

# ARKANSAS REGISTER

## Transmittal Sheet

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Secretary of State

**Mark Martin**

State Capitol, Suite 026

Little Rock, Arkansas 72201-1094

(501) 682-3527

[www.sos.arkansas.gov](http://www.sos.arkansas.gov)



**For Office**

**Use Only:**

Effective Date \_\_\_\_\_ Code Number \_\_\_\_\_

Name of Agency Arkansas Department of Human Services

Department Division of County Operations/Office of Community Services

Contact Lorie Williams E-mail lorie.williams@dhs.arkansas.gov Phone 501-682-8714

Statutory Authority for Promulgating Rules Public Law 97-35, Federal Omnibus Reconciliation Act of 1981, Public Law 100-203

Rule Title: Community Services Block Grant - State Plan 2018-2019

### Intended Effective Date

(Check One)

- ☐ Emergency (ACA 25-15-204)
- ☐ 30 Days After Filing (ACA 25-15-204)
- ☒ Other 11/01/2017  
(Must be more than 30 days after filing date.)

### Date

Legal Notice Published 08/14/2017

Final Date for Public Comment 09/12/2017

Reviewed by Legislative Council 10/20/2017

Adopted by State Agency 11/01/2017

Electronic Copy of Rule submitted under ACA 25-15-218 by:

Lorie Williams lorie.williams@dhs.arkansas.gov

Contact Person

E-mail Address

Date

## CERTIFICATION OF AUTHORIZED OFFICER

I Hereby Certify That The Attached Rules Were Adopted  
In Compliance with Act 434 of 1967 the Arkansas Administrative Procedures Act. (ACA 25-15-201 et. seq.)

  
Signature

501-682-8377

mary.franklin@dhs.arkansas.gov

Phone Number

E-mail Address

Director

Title

September 22, 2017

Date

# Community Services Block Grant State Plan Regulations

Attachment VII

ARKANSAS CSBG STATE LAW  
(ACT 345 OF 1985)

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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President of the Senate

*Handwritten signature: J. C. Landrum*



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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.

*W. Randolph*  
President of the Senate

*A. P. Landrum*

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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

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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 numbers 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 T. Savage*

*D. Gary Sanders*

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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

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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

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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. ...*  
President of the Senate

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

*H. ...*  
Secretary of the Senate

## TITLE II—COMMUNITY SERVICES BLOCK GRANT PROGRAM

### SEC. 201. REAUTHORIZATION.

The Community Services Block Grant Act (42 U.S.C. 9901 et seq.) is amended to read as follows:

Community  
Services Block  
Grant Act.

### “Subtitle B—Community Services Block Grant Program

42 USC 9901  
note.

#### “SEC. 671. SHORT TITLE.

“This subtitle may be cited as the ‘Community Services Block Grant Act’.

42 USC 9901.

#### “SEC. 672. PURPOSES AND GOALS.

“The purposes of this subtitle are—

“(1) to provide assistance to States and local communities, working through a network of community action agencies and other neighborhood-based organizations, for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient (particularly families who are attempting to transition off a State program carried out under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)); and

“(2) to accomplish the goals described in paragraph (1) through—

“(A) the strengthening of community capabilities for planning and coordinating the use of a broad range of Federal, State, local, and other assistance (including private resources) related to the elimination of poverty, so that this assistance can be used in a manner responsive to local needs and conditions;

“(B) the organization of a range of services related to the needs of low-income families and individuals, so that these services may have a measurable and potentially major impact on the causes of poverty in the community and may help the families and individuals to achieve self-sufficiency;

“(C) the greater use of innovative and effective community-based approaches to attacking the causes and effects of poverty and of community breakdown;

“(D) the maximum participation of residents of the low-income communities and members of the groups served by programs assisted through the block grants made under this subtitle to empower such residents and members to respond to the unique problems and needs within their communities; and

“(E) the broadening of the resource base of programs directed to the elimination of poverty so as to secure a more active role in the provision of services for—

“(i) private, religious, charitable, and neighborhood-based organizations; and

“(ii) individual citizens, and business, labor, and professional groups, who are able to influence the quantity and quality of opportunities and services for the poor.

“SEC. 673. DEFINITIONS.

42 USC 9902.

“In this subtitle:

“(1) ELIGIBLE ENTITY; FAMILY LITERACY SERVICES.—

“(A) ELIGIBLE ENTITY.—The term ‘eligible entity’ means an entity—

“(i) that is an eligible entity described in section 673(1) (as in effect on the day before the date of enactment of the Coats Human Services Reauthorization Act of 1998) as of the day before such date of enactment or is designated by the process described in section 676A (including an organization serving migrant or seasonal farmworkers that is so described or designated); and

“(ii) that has a tripartite board or other mechanism described in subsection (a) or (b), as appropriate, of section 676B.

“(B) FAMILY LITERACY SERVICES.—The term ‘family literacy services’ has the meaning given the term in section 637 of the Head Start Act (42 U.S.C. 9832).

“(2) POVERTY LINE.—The term ‘poverty line’ means the official poverty line defined by the Office of Management and Budget based on the most recent data available from the Bureau of the Census. The Secretary shall revise annually (or at any shorter interval the Secretary determines to be feasible and desirable) the poverty line, which shall be used as a criterion of eligibility in the community services block grant program established under this subtitle. The required revision shall be accomplished by multiplying the official poverty line by the percentage change in the Consumer Price Index for All Urban Consumers during the annual or other interval immediately preceding the time at which the revision is made. Whenever a State determines that it serves the objectives of the block grant program established under this subtitle, the State may revise the poverty line to not to exceed 125 percent of the official poverty line otherwise applicable under this paragraph.

“(3) PRIVATE, NONPROFIT ORGANIZATION.—The term ‘private, nonprofit organization’ includes a religious organization, to which the provisions of section 679 shall apply.

“(4) SECRETARY.—The term ‘Secretary’ means the Secretary of Health and Human Services.

“(5) STATE.—The term ‘State’ means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the United States Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.



42 USC 9903.

**“SEC. 674. AUTHORIZATION OF APPROPRIATIONS.**

“(a) IN GENERAL.—There are authorized to be appropriated such sums as may be necessary for each of fiscal years 1999 through 2003 to carry out the provisions of this subtitle (other than sections 681 and 682).

“(b) RESERVATIONS.—Of the amounts appropriated under subsection (a) for each fiscal year, the Secretary shall reserve—

“(1)  $\frac{1}{2}$  of 1 percent for carrying out section 675A (relating to payments for territories);

“(2)  $1\frac{1}{2}$  percent for activities authorized in sections 678A through 678F, of which—

“(A) not less than  $\frac{1}{2}$  of the amount reserved by the Secretary under this paragraph shall be distributed directly to eligible entities, organizations, or associations described in section 678A(c)(2) for the purpose of carrying out activities described in section 678A(c); and

“(B)  $\frac{1}{2}$  of the remainder of the amount reserved by the Secretary under this paragraph shall be used by the Secretary to carry out evaluation and to assist States in carrying out corrective action activities and monitoring (to correct programmatic deficiencies of eligible entities), as described in sections 678B(c) and 678A; and

“(3) 9 percent for carrying out section 680 (relating to discretionary activities) and section 678E(b)(2).

42 USC 9904.

**“SEC. 675. ESTABLISHMENT OF BLOCK GRANT PROGRAM.**

“The Secretary is authorized to establish a community services block grant program and make grants through the program to States to ameliorate the causes of poverty in communities within the States.

42 USC 9905.

**“SEC. 675A. DISTRIBUTION TO TERRITORIES.**

“(a) APPORTIONMENT.—The Secretary shall apportion the amount reserved under section 674(b)(1) for each fiscal year on the basis of need among Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

“(b) APPLICATION.—Each jurisdiction to which subsection (a) applies may receive a grant under this section for the amount apportioned under subsection (a) on submitting to the Secretary, and obtaining approval of, an application, containing provisions that describe the programs for which assistance is sought under this section, that is prepared in accordance with, and contains the information described in, section 676.

42 USC 9906.

**“SEC. 675B. ALLOTMENTS AND PAYMENTS TO STATES.**

“(a) ALLOTMENTS IN GENERAL.—The Secretary shall, from the amount appropriated under section 674(a) for each fiscal year that remains after the Secretary makes the reservations required in section 674(b), allot to each State (subject to section 677) an amount that bears the same ratio to such remaining amount as the amount received by the State for fiscal year 1981 under section 221 of the Economic Opportunity Act of 1964 bore to the total amount received by all States for fiscal year 1981 under such section, except—

“(1) that no State shall receive less than  $\frac{1}{4}$  of 1 percent of the amount appropriated under section 674(a) for such fiscal year; and

“(2) as provided in subsection (b).

“(b) ALLOTMENTS IN YEARS WITH GREATER AVAILABLE FUNDS.—

“(1) MINIMUM ALLOTMENTS.—Subject to paragraphs (2) and (3), if the amount appropriated under section 674(a) for a fiscal year that remains after the Secretary makes the reservations required in section 674(b) exceeds \$345,000,000, the Secretary shall allot to each State not less than  $\frac{1}{2}$  of 1 percent of the amount appropriated under section 674(a) for such fiscal year.

