or those that are saved from reduction or elimination, that are available for low-income people in the community, including vocational, literacy, and life skill training, ABE/GED, and post secondary education
2.2	
2.2 A	Increases in community assets as a result of a change in law, regulation or policy, which results in improvements in quality of life and assets
2.2 B	Increase in the availability or preservation of community facilities
2.2 C	Increase in the availability or preservation of community services to improve public health and safety
2.2 D	Increase in the availability or preservation of commercial services within low-income neighborhoods
2.2 E	Increase in or preservation of neighborhood quality-of-life resources
2.3	
2.3A	Number of community members mobilized by Community Action that participate in community revitalization and anti-poverty initiatives
2.3B	Number of volunteer hours donated to the agency
2.4	
2.4 A	Jobs created at least in part by ARRA funds
2.4 B	Jobs saved at least in part by ARRA funds
Goal 3: Low-income people own a stake in their community.	
3.1	
3.1 A	Total number of volunteer hours donated by low-income individuals to Community Action
3.2	
3.2 A	Number of low-income people participating in formal community organizations, government, boards or councils that provide input to decision-making and policy setting through Community Action efforts

NATIONAL PERFORMANCE INDICATORS

3.2 B	Number of low-income people acquiring businesses in their community as a result of Community Action assistance
3.2 C	Number of low-income people purchasing their own home in their community as a result of Community Action assistance
3.2 D	Number of low-income people engaged in non-governance community activities or groups created or supported by Community Action
Goal 4: Partnerships among supporters and providers of services to low-income people are achieved.	
4.1	
4.1	Number of organizations, both public and private, that Community Action actively works with to expand resources and opportunities in order to achieve family and community outcomes
Goal 5: Agencies increase their capacity to achieve results.	
5.1	
5.1	Number of human capital resources available to Community Action that increase agency capacity to achieve family and community outcomes, as measured by one or more of the following:
	A. Number of Certified-Community Action Professionals (C-CAP)
	B. Number of ROMA Trainers
	C. Number of Family Development Trainers
	D. Number of Child Development Trainers
	E. Number of staff attending trainings
	F. Number of board members attending trainings
	G. Hours of staff in trainings
	H. Hours of board members in trainings
Goal 6: Low-income people, especially vulnerable populations, achieve their potential by strengthening family and other supportive environments.	
6.1	
6.1 A	Senior Citizens
6.1 B	Individuals with Disabilities
6.2	
6.2 A	Emergency Food
6.2 B	Emergency fuel or utility payments funded by LIHEAP or other public and private funding sources
6.2 C	Emergency Rent or Mortgage Assistance
6.2 D	Emergency Car or Home Repair
6.2 E	Emergency Temporary Shelter
6.2 F	Emergency Medical Care
6.2 G	Emergency Protection from Violence
6.2 H	Emergency Legal Assistance

NATIONAL PERFORMANCE INDICATORS

6.2 I	Emergency Transportation
6.2 J	Emergency Disaster Relief
6.2 K	Emergency Clothing
6.3	
6.3 A I&C	Infants and children obtain age-appropriate immunizations, medical, and dental care
6.3 B I&C	Infant and child health and physical development are improved as a result of adequate nutrition
6.3 C I&C	Children participate in pre-school activities to develop school readiness skills
6.3 D I&C	Children who participate in pre-school activities are developmentally ready to enter Kindergarten or 1st Grade
6.3 E Y.1	Youth improve health and physical development
6.3 F Y.2	Youth improve social/emotional development
6.3 G Y.3	Youth avoid risk-taking behavior for a defined period of time
6.3 H Y.4	Youth have reduced involvement with criminal justice system
6.3 I Y.5	Youth increase academic, athletic, or social skills for school success
6.3 J A.1	Parents and other adults learn and exhibit improved parenting skills
6.3 K A.2	Parents and other adults learn and exhibit improved family functioning skills
6.4	
6.4 A	Enrolled children in before and after school programs
6.4 B	Obtained care for child or other dependent
6.4 C	Obtained access to reliable transportation and/or driver's license
6.4 D	Obtained health care services for themselves or family member
6.4 E	Obtained and/or maintained safe and affordable housing
6.4 F	Obtained food assistance
6.4 G	Obtained non-emergency LIHEAP energy assistance
6.4 H	Obtained non-emergency WX energy assistance
6.4 I	Obtained other non-emergency energy assistance
6.5	
6.5 A	Food Boxes
6.5 B	Pounds of Food
6.5 C	Units of Clothing
6.5 D	Rides Provided
6.5 E	Information and Referral Calls