“(2) MAINTENANCE OF FISCAL YEAR 1990 LEVELS.—Paragraph (1) shall not apply with respect to a fiscal year if the amount allotted under subsection (a) to any State for that year is less than the amount allotted under section 674(a)(1) (as in effect on September 30, 1989) to such State for fiscal year 1990.

“(3) MAXIMUM ALLOTMENTS.—The amount allotted under paragraph (1) to a State for a fiscal year shall be reduced, if necessary, so that the aggregate amount allotted to such State under such paragraph and subsection (a) does not exceed 140 percent of the aggregate amount allotted to such State under the corresponding provisions of this subtitle for the preceding fiscal year.

“(c) PAYMENTS.—The Secretary shall make grants to eligible States for the allotments described in subsections (a) and (b). The Secretary shall make payments for the grants in accordance with section 6503(a) of title 31, United States Code.

“(d) DEFINITION.—In this section, the term ‘State’ does not include Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

**“SEC. 675C. USES OF FUNDS.**

42 USC 9907.

“(a) GRANTS TO ELIGIBLE ENTITIES AND OTHER ORGANIZATIONS.—

“(1) IN GENERAL.—Not less than 90 percent of the funds made available to a State under section 675A or 675B shall be used by the State to make grants for the purposes described in section 672 to eligible entities.

“(2) OBLIGATIONAL AUTHORITY.—Funds distributed to eligible entities through grants made in accordance with paragraph (1) for a fiscal year shall be available for obligation during that fiscal year and the succeeding fiscal year, subject to paragraph (3).

“(3) RECAPTURE AND REDISTRIBUTION OF UNOBLIGATED FUNDS.—

“(A) AMOUNT.—Beginning on October 1, 2000, a State may recapture and redistribute funds distributed to an eligible entity through a grant made under paragraph (1) that are unobligated at the end of a fiscal year if such unobligated funds exceed 20 percent of the amount so distributed to such eligible entity for such fiscal year.

“(B) REDISTRIBUTION.—In redistributing funds recaptured in accordance with this paragraph, States shall redistribute such funds to an eligible entity, or require the original recipient of the funds to redistribute the funds to a private, nonprofit organization, located within the community served by the original recipient of the funds, for activities consistent with the purposes of this subtitle.

“(b) STATEWIDE ACTIVITIES.—

“(1) USE OF REMAINDER.—If a State uses less than 100 percent of the grant or allotment received under section 675A or 675B to make grants under subsection (a), the State shall use the remainder of the grant or allotment under section 675A or 675B (subject to paragraph (2)) for activities that may include—

“(A) providing training and technical assistance to those entities in need of such training and assistance;

“(B) coordinating State-operated programs and services, and at the option of the State, locally-operated programs and services, targeted to low-income children and families with services provided by eligible entities and other organizations funded under this subtitle, including detailing appropriate employees of State or local agencies to entities funded under this subtitle, to ensure increased access to services provided by such State or local agencies;

“(C) supporting statewide coordination and communication among eligible entities;

“(D) analyzing the distribution of funds made available under this subtitle within the State to determine if such funds have been targeted to the areas of greatest need;

“(E) supporting asset-building programs for low-income individuals, such as programs supporting individual development accounts;

“(F) supporting innovative programs and activities conducted by community action agencies or other neighborhood-based organizations to eliminate poverty, promote self-sufficiency, and promote community revitalization;

“(G) supporting State charity tax credits as described in subsection (c); and

“(H) supporting other activities, consistent with the purposes of this subtitle.

“(2) ADMINISTRATIVE CAP.—No State may spend more than the greater of \$55,000, or 5 percent, of the grant received under section 675A or State allotment received under section 675B for administrative expenses, including monitoring activities. Funds to be spent for such expenses shall be taken from the portion of the grant under section 675A or State allotment that remains after the State makes grants to eligible entities under subsection (a). The cost of activities conducted under paragraph (1)(A) shall not be considered to be administrative expenses. The startup cost and cost of administrative activities conducted under subsection (c) shall be considered to be administrative expenses.

“(c) CHARITY TAX CREDIT.—

“(1) IN GENERAL.—Subject to paragraph (2), if there is in effect under State law a charity tax credit, the State may use for any purpose the amount of the allotment that is available for expenditure under subsection (b).

“(2) LIMIT.—The aggregate amount a State may use under paragraph (1) during a fiscal year shall not exceed 100 percent of the revenue loss of the State during the fiscal year that is attributable to the charity tax credit, as determined by the Secretary of the Treasury without regard to any such revenue loss occurring before January 1, 1999.

“(3) DEFINITIONS AND RULES.—In this subsection:

“(A) CHARITY TAX CREDIT.—The term ‘charity tax credit’ means a nonrefundable credit against State income tax (or, in the case of a State that does not impose an income tax, a comparable benefit) that is allowable for contributions, in cash or in kind, to qualified charities.

“(B) QUALIFIED CHARITY.—

“(i) IN GENERAL.—The term ‘qualified charity’ means any organization—

“(I) that is—

“(aa) described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code;

“(bb) an eligible entity; or

“(cc) a public housing agency as defined in section 3(b)(6) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(6));

“(II) that is certified by the appropriate State authority as meeting the requirements of clauses (iii) and (iv); and

“(III) if such organization is otherwise required to file a return under section 6033 of such Code, that elects to treat the information required to be furnished by clause (v) as being specified in section 6033(b) of such Code.

“(ii) CERTAIN CONTRIBUTIONS TO COLLECTION ORGANIZATIONS TREATED AS CONTRIBUTIONS TO QUALIFIED CHARITY.—

“(I) IN GENERAL.—A contribution to a collection organization shall be treated as a contribution to a qualified charity if the donor designates in writing that the contribution is for the qualified charity.

“(II) COLLECTION ORGANIZATION.—The term ‘collection organization’ means an organization described in section 501(c)(3) of such Code and exempt from tax under section 501(a) of such Code—

“(aa) that solicits and collects gifts and grants that, by agreement, are distributed to qualified charities;

“(bb) that distributes to qualified charities at least 90 percent of the gifts and grants the organization receives that are designated for such qualified charities; and

“(cc) that meets the requirements of clause (vi).

“(iii) CHARITY MUST PRIMARILY ASSIST POOR INDIVIDUALS.—

“(I) IN GENERAL.—An organization meets the requirements of this clause only if the appropriate State authority reasonably expects that the predominant activity of such organization will be the provision of direct services within the United States to individuals and families whose annual incomes generally do not exceed 185 percent of the poverty line in order to prevent or alleviate poverty among such individuals and families.

“(II) NO RECORDKEEPING IN CERTAIN CASES.—An organization shall not be required to establish or maintain records with respect to the incomes of individuals and families for purposes of subclause (I) if such individuals or families are members of groups that are generally recognized as including substantially only individuals and families described in subclause (I).

“(III) FOOD AID AND HOMELESS SHELTERS.—Except as otherwise provided by the appropriate State authority, for purposes of subclause (I), services to individuals in the form of—

“(aa) donations of food or meals; or

“(bb) temporary shelter to homeless individuals;  
shall be treated as provided to individuals described in subclause (I) if the location and provision of such services are such that the service provider may reasonably conclude that the beneficiaries of such services are predominantly individuals described in subclause (I).

“(iv) MINIMUM EXPENSE REQUIREMENT.—

“(I) IN GENERAL.—An organization meets the requirements of this clause only if the appropriate State authority reasonably expects that the annual poverty program expenses of such organization will not be less than 75 percent of the annual aggregate expenses of such organization.

“(II) POVERTY PROGRAM EXPENSE.—For purposes of subclause (I)—

“(aa) IN GENERAL.—The term ‘poverty program expense’ means any expense in providing direct services referred to in clause (iii).

“(bb) EXCEPTIONS.—Such term shall not include any management or general expense, any expense for the purpose of influencing legislation (as defined in section 4911(d) of the Internal Revenue Code of 1986), any expense for the purpose of fundraising, any expense for a legal service provided on behalf of any individual referred to in clause (iii), any expense for providing tuition assistance relating to compulsory school attendance, and any expense that consists of a payment to an affiliate of the organization.

“(v) REPORTING REQUIREMENT.—The information required to be furnished under this clause about an organization is—

“(I) the percentages determined by dividing the following categories of the organization’s expenses for the year by the total expenses of the organization for the year: expenses for direct services, management expenses, general expenses, fundraising expenses, and payments to affiliates; and

“(II) the category or categories (including food, shelter, education, substance abuse prevention or

treatment, job training, or other) of services that constitute predominant activities of the organization.

“(vi) ADDITIONAL REQUIREMENTS FOR COLLECTION ORGANIZATIONS.—The requirements of this clause are met if the organization—

“(I) maintains separate accounting for revenues and expenses; and

“(II) makes available to the public information on the administrative and fundraising costs of the organization, and information as to the organizations receiving funds from the organization and the amount of such funds.

“(vii) SPECIAL RULE FOR STATES REQUIRING TAX UNIFORMITY.—In the case of a State—

“(I) that has a constitutional requirement of tax uniformity; and

“(II) that, as of December 31, 1997, imposed a tax on personal income with—

“(aa) a single flat rate applicable to all earned and unearned income (except insofar as any amount is not taxed pursuant to tax forgiveness provisions); and

“(bb) no generally available exemptions or deductions to individuals;

the requirement of paragraph (2) shall be treated as met if the amount of the credit described in paragraph (2) is limited to a uniform percentage (but not greater than 25 percent) of State personal income tax liability (determined without regard to credits).

“(4) LIMITATION ON USE OF FUNDS FOR STARTUP AND ADMINISTRATIVE ACTIVITIES.—Except to the extent provided in subsection (b)(2), no part of the aggregate amount a State uses under paragraph (1) may be used to pay for the cost of the startup and administrative activities conducted under this subsection.

“(5) PROHIBITION ON USE OF FUNDS FOR LEGAL SERVICES OR TUITION ASSISTANCE.—No part of the aggregate amount a State uses under paragraph (1) may be used to provide legal services or to provide tuition assistance related to compulsory education requirements (not including tuition assistance for tutoring, camps, skills development, or other supplemental services or training).

“(6) PROHIBITION ON SUPPLANTING FUNDS.—No part of the aggregate amount a State uses under paragraph (1) may be used to supplant non-Federal funds that would be available, in the absence of Federal funds, to offset a revenue loss of the State attributable to a charity tax credit.

**“SEC. 676. APPLICATION AND PLAN.**

42 USC 9908.

“(a) DESIGNATION OF LEAD AGENCY.—

“(1) DESIGNATION.—The chief executive officer of a State desiring to receive a grant or allotment under section 675A or 675B shall designate, in an application submitted to the Secretary under subsection (b), an appropriate State agency that complies with the requirements of paragraph (2) to act

as a lead agency for purposes of carrying out State activities under this subtitle.

“(2) DUTIES.—The lead agency shall—

“(A) develop the State plan to be submitted to the Secretary under subsection (b);

“(B) in conjunction with the development of the State plan as required under subsection (b), hold at least one hearing in the State with sufficient time and statewide distribution of notice of such hearing, to provide to the public an opportunity to comment on the proposed use and distribution of funds to be provided through the grant or allotment under section 675A or 675B for the period covered by the State plan; and

“(C) conduct reviews of eligible entities under section 678B.

“(3) LEGISLATIVE HEARING.—In order to be eligible to receive a grant or allotment under section 675A or 675B, the State shall hold at least one legislative hearing every 3 years in conjunction with the development of the State plan.

“(b) STATE APPLICATION AND PLAN.—Beginning with fiscal year 2000, to be eligible to receive a grant or allotment under section 675A or 675B, a State shall prepare and submit to the Secretary an application and State plan covering a period of not less than 1 fiscal year and not more than 2 fiscal years. The plan shall be submitted not later than 30 days prior to the beginning of the first fiscal year covered by the plan, and shall contain such information as the Secretary shall require, including—

“(1) an assurance that funds made available through the grant or allotment will be used—

“(A) to support activities that are designed to assist low-income families and individuals, including families and individuals receiving assistance under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), homeless families and individuals, migrant or seasonal farmworkers, and elderly low-income individuals and families, and a description of how such activities will enable the families and individuals—

“(i) to 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);

“(ii) to secure and retain meaningful employment;

“(iii) to attain an adequate education, with particular attention toward improving literacy skills of the low-income families in the communities involved, which may include carrying out family literacy initiatives;

“(iv) to make better use of available income;

“(v) to obtain and maintain adequate housing and a suitable living environment;

“(vi) to obtain emergency assistance through loans, grants, or other means to meet immediate and urgent family and individual needs; and

“(vii) to 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—

“(I) document best practices based on successful grassroots intervention in urban areas, to develop methodologies for widespread replication; and

“(II) strengthen and improve relationships with local law enforcement agencies, which may include participation in activities such as neighborhood or community policing efforts;

“(B) to 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 and expansion of innovative community-based youth development programs that have demonstrated success in preventing or reducing youth crime, such as—

“(i) programs for the establishment of violence-free zones that would involve youth development and intervention models (such as models involving youth mediation, youth mentoring, life skills training, job creation, and entrepreneurship programs); and

“(ii) after-school child care programs; and

“(C) to make more effective use of, and to coordinate with, other programs related to the purposes of this subtitle (including State welfare reform efforts);

“(2) a description of how the State intends to use discretionary funds made available from the remainder of the grant or allotment described in section 675C(b) in accordance with this subtitle, including a description of how the State will support innovative community and neighborhood-based initiatives related to the purposes of this subtitle;

“(3) information provided by eligible entities in the State, containing—

“(A) a description of the service delivery system, for services provided or coordinated with funds made available through grants made under section 675C(a), targeted to low-income individuals and families in communities within the State;

“(B) a description of how linkages will be developed to fill identified gaps in the services, through the provision of information, referrals, case management, and followup consultations;

“(C) a description of how funds made available through grants made under section 675C(a) will be coordinated with other public and private resources; and

“(D) a description of how the local entity will use the funds to support innovative community and neighborhood-based 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;



“(4) an assurance that eligible entities in the State will 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;

“(5) an assurance that the State and the eligible entities in the State 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, and a description of how the State and the eligible entities will coordinate the provision of employment and training activities, as defined in section 101 of such Act, in the State and in communities with entities providing activities through statewide and local workforce investment systems under the Workforce Investment Act of 1998;

“(6) an assurance that the State will ensure coordination between antipoverty programs in each community in the State, and ensure, where appropriate, that emergency energy crisis intervention programs under title XXVI (relating to low-income home energy assistance) are conducted in such community;

“(7) an assurance that the State will permit and cooperate with Federal investigations undertaken in accordance with section 678D;

“(8) an assurance that any eligible entity in the State that received funding in the previous fiscal year through a community services block grant made under this subtitle will not have its funding terminated under this subtitle, or reduced below the proportional share of funding the entity received in the previous fiscal year unless, after providing notice and an opportunity for a hearing on the record, the State determines that cause exists for such termination or such reduction, subject to review by the Secretary as provided in section 678C(b);

“(9) an assurance that the State and eligible entities in the State 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;

“(10) an assurance that the State will require each eligible entity in the State to establish procedures under which 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;

“(11) an assurance that the State will secure from each eligible entity in the State, as a condition to receipt of funding by the entity through a community services block grant made under this subtitle for a program, a community action plan (which shall be submitted to the Secretary, at the request of the Secretary, with the State plan) that includes a community-needs assessment for the community served, which may be coordinated with community-needs assessments conducted for other programs;

“(12) an assurance that the State and all eligible entities in the State will, not later than fiscal year 2001, participate

in the Results Oriented Management and Accountability System, another performance measure system for which the Secretary facilitated development pursuant to section 678E(b), or an alternative system for measuring performance and results that meets the requirements of that section, and a description of outcome measures to be used to measure eligible entity performance in promoting self-sufficiency, family stability, and community revitalization; and

“(13) information describing how the State will carry out the assurances described in this subsection.

“(c) FUNDING TERMINATION OR REDUCTIONS.—For purposes of making a determination in accordance with subsection (b)(8) with respect to—

“(1) a funding reduction, the term ‘cause’ includes—

“(A) a statewide redistribution of funds provided through a community services block grant under this subtitle to respond to—

“(i) the results of the most recently available census or other appropriate data;

“(ii) the designation of a new eligible entity; or

“(iii) severe economic dislocation; or

“(B) the failure of an eligible entity to comply with the terms of an agreement or a State plan, or to meet a State requirement, as described in section 678C(a); and

“(2) a termination, the term ‘cause’ includes the failure of an eligible entity to comply with the terms of an agreement or a State plan, or to meet a State requirement, as described in section 678C(a).

“(d) PROCEDURES AND INFORMATION.—The Secretary may prescribe procedures for the purpose of assessing the effectiveness of eligible entities in carrying out the purposes of this subtitle.

“(e) REVISIONS AND INSPECTION.—

“(1) REVISIONS.—The chief executive officer of each State may revise any plan prepared under this section and shall submit the revised plan to the Secretary.

“(2) PUBLIC INSPECTION.—Each plan or revised plan prepared under this section shall be made available for public inspection within the State in such a manner as will facilitate review of, and comment on, the plan.

“(f) TRANSITION.—For fiscal year 2000, to be eligible to receive a grant or allotment under section 675A or 675B, a State shall prepare and submit to the Secretary an application and State plan in accordance with the provisions of this subtitle (as in effect on the day before the date of enactment of the Coats Human Services Reauthorization Act of 1998), rather than the provisions of subsections (a) through (c) relating to applications and plans.