MEMORANDUM OF UNDERSTANDING

BETWEEN

**Arkansas Community Action Agencies Association Inc.
Arkansas Community Action Agencies
Arkansas DHS Division of County Operations/Office of Community Services**

This Memorandum of Understanding (MOU), effective July 1, 2015, is entered into by and between the Arkansas Community Action Agencies Association Inc. (ACAAA), Arkansas Community Action Agencies (CAAs), and the Arkansas DHS Division of County Operations/Office of Community Services (OCS), to confirm participation in a statewide effort to increase the capacity of Arkansas CAAs to implement and document the continuous use of the full Results Oriented Management and Accountability (ROMA) cycle - assessment, planning, implementation, achievement of results, and evaluation.

Nationally Certified ROMA Trainers

Access to ROMA trainers in Arkansas will be provided by trainers that are nationally certified in Results Oriented Management and Accountability, a performance-based initiative designed to preserve the anti-poverty focus of Community Action Agencies receiving Community Services Block Grant (CSBG) funds. Nationally Certified ROMA Trainers (NCRTs) in Arkansas, as well as qualified consultants, will facilitate the provision of training and technical assistance, as well as carry out the following functions:

Functions of NCRTs

Arkansas NCRTs will implement and document the continuous use of the full Results Oriented Management and Accountability (ROMA) cycle, including assessment, planning, implementation, achievement of results, and evaluation.

Statewide ROMA Participation

The Arkansas Community Action Agency (CAA) will:

- Designate at least one staff member to be an active participant on the ACAAA ROMA Committee, which will play a key role in developing common approaches to meet CSBG organizational standards in Arkansas. *(Active participation is defined by 80% attendance to all called meetings)*
- Commit to allowing applicable staff to participate in training and technical assistance necessary to meet organizational standards and overall compliance with CSBG law, policies and procedures.

- Utilize the services of a Nationally Certified ROMA Trainer (NCRT) to provide training and technical assistance on implementing and documenting the continuous use of the full Results Oriented Management and Accountability (ROMA) cycle. Check one that applies:

- ☐ These services will be provided by the following on-staff NCRTs:

- OR -

- ☐ ACAAA will be requested to be the primary provider or coordinator of these services.

- Implement and document the continuous use of the full Results Oriented Management and Accountability (ROMA) cycle, including assessment, planning, implementation, achievement of results, and evaluation.

The Arkansas Community Action Agencies Association (ACAAA) will:

- Convene, coordinate and provide notification and follow-up for ROMA Committee meetings.
- Coordinate CAA requests for training and technical assistance with appropriate NCRT or other trainer/consultant/resource to assist with assessment, planning, implementation, and evaluation of agency programs.
- Identify and facilitate the provision of additional training and mentorship to strengthen the capacity of the Arkansas NCRT cohort.
- Track and report training, technical assistance, and other related activities engaged in or provided by Arkansas NCRTs, as well as training requested by Arkansas CAAs.

The Arkansas DHS Division of County Operations/Office of Community Services (OCS) will:

- Designate at least one staff member to be an active participant on the ACAAA ROMA Committee.
- Support ACAAA in the provision of training and technical assistance for CAAs and NCRTs that will strengthen the capacity of the CAA Network and ensure compliance with CSBG Organizational Standards, CSBG law, policies, and procedures.
- Evaluate and report progress regarding the statewide effort to increase the capacity of Arkansas CAAs to implement and document the continuous use of the full Results Oriented Management and Accountability (ROMA) cycle.