**“SEC. 676A. DESIGNATION AND REDESIGNATION OF ELIGIBLE ENTITIES IN UNSERVED AREAS.** 42 USC 9909.

“(a) QUALIFIED ORGANIZATION IN OR NEAR AREA.—

“(1) IN GENERAL.—If any geographic area of a State is not, or ceases to be, served by an eligible entity under this subtitle, and if the chief executive officer of the State decides to serve such area, the chief executive officer may solicit applications from, and designate as an eligible entity—

“(A) a private nonprofit organization (which may include an eligible entity) that is geographically located

in the unserved area, that is capable of providing a broad range of services designed to eliminate poverty and foster self-sufficiency, and that meets the requirements of this subtitle; and

“(B) 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.

“(2) REQUIREMENT.—In order to serve as the eligible entity for the area, an entity described in paragraph (1)(B) shall agree to add additional members to the board of the entity to ensure adequate representation—

“(A) in each of the three required categories described in subparagraphs (A), (B), and (C) of section 676B(a)(2), by members that reside in the community comprised by the unserved area; and

“(B) in the category described in section 676B(a)(2)(B), by members that reside in the neighborhood to be served.

“(b) SPECIAL CONSIDERATION.—In designating an eligible entity under subsection (a), the chief executive officer shall grant the designation to an organization of demonstrated effectiveness in meeting the goals and purposes of this subtitle and may give priority, in granting the designation, to eligible entities that are providing related services in the unserved area, consistent with the needs identified by a community-needs assessment.

“(c) NO QUALIFIED ORGANIZATION IN OR NEAR AREA.—If no private, nonprofit organization is identified or determined to be qualified under subsection (a) to serve the unserved area as an eligible entity the chief executive officer may designate an appropriate political subdivision of the State to serve as an eligible entity for the area. In order to serve as the eligible entity for that area, the political subdivision shall have a board or other mechanism as required in section 676B(b).

42 USC 9910.

**“SEC. 676B. TRIPARTITE BOARDS.**

“(a) PRIVATE NONPROFIT ENTITIES.—

“(1) BOARD.—In order for a private, nonprofit entity to be considered to be an eligible entity for purposes of section 673(1), the entity shall administer the community services block grant program through a tripartite board described in paragraph (2) that fully participates in the development, planning, implementation, and evaluation of the program to serve low-income communities.

“(2) SELECTION AND COMPOSITION OF BOARD.—The members of the board referred to in paragraph (1) shall be selected by the entity and the board shall be composed so as to assure that—

“(A)  $\frac{1}{3}$  of the members of the board are elected public officials, holding office on the date of selection, or their representatives, except that if the number of such elected officials reasonably available and willing to serve on the board is less than  $\frac{1}{3}$  of the membership of the board, membership on the board of appointive public officials or their representatives may be counted in meeting such  $\frac{1}{3}$  requirement;

“(B)(i) not fewer than  $\frac{1}{3}$  of the members are persons chosen in accordance with democratic selection procedures

adequate to assure that these members are representative of low-income individuals and families in the neighborhood served; and

“(ii) each representative of low-income individuals and families selected to represent a specific neighborhood within a community under clause (i) resides in the neighborhood represented by the member; and

“(C) the remainder of the members are officials or members of business, industry, labor, religious, law enforcement, education, or other major groups and interests in the community served.

“(b) PUBLIC ORGANIZATIONS.—In order for a public organization to be considered to be an eligible entity for purposes of section 673(1), the entity shall administer the community services block grant program through—

“(1) a tripartite board, which shall have members selected by the organization and shall be composed so as to assure that not fewer than  $\frac{1}{3}$  of the members are persons chosen in accordance with democratic selection procedures adequate to assure that these members—

“(A) are representative of low-income individuals and families in the neighborhood served;

“(B) reside in the neighborhood served; and

“(C) are able to participate actively in the development, planning, implementation, and evaluation of programs funded under this subtitle; or

“(2) another mechanism specified by the State to assure decisionmaking and participation by low-income individuals in the development, planning, implementation, and evaluation of programs funded under this subtitle.

**“SEC. 677. PAYMENTS TO INDIAN TRIBES.**

42 USC 9911.

“(a) RESERVATION.—If, with respect to any State, the Secretary—

“(1) receives a request from the governing body of an Indian tribe or tribal organization within the State that assistance under this subtitle be made directly to such tribe or organization; and

“(2) determines that the members of such tribe or tribal organization would be better served by means of grants made directly to provide benefits under this subtitle,

the Secretary shall reserve from amounts that would otherwise be allotted to such State under section 675B for the fiscal year the amount determined under subsection (b).

“(b) DETERMINATION OF RESERVED AMOUNT.—The Secretary shall reserve for the purpose of subsection (a) from amounts that would otherwise be allotted to such State, not less than 100 percent of an amount that bears the same ratio to the State allotment for the fiscal year involved as the population of all eligible Indians for whom a determination has been made under subsection (a) bears to the population of all individuals eligible for assistance through a community services block grant made under this subtitle in such State.

“(c) AWARDS.—The sums reserved by the Secretary on the basis of a determination made under subsection (a) shall be made available by grant to the Indian tribe or tribal organization serving the individuals for whom such a determination has been made.

“(d) PLAN.—In order for an Indian tribe or tribal organization to be eligible for a grant award for a fiscal year under this section, the tribe or organization shall submit to the Secretary a plan for such fiscal year that meets such criteria as the Secretary may prescribe by regulation.

“(e) DEFINITIONS.—In this section:

“(1) INDIAN TRIBE; TRIBAL ORGANIZATION.—The terms ‘Indian tribe’ and ‘tribal organization’ mean a tribe, band, or other organized group recognized in the State in which the tribe, band, or group resides, or considered by the Secretary of the Interior, to be an Indian tribe or an Indian organization for any purpose.

“(2) INDIAN.—The term ‘Indian’ means a member of an Indian tribe or of a tribal organization.

42 USC 9912.

**“SEC. 678. OFFICE OF COMMUNITY SERVICES.**

Establishment.

“(a) OFFICE.—The Secretary shall carry out the functions of this subtitle through an Office of Community Services, which shall be established in the Department of Health and Human Services. The Office shall be headed by a Director.

“(b) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS.—The Secretary shall carry out functions of this subtitle through grants, contracts, or cooperative agreements.

42 USC 9913.

**“SEC. 678A. TRAINING, TECHNICAL ASSISTANCE, AND OTHER ACTIVITIES.**

“(a) ACTIVITIES.—

“(1) IN GENERAL.—The Secretary shall use amounts reserved in section 674(b)(2)—

“(A) for training, technical assistance, planning, evaluation, and performance measurement, to assist States in carrying out corrective action activities and monitoring (to correct programmatic deficiencies of eligible entities), and for reporting and data collection activities, related to programs carried out under this subtitle; and

“(B) to distribute amounts in accordance with subsection (c).

“(2) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS.—The activities described in paragraph (1)(A) may be carried out by the Secretary through grants, contracts, or cooperative agreements with appropriate entities.

“(b) TERMS AND TECHNICAL ASSISTANCE PROCESS.—The process for determining the training and technical assistance to be carried out under this section shall—

“(1) ensure that the needs of eligible entities and programs relating to improving program quality (including quality of financial management practices) are addressed to the maximum extent feasible; and

“(2) incorporate mechanisms to ensure responsiveness to local needs, including an ongoing procedure for obtaining input from the national and State networks of eligible entities.

“(c) DISTRIBUTION REQUIREMENT.—

“(1) IN GENERAL.—The amounts reserved under section 674(b)(2)(A) for activities to be carried out under this subsection shall be distributed directly to eligible entities, organizations, or associations described in paragraph (2) for the purpose of improving program quality (including quality of financial management practices), management information and reporting

systems, and measurement of program results, and for the purpose of ensuring responsiveness to identified local needs.

“(2) ELIGIBLE ENTITIES, ORGANIZATIONS, OR ASSOCIATIONS.—Eligible entities, organizations, or associations described in this paragraph shall be eligible entities, or statewide or local organizations or associations, with demonstrated expertise in providing training to individuals and organizations on methods of effectively addressing the needs of low-income families and communities.

**“SEC. 678B. MONITORING OF ELIGIBLE ENTITIES.**

42 USC 9914.

“(a) IN GENERAL.—In order to determine whether eligible entities meet the performance goals, administrative standards, financial management requirements, and other requirements of a State, the State shall conduct the following reviews of eligible entities:

“(1) A full onsite review of each such entity at least once during each 3-year period.

“(2) An onsite review of each newly designated entity immediately after the completion of the first year in which such entity receives funds through the community services block grant program.

“(3) Followup reviews including prompt return visits to eligible entities, and their programs, that fail to meet the goals, standards, and requirements established by the State.

“(4) Other reviews as appropriate, including reviews of entities with programs that have had other Federal, State, or local grants (other than assistance provided under this subtitle) terminated for cause.

“(b) REQUESTS.—The State may request training and technical assistance from the Secretary as needed to comply with the requirements of this section.

“(c) EVALUATIONS BY THE SECRETARY.—The Secretary shall conduct in several States in each fiscal year evaluations (including investigations) of the use of funds received by the States under this subtitle in order to evaluate compliance with the provisions of this subtitle, and especially with respect to compliance with section 676(b). The Secretary shall submit, to each State evaluated, a report containing the results of such evaluations, and recommendations of improvements designed to enhance the benefit and impact of the activities carried out with such funds for people in need. On receiving the report, the State shall submit to the Secretary a plan of action in response to the recommendations contained in the report. The results of the evaluations shall be submitted annually to the Chairperson of the Committee on Education and the Workforce of the House of Representatives and the Chairperson of the Committee on Labor and Human Resources of the Senate as part of the report submitted by the Secretary in accordance with section 678E(b)(2).

Reports.

**“SEC. 678C. CORRECTIVE ACTION; TERMINATION AND REDUCTION OF FUNDING.**

42 USC 9915.

“(a) DETERMINATION.—If the State determines, on the basis of a final decision in a review pursuant to section 678B, that an eligible entity fails to comply with the terms of an agreement, or the State plan, to provide services under this subtitle or to meet appropriate standards, goals, and other requirements established by the State (including performance objectives), the State shall—

“(1) inform the entity of the deficiency to be corrected;

“(2) require the entity to correct the deficiency;

“(3)(A) offer training and technical assistance, if appropriate, to help correct the deficiency, and prepare and submit to the Secretary a report describing the training and technical assistance offered; or

“(B) if the State determines that such training and technical assistance are not appropriate, prepare and submit to the Secretary a report stating the reasons for the determination;

“(4)(A) at the discretion of the State (taking into account the seriousness of the deficiency and the time reasonably required to correct the deficiency), allow the entity to develop and implement, within 60 days after being informed of the deficiency, a quality improvement plan to correct such deficiency within a reasonable period of time, as determined by the State; and

“(B) not later than 30 days after receiving from an eligible entity a proposed quality improvement plan pursuant to subparagraph (A), either approve such proposed plan or specify the reasons why the proposed plan cannot be approved; and

“(5) after providing adequate notice and an opportunity for a hearing, initiate proceedings to terminate the designation of or reduce the funding under this subtitle of the eligible entity unless the entity corrects the deficiency.

“(b) REVIEW.—A determination to terminate the designation or reduce the funding of an eligible entity is reviewable by the Secretary. The Secretary shall, upon request, review such a determination. The review shall be completed not later than 90 days after the Secretary receives from the State all necessary documentation relating to the determination to terminate the designation or reduce the funding. If the review is not completed within 90 days, the determination of the State shall become final at the end of the 90th day.

“(c) DIRECT ASSISTANCE.—Whenever a State violates the assurances contained in section 676(b)(8) and terminates or reduces the funding of an eligible entity prior to the completion of the State hearing described in that section and the Secretary’s review as required in subsection (b), the Secretary is authorized to provide financial assistance under this subtitle to the eligible entity affected until the violation is corrected. In such a case, the grant or allotment for the State under section 675A or 675B for the earliest appropriate fiscal year shall be reduced by an amount equal to the funds provided under this subsection to such eligible entity.

Deadline.

42 USC 9916.

**“SEC. 678D. FISCAL CONTROLS, AUDITS, AND WITHHOLDING.**

“(a) FISCAL CONTROLS, PROCEDURES, AUDITS, AND INSPECTIONS.—

“(1) IN GENERAL.—A State that receives funds under this subtitle shall—

“(A) establish fiscal control and fund accounting procedures necessary to assure the proper disbursement of and accounting for Federal funds paid to the State under this subtitle, including procedures for monitoring the funds provided under this subtitle;

“(B) ensure that cost and accounting standards of the Office of Management and Budget apply to a recipient of the funds under this subtitle;

“(C) subject to paragraph (2), prepare, at least every year, an audit of the expenditures of the State of amounts received under this subtitle and amounts transferred to carry out the purposes of this subtitle; and

“(D) make appropriate books, documents, papers, and records available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of the appropriate entity upon a reasonable request for the items.

“(2) AUDITS.—

“(A) IN GENERAL.—Subject to subparagraph (B), each audit required by subsection (a)(1)(C) shall be conducted by an entity independent of any agency administering activities or services carried out under this subtitle and shall be conducted in accordance with generally accepted accounting principles.

“(B) SINGLE AUDIT REQUIREMENTS.—Audits shall be conducted under this paragraph in the manner and to the extent provided in chapter 75 of title 31, United States Code (commonly known as the ‘Single Audit Act Amendments of 1996’).

“(C) SUBMISSION OF COPIES.—Within 30 days after the completion of each such audit in a State, the chief executive officer of the State shall submit a copy of such audit to any eligible entity that was the subject of the audit at no charge, to the legislature of the State, and to the Secretary.

“(3) REPAYMENTS.—The State shall repay to the United States amounts found not to have been expended in accordance with this subtitle or the Secretary may offset such amounts against any other amount to which the State is or may become entitled under this subtitle.

“(b) WITHHOLDING.—

“(1) IN GENERAL.—The Secretary shall, after providing adequate notice and an opportunity for a hearing conducted within the affected State, withhold funds from any State that does not utilize the grant or allotment under section 675A or 675B in accordance with the provisions of this subtitle, including the assurances such State provided under section 676.

“(2) RESPONSE TO COMPLAINTS.—The Secretary shall respond in an expeditious and speedy manner to complaints of a substantial or serious nature that a State has failed to use funds in accordance with the provisions of this subtitle, including the assurances provided by the State under section 676. For purposes of this paragraph, a complaint of a failure to meet any one of the assurances provided under section 676 that constitutes disregarding that assurance shall be considered to be a complaint of a serious nature.

“(3) INVESTIGATIONS.—Whenever the Secretary determines that there is a pattern of complaints of failures described in paragraph (2) from any State in any fiscal year, the Secretary shall conduct an investigation of the use of funds received under this subtitle by such State in order to ensure compliance with the provisions of this subtitle.



42 USC 9917.

**“SEC. 678E. ACCOUNTABILITY AND REPORTING REQUIREMENTS.****“(a) STATE ACCOUNTABILITY AND REPORTING REQUIREMENTS.—****“(1) PERFORMANCE MEASUREMENT.—**

“(A) IN GENERAL.—By October 1, 2001, each State that receives funds under this subtitle shall participate, and shall ensure that all eligible entities in the State participate, in a performance measurement system, which may be a performance measurement system for which the Secretary facilitated development pursuant to subsection (b), or an alternative system that the Secretary is satisfied meets the requirements of subsection (b).

“(B) LOCAL AGENCIES.—The State may elect to have local agencies that are subcontractors of the eligible entities under this subtitle participate in the performance measurement system. If the State makes that election, references in this section to eligible entities shall be considered to include the local agencies.

“(2) ANNUAL REPORT.—Each State shall annually prepare and submit to the Secretary a report on the measured performance of the State and the eligible entities in the State. Prior to the participation of the State in the performance measurement system, the State shall include in the report any information collected by the State relating to such performance. Each State shall also include in the report an accounting of the expenditure of funds received by the State through the community services block grant program, including an accounting of funds spent on administrative costs by the State and the eligible entities, and funds spent by eligible entities on the direct delivery of local services, and shall include information on the number of and characteristics of clients served under this subtitle in the State, based on data collected from the eligible entities. The State shall also include in the report a summary describing the training and technical assistance offered by the State under section 678C(a)(3) during the year covered by the report.

**“(b) SECRETARY’S ACCOUNTABILITY AND REPORTING REQUIREMENTS.—**

“(1) PERFORMANCE MEASUREMENT.—The Secretary, in collaboration with the States and with eligible entities throughout the Nation, shall facilitate the development of one or more model performance measurement systems, which may be used by the States and by eligible entities to measure their performance in carrying out the requirements of this subtitle and in achieving the goals of their community action plans. The Secretary shall provide technical assistance, including support for the enhancement of electronic data systems, to States and to eligible entities to enhance their capability to collect and report data for such a system and to aid in their participation in such a system.

“(2) REPORTING REQUIREMENTS.—At the end of each fiscal year beginning after September 30, 1999, the Secretary shall, directly or by grant or contract, prepare a report containing—

“(A) a summary of the planned use of funds by each State, and the eligible entities in the State, under the community services block grant program, as contained in each State plan submitted pursuant to section 676;

“(B) a description of how funds were actually spent by the State and eligible entities in the State, including a breakdown of funds spent on administrative costs and on the direct delivery of local services by eligible entities;

“(C) information on the number of entities eligible for funds under this subtitle, the number of low-income persons served under this subtitle, and such demographic data on the low-income populations served by eligible entities as is determined by the Secretary to be feasible;

“(D) a comparison of the planned uses of funds for each State and the actual uses of the funds;

“(E) a summary of each State’s performance results, and the results for the eligible entities, as collected and submitted by the States in accordance with subsection (a)(2); and

“(F) any additional information that the Secretary considers to be appropriate to carry out this subtitle, if the Secretary informs the States of the need for such additional information and allows a reasonable period of time for the States to collect and provide the information.

“(3) SUBMISSION.—The Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate the report described in paragraph (2), and any comments the Secretary may have with respect to such report. The report shall include definitions of direct and administrative costs used by the Department of Health and Human Services for programs funded under this subtitle.