This Memorandum of Understanding will remain in effect, unless and until modification becomes necessary. Modifications will become effective upon signature by each authorized agency representative.

Executive Director, Agency _____

Date

Rebecca Reynolds, Executive Director, ACAA

Date

Lorie Williams, Assistant Director, DHS DCO/OCS

Date

Section 14

CSBG Programmatic Assurances and Information Narrative

CSBG Programmatic Assurances and Information Narrative

Section 676 (b) (1) (A-C) -Use of Funds

Consistent with Federal and State Policies and Procedures, each eligible entity is required to conduct a public hearing on the needs of low-income persons in the service area, at least once every two years, and by the seventh month prior to the end of the State's second CSBG fiscal year of a two year plan. A public hearing shall be held to provide the public an opportunity to comment on the proposed use and distribution of funds based on the results of the needs assessment.

As a result of the hearing, the board must adopt a Statement of Purposes and Strategy, which indicates the primary poverty problems of the area, which the eligible entity will address each year, and the share of available funds to be allocated to each problem area. This serves as a basis for the services proposed by the local board for funding. The needs assessment may be coordinated with community-needs assessments conducted for other programs.

The State has designated as eligible for CSBG funding only those activities listed as eligible for funding in the Act. Activities include those which:

1. remove obstacles and solve problems that block the achievement of self-sufficiency (including self-sufficiency for families and individuals who are attempting to transition off a State program carried out under part A of Title IV of the Social Security Act);
2. secure and retain meaningful employment;
3. attain an adequate education; with particular attention toward improving literacy skills of low-income families;
4. make better use of available income;
5. obtain and maintain adequate housing and a suitable living environment;
6. obtain emergency assistance through loans, grants, or other means to meet immediate and urgent family and individual needs;
7. achieve greater participation in the affairs of the communities involved; including the development of public and private grassroots partnerships with local law enforcement agencies, local housing authorities, private foundations, and other public and private partners to:
 - a. document best practices based on successful grassroots intervention in urban areas; to develop methodologies for widespread replication; and

- b. strengthen and improve relationships with local law enforcement agencies, which may include participation in activities such as neighborhood or community policing efforts;
- 8. address the needs of youth in low-income communities through youth development programs that support the primary role of the family, give priority to the prevention of youth problems and crime, and promote increased community coordination and collaboration in meeting the needs of youth, and support development programs that have demonstrated success in preventing or reducing youth crime; and
- 9. make more effective use of, and to coordinate with, other programs related to the purposes of this subtitle (including State welfare reform efforts).

The State will not approve an application which does not address a minimum number of designated services called for in Section 676 (b)(1)(A-C) of the Act and no activities are approved which are outside the scope of services called for in that section of the Act. In that way, the requirements of Section 676(b)(1)(A-C) about use of the funds for provision of allowable community services are met from a planning aspect.

The State requires, as a condition of continued funding, that eligible entities provide monthly fiscal reports and quarterly program reports to assure that the programs and expenditures are progressing consistently with the approved plans. Any downward program variances of 20% or more where eligible entities did not meet their plan must be satisfactorily explained. Corrective actions must be supplied where appropriate. In addition to the reports submitted and reviewed, each eligible entity is visited at least once annually for an on-site evaluation of program performance, as well as compliance monitoring of Federal and State Policies and Procedures regulatory requirements. This is intended to assure that funds are used to provide community services to low-income clients as in the approved plan. Spot checks of client records are carried out to verify the documentation provided by the eligible entities, and interviews with randomly selected clients are conducted to verify that services were provided as reported and to see whether clients are satisfied with services received. A satisfaction survey will be completed on each randomly selected client. The program reviews will be conducted annually, at a minimum, as stated earlier, in accordance with the Act.

Training and technical assistance are provided during the course of a year to further enhance the quality of the services and programs.