“(4) COSTS.—Of the funds reserved under section 674(b)(3), not more than \$350,000 shall be available to carry out the reporting requirements contained in paragraph (2).

**“SEC. 678F. LIMITATIONS ON USE OF FUNDS.**

42 USC 9918.

“(a) CONSTRUCTION OF FACILITIES.—

“(1) LIMITATIONS.—Except as provided in paragraph (2), grants made under this subtitle (other than amounts reserved under section 674(b)(3)) may not be used by the State, or by any other person with which the State makes arrangements to carry out the purposes of this subtitle, for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than low-cost residential weatherization or other energy-related home repairs) of any building or other facility.

“(2) WAIVER.—The Secretary may waive the limitation contained in paragraph (1) upon a State request for such a waiver, if the Secretary finds that the request describes extraordinary circumstances to justify the purchase of land or the construction of facilities (or the making of permanent improvements) and that permitting the waiver will contribute to the ability of the State to carry out the purposes of this subtitle.

“(b) POLITICAL ACTIVITIES.—

“(1) TREATMENT AS A STATE OR LOCAL AGENCY.—For purposes of chapter 15 of title 5, United States Code, any entity that assumes responsibility for planning, developing, and coordinating activities under this subtitle and receives assistance under this subtitle shall be deemed to be a State or local agency. For purposes of paragraphs (1) and (2) of section

1502(a) of such title, any entity receiving assistance under this subtitle shall be deemed to be a State or local agency.

“(2) PROHIBITIONS.—Programs assisted under this subtitle shall not be carried on in a manner involving the use of program funds, the provision of services, or the employment or assignment of personnel, in a manner supporting or resulting in the identification of such programs with—

“(A) any partisan or nonpartisan political activity or any political activity associated with a candidate, or contending faction or group, in an election for public or party office;

“(B) any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election; or

“(C) any voter registration activity.

“(3) RULES AND REGULATIONS.—The Secretary, after consultation with the Office of Personnel Management, shall issue rules and regulations to provide for the enforcement of this subsection, which shall include provisions for summary suspension of assistance or other action necessary to permit enforcement on an emergency basis.

“(c) NONDISCRIMINATION.—

“(1) IN GENERAL.—No person shall, on the basis of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under this subtitle. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) or with respect to an otherwise qualified individual with a disability as provided in section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), or title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131 et seq.) shall also apply to any such program or activity.

Notification.

“(2) ACTION OF SECRETARY.—Whenever the Secretary determines that a State that has received a payment under this subtitle has failed to comply with paragraph (1) or an applicable regulation, the Secretary shall notify the chief executive officer of the State and shall request that the officer secure compliance. If within a reasonable period of time, not to exceed 60 days, the chief executive officer fails or refuses to secure compliance, the Secretary is authorized to—

“(A) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

“(B) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), or title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131 et seq.), as may be applicable; or

“(C) take such other action as may be provided by law.

“(3) ACTION OF ATTORNEY GENERAL.—When a matter is referred to the Attorney General pursuant to paragraph (2), or whenever the Attorney General has reason to believe that

the State is engaged in a pattern or practice of discrimination in violation of the provisions of this subsection, the Attorney General may bring a civil action in any appropriate United States district court for such relief as may be appropriate, including injunctive relief.

**“SEC. 678G. DRUG AND CHILD SUPPORT SERVICES AND REFERRALS.** 42 USC 9919.

**“(a) DRUG TESTING AND REHABILITATION.—**

**“(1) IN GENERAL.—**Nothing in this subtitle shall be construed to prohibit a State from testing participants in programs, activities, or services carried out or provided under this subtitle for controlled substances. A State that conducts such testing shall inform the participants who test positive for any of such substances about the availability of treatment or rehabilitation services and refer such participants for appropriate treatment or rehabilitation services.

**“(2) ADMINISTRATIVE EXPENSES.—**Any funds provided under this subtitle expended for such testing shall be considered to be expended for administrative expenses and shall be subject to the limitation specified in section 675C(b)(2).

**“(3) DEFINITION.—**In this subsection, the term ‘controlled substance’ has the meaning given the term in section 102 of the Controlled Substances Act (21 U.S.C. 802).

**“(b) CHILD SUPPORT SERVICES AND REFERRALS.—**During each fiscal year for which an eligible entity receives a grant under section 675C, such entity shall—

**“(1)** inform custodial parents in single-parent families that participate in programs, activities, or services carried out or provided under this subtitle about the availability of child support services; and

**“(2)** refer eligible parents to the child support offices of State and local governments.

**“SEC. 679. OPERATIONAL RULE.**

42 USC 9920.

**“(a) RELIGIOUS ORGANIZATIONS INCLUDED AS NONGOVERNMENTAL PROVIDERS.—**For any program carried out by the Federal Government, or by a State or local government under this subtitle, the government shall consider, on the same basis as other nongovernmental organizations, religious organizations to provide the assistance under the program, so long as the program is implemented in a manner consistent with the Establishment Clause of the first amendment to the Constitution. Neither the Federal Government nor a State or local government receiving funds under this subtitle shall discriminate against an organization that provides assistance under, or applies to provide assistance under, this subtitle, on the basis that the organization has a religious character.

**“(b) RELIGIOUS CHARACTER AND INDEPENDENCE.—**

**“(1) IN GENERAL.—**A religious organization that provides assistance under a program described in subsection (a) shall retain its religious character and control over the definition, development, practice, and expression of its religious beliefs.

**“(2) ADDITIONAL SAFEGUARDS.—**Neither the Federal Government nor a State or local government shall require a religious organization—

**“(A)** to alter its form of internal governance, except (for purposes of administration of the community services block grant program) as provided in section 676B; or

“(B) to remove religious art, icons, scripture, or other symbols;  
in order to be eligible to provide assistance under a program described in subsection (a).

“(3) EMPLOYMENT PRACTICES.—A religious organization’s exemption provided under section 702 of the Civil Rights Act of 1964 (42 U.S.C. 2000e-1) regarding employment practices shall not be affected by its participation in, or receipt of funds from, programs described in subsection (a).

“(c) LIMITATIONS ON USE OF FUNDS FOR CERTAIN PURPOSES.—No funds provided directly to a religious organization to provide assistance under any program described in subsection (a) shall be expended for sectarian worship, instruction, or proselytization.

“(d) FISCAL ACCOUNTABILITY.—

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

“(2) LIMITED AUDIT.—Such organization shall segregate government funds provided under such program into a separate account. Only the government funds shall be subject to audit by the government.

“(e) TREATMENT OF ELIGIBLE ENTITIES AND OTHER INTERMEDIATE ORGANIZATIONS.—If an eligible entity or other organization (referred to in this subsection as an ‘intermediate organization’), acting under a contract, or grant or other agreement, with the Federal Government or a State or local government, is given the authority under the contract or agreement to select nongovernmental organizations to provide assistance under the programs described in subsection (a), the intermediate organization shall have the same duties under this section as the government.

42 USC 9921.

**“SEC. 680. DISCRETIONARY AUTHORITY OF THE SECRETARY.**

“(a) GRANTS, CONTRACTS, ARRANGEMENTS, LOANS, AND GUARANTEES.—

“(1) IN GENERAL.—The Secretary shall, from funds reserved under section 674(b)(3), make grants, loans, or guarantees to States and public agencies and private, nonprofit organizations, or enter into contracts or jointly financed cooperative arrangements with States and public agencies and private, nonprofit organizations (and for-profit organizations, to the extent specified in paragraph (2)(E)) for each of the objectives described in paragraphs (2) through (4).

“(2) COMMUNITY ECONOMIC DEVELOPMENT.—

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

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

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

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

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

“(3) RURAL COMMUNITY DEVELOPMENT ACTIVITIES.—The Secretary shall provide the assistance described in paragraph (1) for rural community development activities, which shall include providing—

“(A) grants to private, nonprofit corporations to enable the corporations to provide assistance concerning home repair to rural low-income families and concerning planning and developing low-income rural rental housing units; and

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

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

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

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

Records.

42 USC 9922.

**“SEC. 681. COMMUNITY FOOD AND NUTRITION PROGRAMS.**

“(a) GRANTS.—The Secretary may, through grants to public and private, nonprofit agencies, provide for community-based, local, statewide, and national programs—

“(1) to coordinate private and public food assistance resources, wherever the grant recipient involved determines such coordination to be inadequate, to better serve low-income populations;

“(2) to assist low-income communities to identify potential sponsors of child nutrition programs and to initiate such programs in underserved or unserved areas; and

“(3) to develop innovative approaches at the State and local level to meet the nutrition needs of low-income individuals.

“(b) ALLOTMENTS AND DISTRIBUTION OF FUNDS.—

“(1) NOT TO EXCEED \$6,000,000 IN APPROPRIATIONS.—Of the amount appropriated for a fiscal year to carry out this section (but not to exceed \$6,000,000), the Secretary shall distribute funds for grants under subsection (a) as follows:

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

“(B) COMPETITIVE GRANTS.—From a portion equal to 40 percent of such amount (but not to exceed \$2,400,000), the Secretary shall make grants on a competitive basis to eligible agencies for local and statewide programs.

“(2) GREATER AVAILABLE APPROPRIATIONS.—Any amounts appropriated for a fiscal year to carry out this section in excess of \$6,000,000 shall be allotted as follows:

“(A) ALLOTMENTS.—The Secretary shall use 40 percent of such excess to allot for grants under subsection (a) to eligible agencies for statewide programs in each State an amount that bears the same ratio to 40 percent of such excess as the low-income and unemployed population of such State bears to the low-income and unemployed population of all the States.

“(B) COMPETITIVE GRANTS FOR LOCAL AND STATEWIDE PROGRAMS.—The Secretary shall use 40 percent of such excess to make grants under subsection (a) on a competitive basis to eligible agencies for local and statewide programs.

“(C) COMPETITIVE GRANTS FOR NATIONWIDE PROGRAMS.—The Secretary shall use the remaining 20 percent of such excess to make grants under subsection (a) on a competitive basis to eligible agencies for nationwide programs, including programs benefiting Indians, as defined in section 677, and migrant or seasonal farmworkers.

“(3) ELIGIBILITY FOR ALLOTMENTS FOR STATEWIDE PROGRAMS.—To be eligible to receive an allotment under paragraph (1)(A) or (2)(A), an eligible agency shall demonstrate that the proposed program is statewide in scope and represents a comprehensive and coordinated effort to alleviate hunger within the State.

“(4) MINIMUM ALLOTMENTS FOR STATEWIDE PROGRAMS.—

“(A) IN GENERAL.—From the amounts allotted under paragraphs (1)(A) and (2)(A), the minimum total allotment for each State for each fiscal year shall be—

“(i) \$15,000 if the total amount appropriated to carry out this section is not less than \$7,000,000 but less than \$10,000,000;

“(ii) \$20,000 if the total amount appropriated to carry out this section is not less than \$10,000,000 but less than \$15,000,000; or

“(iii) \$30,000 if the total amount appropriated to carry out this section is not less than \$15,000,000.

“(B) DEFINITION.—In this paragraph, the term ‘State’ does not include Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

“(5) MAXIMUM GRANTS.—From funds made available under paragraphs (1)(B) and (2)(B) for any fiscal year, the Secretary may not make grants under subsection (a) to an eligible agency in an aggregate amount exceeding \$50,000. From funds made available under paragraph (2)(C) for any fiscal year, the Secretary may not make grants under subsection (a) to an eligible agency in an aggregate amount exceeding \$300,000.

“(c) REPORT.—For each fiscal year, the Secretary shall prepare and submit, to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate, a report concerning the grants made under this section. Such report shall include—

“(1) a list of grant recipients;

“(2) information on the amount of funding awarded to each grant recipient; and

“(3) a summary of the activities performed by the grant recipients with funding awarded under this section and a description of the manner in which such activities meet the objectives described in subsection (a).

“(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 1999 through 2003.

Records.

**“SEC. 682. NATIONAL OR REGIONAL PROGRAMS DESIGNED TO PROVIDE INSTRUCTIONAL ACTIVITIES FOR LOW-INCOME YOUTH.**

42 USC 9923.

“(a) GENERAL AUTHORITY.—The Secretary is authorized to make a grant to an eligible service provider to administer national or regional programs to provide instructional activities for low-income youth. In making such a grant, the Secretary shall give priority to eligible service providers that have a demonstrated ability to operate such a program.

“(b) PROGRAM REQUIREMENTS.—Any instructional activity carried out by an eligible service provider receiving a grant under this section shall be carried out on the campus of an institution of higher education (as defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))) and shall include—

“(1) access to the facilities and resources of such an institution;

“(2) an initial medical examination and follow-up referral or treatment, without charge, for youth during their participation in such activity;



“(3) at least one nutritious meal daily, without charge, for participating youth during each day of participation;

“(4) high quality instruction in a variety of sports (that shall include swimming and that may include dance and any other high quality recreational activity) provided by coaches and teachers from institutions of higher education and from elementary and secondary schools (as defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801)); and

“(5) enrichment instruction and information on matters relating to the well-being of youth, to include educational opportunities and information on study practices, education for the prevention of drug and alcohol abuse, and information on health and nutrition, career opportunities, and family and job responsibilities.

“(c) **ADVISORY COMMITTEE; PARTNERSHIPS.**—The eligible service provider shall, in each community in which a program is funded under this section—

“(1) ensure that—

“(A) a community-based advisory committee is established, with representatives from local youth, family, and social service organizations, schools, entities providing park and recreation services, and other community-based organizations serving high-risk youth; or

“(B) an existing community-based advisory board, commission, or committee with similar membership is utilized to serve as the committee described in subparagraph (A); and

“(2) enter into formal partnerships with youth-serving organizations or other appropriate social service entities in order to link program participants with year-round services in their home communities that support and continue the objectives of this subtitle.

“(d) **ELIGIBLE PROVIDERS.**—A service provider that is a national private, nonprofit organization, a coalition of such organizations, or a private, nonprofit organization applying jointly with a business concern shall be eligible to apply for a grant under this section if—

“(1) the applicant has demonstrated experience in operating a program providing instruction to low-income youth;

“(2) the applicant agrees to contribute an amount (in cash or in kind, fairly evaluated) of not less than 25 percent of the amount requested, for the program funded through the grant;

“(3) the applicant agrees to use no funds from a grant authorized under this section for administrative expenses; and

“(4) the applicant agrees to comply with the regulations or program guidelines promulgated by the Secretary for use of funds made available through the grant.

“(e) **APPLICATION PROCESS.**—To be eligible to receive a grant under this section, a service provider shall submit to the Secretary, for approval, an application at such time, in such manner, and containing such information as the Secretary may require.

“(f) **PROMULGATION OF REGULATIONS OR PROGRAM GUIDELINES.**—The Secretary shall promulgate regulations or program guidelines to ensure funds made available through a grant made

under this section are used in accordance with the objectives of this subtitle.

“(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$15,000,000 for each of fiscal years 1999 through 2003 for grants to carry out this section.

“SEC. 683. REFERENCES.

42 USC 9924.

“Any reference in any provision of law to the poverty line set forth in section 624 or 625 of the Economic Opportunity Act of 1964 shall be construed to be a reference to the poverty line defined in section 673. Except as otherwise provided, any reference in any provision of law to any community action agency designated under title II of the Economic Opportunity Act of 1964 shall be construed to be a reference to an entity eligible to receive funds under the community services block grant program.”.

SEC. 202. CONFORMING AMENDMENTS.

(a) OLDER AMERICANS ACT OF 1965.—Section 306(a)(6)(E)(ii) of the Older Americans Act of 1965 (42 U.S.C. 3026(a)(6)(E)(ii)) is amended by striking “section 675(c)(3) of the Community Services Block Grant Act (42 U.S.C. 9904(c)(3))” and inserting “section 676B of the Community Services Block Grant Act”.

(b) COMMUNITY ECONOMIC DEVELOPMENT ACT OF 1981.—

(1) SOURCE OF FUNDS.—Section 614 of the Community Economic Development Act of 1981 (42 U.S.C. 9803) is repealed.

(2) ADVISORY COMMUNITY INVESTMENT BOARD.—Section 615(a)(2) of the Community Economic Development Act of 1981 (42 U.S.C. 9804(a)(2)) is amended by striking “through the Office” and all that follows and inserting “through an appropriate office.”.

(c) HUMAN SERVICES REAUTHORIZATION ACT OF 1986.—Section 407 of the Human Services Reauthorization Act of 1986 (42 U.S.C. 9812a) is amended—

(1) in subsection (a)—

(A) by inserting after “funds available” the following: “(before the date of enactment of the Coats Human Services Reauthorization Act of 1998)”; and

(B) by inserting after “9910(a)” the following: “(as in effect before such date)”; and

(2) in subsection (b)(2)—

(A) by inserting after “funds available” the following: “(before the date of enactment of the Coats Human Services Reauthorization Act of 1998)”; and

(B) by inserting after “9910(a)” the following: “(as in effect before such date)”.

(d) ANTI-DRUG ABUSE ACT OF 1988.—Section 3521(c)(2) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11841(c)(2)) is amended by striking “, such as activities authorized by section 681(a)(2)(F) of the Community Services Block Grant Act (42 U.S.C. section 9910(a)(2)(F))”,.

# Community Services Block Grant Policy and Procedures Manual

Fiscal Year 2018 and Fiscal Year 2019  
Arkansas Community Services Block Grant Policy and  
Procedures Manual

Arkansas Department of Human Services  
Division of County Operations  
Office of Community Services



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## Section I- Program Scope

### Mission, Roles and Responsibilities

**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.**

The Arkansas Department of Human Services, Division of County Operations, Office of Community Services (DHS/DCO/OCS) is the agency designated by the Governor to administer and distribute Community Services Block Grant (CSBG) funds.