A Community Action Agency Peer Review will be conducted on at least six eligible entities annually. The purpose of the Peer Review is to assess the design, performance, efficiency, and effectiveness of the agency's management systems, to ensure compliance with applicable laws, rules and regulations to safeguard the agency's assets, ensure that planned outcomes are achieved, and to project eligible entity vision/values through the organization into its community.

Compliance with Section 676 (b) (2)
Use of Discretionary Funds

No more than 5% of the grant will be spent as a discretionary fund within the State agency to fund activities deemed to be useful to advance the purposes of the Act. In fiscal years 2014-2015, approximately 20% of CSBG funds will be set aside for victims of natural disasters who meet the poverty guidelines. Approximately 50% will be used to provide technical assistance and training needed by eligible entities and organizations which serve the low-income communities, which training and assistance would not otherwise be available to them. The remaining 30% will be used to fund discretionary projects of CAAs, nonprofit agencies and organizations. The percentages are only estimates of discretionary fund usage. The State's needs will dictate the criteria and guidelines for such projects.

Compliance with Section 676 (b) (3)
Secure Information from Eligible Entities

Eligible entities will provide information to the State containing:

1. a description of the service delivery system, for services provided or coordinated with the funds made available through grants made under section 675 C(a), targeted to low-income individuals and families;
2. a description of how linkages will be developed to fill identified gaps in services, through the provision of information, referrals, case management, and follow-up consultations;
3. a description of how funds made available through grants made under section 675 C(a) will be coordinated with other public and private resources, and
4. a description of how the local entity will use the funds to support innovative community and neighborhood initiatives related to the purposes of this subtitle, which may include fatherhood initiatives and other initiatives with the goal of strengthening families and encouraging effective parenting.

Compliance with Section 676 (b) (4)
Nutrition and Emergency Assistance

The State will require eligible entities to include in community action plans how they will comply with the federal requirement to provide, on an emergency basis, for the provision of such supplies and services, nutritious foods, and related services, as may be necessary to counteract conditions of starvation and malnutrition among low-income individuals.

Compliance with Section 676 (b) (5)
Coordination and Linkages

The State and eligible entities will coordinate and establish linkages between, governmental and other social services programs to assure the effective delivery of such services to low-income individuals and to avoid duplication of such services. As a condition for funding, Arkansas CSBG Policy 4140 requires eligible entities to establish linkages between governmental and other social services programs to assure the effective delivery of such services to low-income individuals, identify gaps in services through the provision of information, referrals, case management and follow-up consultation. Eligible entities also describe in their community action plans how they will coordinate with other programs and leverage additional public and private resources.

CAAs will continue to serve on local Workforce Investment Boards, as a result of the Office of Community Services' participation in the statewide workgroup to assist in the development of the Workforce Investment Act Unified State Plan.

Compliance with Section 676 (b) (6)
Coordination of Anti-Poverty Programs

Both the CSBG program and the State HEAP program for Emergency Crisis Intervention are located in the same agency of State Government (Arkansas Department of Human Services). The Governor and the Director of the Department of Human Services have made it clear to both programs that they support and encourage the coordination of local anti-poverty activities with the crisis intervention program. This has been in effect for several years. The eligible entities have utilized the HEAP Program in both assuring appropriate disbursements of crisis funds to eligible persons, and also in supporting weatherization services through this program.

Compliance with Section 676 (b) (7)
Cooperation with Federal Investigations

The director and staff persons of the State Agency are directed and required to cooperate fully with any federal investigation relative to State use or eligible entity use of CSBG funds. Any additional resources of State Government necessary to assist in such investigations are pledged, and will be provided. Each eligible entity is required, as a condition of funding, to provide written assurances they will allow and cooperate with any Federal or State investigation relative to the use of CSBG funds.

Compliance with Section 676 (b) (8)
Termination of Funding

As outlined in section 678C (b) of the Act, the State will comply with the hearing review requirement when the State determines an eligible entity's designation will be terminated or funds reduced.

Compliance with Section 676 (b) (9)
Program Coordination and Partnerships

The State Agency and eligible entities will, to the maximum extent possible, coordinate programs with and form partnerships with other organizations serving low-income residents of the communities and members of the groups served by the State, including religious organizations, charitable groups, and community organizations. As a condition for funding, eligible entities will describe how they will coordinate programs.

Compliance with Section 676 (b) (10)
Petition for Board Representation

Each eligible entity will be required to establish procedures for a low-income individual, community organization, or religious organization, or representative of low-income individuals that considers its organization, or low-income individuals, to be inadequately represented on the board (or other mechanism) of the eligible entity to petition for adequate representation.

Compliance with Section 676 (b) (11)
Community Needs Assessments

The State will comply with the requirement to secure from each eligible entity in the State, as a condition for funding, a community action plan. Each community action plan will include: a community needs assessment for the community served; a description of the service delivery system targeted to low-income individuals and families in the service area; a description of how linkages will be developed to fill identified gaps in services through information, referral, case management if applicable, and follow-up consultation; a description of outcome measures to be used to monitor success in promoting self-sufficiency, family stability, and community revitalization. Community needs assessments may be coordinated with community needs assessments conducted for other programs.

Compliance with 676 (b) (12)
Participation in ROMA

The State and all eligible entities in the State are participating in the Results Oriented Management and Accountability System that meets requirements.

The State and eligible entities began implementation of ROMA in fiscal year 1997. Fiscal year 2012 will be the 15th year the State and eligible entities have been participating in ROMA at the state level.

Eligible entities are mandated to report outcomes for the six national goals and performance indicators. Eligible entities must report outcome measures under each appropriate goal for all major programs and activities administered. Reporting on

measures is an important component of the broader community action initiative to revitalize and strengthen the community services network.

Case management is one process used by agencies to assist clients to reach their established goals and move them toward self-sufficiency. Although outcomes are reported under the measures selected, the range of activities and services provided by the agency to assist clients are reported by program components (i.e. education, housing, emergency services, etc.).

Case management activities are monitored annually as a part of the regular program evaluation of agencies. Statewide training sessions are provided to all CAAs. If there is a need for training and technical assistance during routine monitoring visits, state monitors will provide training or provide needed assistance. Additionally, statewide trainings are scheduled for all CAAs as needed, and a ROMA Workgroup consisting of CAAs, State OCS, and ACAA staff meet quarterly.

Compliance with 676 (b) (12)
Implementation of Assurances

The "Plan for Compliance with Federal Statutory Assurances" describes how the State will implement and comply with the assurances outlined in the Act, as agreed.

Section 15

Federal Certifications

CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grant, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Statement for Loan Guarantees and loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:
If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signature

Title

DHS/DCO/Office of Community Services

Organization

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103227, Part C Environment Tobacco Smoke, also known as the Pro Children Act of 1994, requires that smoking not be permitted in any portion of any indoor routinely owned or leased or contracted for by an entity and used routinely or regularly for provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residence, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1000 per day and/or the imposition of an administrative compliance order on the responsible entity. By signing and submitting this application the applicant/grantee certifies that it will comply with the requirement of the Act.

The applicant/ grantee further agrees that it will require the language of this certification be included in any sub awards which contain provisions for the children's services and that all sub grantees shall certify accordingly.

Signature

Assistant Director

Title

DHS/DCO/Office of Community Services
Organization

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

Certification Regarding Debarment, Suspension, and Other Responsibility Matters—Primary Covered Transactions

Instructions for Certification

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant

may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

Certification Regarding Debarment, Suspension, and Other Responsibility Matters—Primary Covered Transactions

- (1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
 - (b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgement rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - (d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- (2) Where the prospective participant shall attach an explanation to this proposal.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transactions

Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered, transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, [[Page 33043]] should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled `` Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction,`` without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it know that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility an Voluntary Exclusion—Lower
Tier Covered Transactions

- (1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by an Federal department or agency.
- (2) Where the prospective lower tier participant is unable to certify to nay of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Signature

Date