In its second role, the State Lead Agency is responsible for performance-based reporting of Community Services Block Grant funds. This entails the collection of data from each agency, then compiling the data and submitting reports to the federal agency that is responsible for the funds. In the case of CSBG funds, the performance-based element is referred to as ROMA – Results Oriented Management and Accountability.

A third role, or responsibility, that the State Lead Agency has is that of providing training and technical assistance to the eligible entities' executive directors, board members and staff. Training and technical assistance covers a wide range of subjects including, but not limited to, workshops on succession planning, ROMA, case management, financial management, CSBG Organizational Standards, reporting, OMB guidance, monitoring and board governance. Technical assistance is provided both as a response to requests and as a result of monitoring reviews that indicate weaknesses. The State Lead Agency strongly encourages all of the eligible entities to request technical assistance if they encounter issues or situations in which they feel guidance is needed. The State Lead Agencies' primary goal, exceeded only by the programmatic assurances set forth in the act, is to ensure that all CSBG funds and programs are administered to all sub-grantees in accordance with the law.

The fourth role of the State Lead Agency is determining if funds are used in accordance with applicable federal and state laws, rules, regulations, or policies. The determination is made through monitoring reviews as well as audit reports. In those instances where it is determined that the use of funds was not in compliance with applicable laws, rules, regulations, or policies, then corrective action must be determined. If the determination includes disallowed costs that must be repaid, then the sub-grantee will be required to reimburse those funds to the State. The State will, in turn, remit the reimbursed funds to the funding source.

The State Lead Agency's fifth role with respect to eligible entities is that of partner. DHS/DCO/OCS works in partnership with not only the entities, but also; with other funding sources, state agencies, and the Arkansas Community Action Agencies Association (ACAAA). The partnerships serve as a means to provide the widest range possible of services to the low-income in the most cost- effective and efficient manner. DSH/DCO/OCS will work directly with

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each eligible entity and its board pertaining to contractual matters or the affairs of that particular agency.

## **Revision of Rules and Procedures**

Periodically it will be necessary to change or revise procedures and requirements. This may be in response to new Federal or State regulations, changing circumstances among the low-income population, or resources available to low-income citizens. Therefore, the State Lead Agency will review the procedures contained in this manual on a regular basis and issue any changes in the form of DHS/DCO/OCS Policy Letters.

A Policy Letter is an official means of communication in which pertinent policy and procedure changes are distributed to each eligible entity across Arkansas and to the Arkansas State Association. The State Lead Agency will ensure that all entities receive notice of policy/procedure changes via Policy Letters, and will make the appropriate revisions to the CSBG Policies and Procedures manual as needed under the guidance of the DHS/DCO Director.

## **Severability**

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**

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 their effective date

## **Citizen Access and Privacy**

The following documents must be made available for public inspection:

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

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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.

State and federal regulations shall apply for privacy of personal data held by the eligible entity relative to CSBG supported personnel, programs and activities.

## **Programmatic Assurances**

“The purposes of the Community Services Block Grant Program are:

“(1) to provide assistance to states and local communities, working through a network of community action agencies and other neighborhood-based organizations, for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient (particularly families who are attempting to transition off a State program carried out under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)); and

“(2) to accomplish the goals described in paragraph (1) through—

“(A) the strengthening of community capabilities for planning and coordinating the use of a broad range of Federal, State, local, and other assistance (including private resources) related to the elimination of poverty, so that this assistance can be used in a manner responsive to local needs and conditions;

“(B) the organization of a range of services related to the needs of low-income families and individuals, so that these services may have a measurable and potentially major impact on the causes of poverty in the community and may help the families and individuals to achieve self-sufficiency;

“(C) The greater use of innovative and effective community-based approaches to attacking the causes and effects of poverty and of community breakdown;

“(D) the maximum participation of residents of the low-income communities and members of the groups served by programs assisted through the block grants made under this subtitle to empower such residents and members to respond to the unique problems and needs within their communities; and PUBLIC LAW 105-285—OCT. 27, 1998 112 STAT. 2729

“(E) The broadening of the resource base of programs directed to the elimination of poverty so as to secure a more active role in the provision of services for—

“(i) private, religious, charitable, and neighborhood-based organizations; and

“(ii) individual citizens, and business, labor, and professional groups who are able to influence the quantity and quality of opportunities and services for the poor.”



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## **Legislative Provisions and Requirements**

The State Lead Agency is required to make available to eligible entities, no less than 90 percent of the funds received through the Community Services Block Grant to accomplish the goals set forth in the programmatic assurances. No more than 5 percent may be utilized for administrative costs.

**90% Eligible Entity** - Funds appropriated for the purpose of the Community Services Block Grant shall be allocated annually to the eligible entities. Arkansas has in place a historical allocation formula that was based on poverty, population and a “hold-harmless” indicator number. The formula will stay in place for the period of FY2018.

During FY 2018, The State Lead Agency will research funding formula from other states, will identify (in accordance with CSBG IM 116) and adopt the funding formula that will best support the work of the Arkansas CSBG network. This new formula will be implemented in the year following its adoption.

**5% Administrative** - U.S.C. Section 675C (b)(2) states, “No State may spend more than the greater of \$55,000 , or 5 percent, of the grant received under section 675A or State allotment received under Section 675B for administrative expenses, including monitoring activities. Funds to be spent for such expenses shall be taken from the portion of the grant under section 675A or State allotment that remains after the State makes grants to eligible entities under subsection (a)”.

**5% Discretionary** – The remaining funds will be allocated in accordance with U.S.C. Section 675(b) (2) states, the remaining 5% of the funds can be used for a variety of CSBG-related purposes. Examples of these purposes include awarding funds to CSBG-network organizations to provide training and technical assistance to CAAs and awarding funds on a competitive basis to organizations conducting community economic development activities, rural community development activities, case management, fatherhood initiatives, disaster relief and neighborhood innovation projects. Arkansas will also use these funds to provide for the identification, adoption, purchase and implementation of a state-wide data collection system for the eligible entities.

## **Section II- State Plan and Appropriation of Funds**

### **State Plan**

The State Lead Agency must develop an application and State plan to submit to the Department of Health and Human Services covering a period of no less than one fiscal year and no more than two fiscal years. This plan must be submitted no later than thirty days prior to the beginning of the fiscal year covered by this plan.

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The State Lead Agency is required to hold at least one public hearing in the state giving sufficient time and notice of the hearing to provide the public the opportunity to comment on the proposed use and distribution of funds prior to the submission of the State plan to the Department of Health and Human Services.

In order to be eligible to receive CSBG funding, the State shall conduct one legislative hearing every three years in conjunction with the development of the State plan.

## **Annual Allocation**

Funds appropriated for the purpose of the Community Services Block Grant shall be allocated annually to eligible entities in proportion to the size of the poverty-level population served by the agency when compared to the size of the poverty-level population and available resources in the state. "Poverty-level population" means the number of people whose household income is below the official poverty line established by the United States Director of the Office of Management and Budget (OMB). Arkansas has used a funding formula that has taken into account the poverty-level population served by the agency, but that also contained a factor identified as a "hold-harmless" indicator. This formula will remain in place for the FY 2018.

During FY 2018, the State Lead Agency will research funding formula from other states, will identify (in accordance with CSBG IM 116) and adopt the funding formula that will best support the work of the Arkansas CSBG network. This new formula will be implemented in the year following its adoption.

All of the Arkansas eligible entities must operate its CSBG related programs on a reimbursement basis. Full documentation of expenses must accompany requests for reimbursement.

## **Section III- Policies of Governing Boards**

### **Legislative Mandate**

CSBG Act (42 U.S.C. 9901 et seq.) as amended in 1998, requires the State Lead Agency to provide assurance that each community action agency or non-profit organization administering the Community Services Block Grant Program have a tripartite board which will be constituted as follows:

- (A) One-third of the members of the board are elected public officials, currently holding office, or their representatives, except if the number of elected officials reasonably available and willing to serve is less than one-third of the membership of the board, membership on the board of appointed public officials may be counted in meeting such one-third requirement;
- (B) At least one-third of the members are persons chosen in accordance with democratic selection procedures adequate to assure that they are representative of the low income in the area served; and

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- (C) The remainder of the members is composed of representatives of business, industry, labor, religious, welfare, education, or other major groups and interests in the community. Strict adherence to these requirements is necessary to be eligible for receipt of Community Services Block Grant funding and for continued designation as an eligible entity.

The bylaws of the organization must set forth the process and procedures for compliance with the Federal and State statutory mandates for the composition of the board of directors. A copy of the bylaws must be on file with the Arkansas Department of Human Services, Division of County Operations, and Office of Community Services. The eligible entities are required to comply with the process and procedures set forth in its bylaws.

These guidelines are provided to assist the agency in developing the process and procedures for compliance with boards of directors.

### **Board Composition**

A “Community Action Agency” board of directors shall have not less than 15 members and not more than 51 members. The board composition shall be as follows (CSBG Information Memorandum 82):

- a) Elected public officials currently holding office, or their properly designated representatives, must comprise one-third of the board. Appointed public officials may be counted in meeting this one-third requirement only if the number of elected officials reasonably available and willing to serve is less than one-third of the membership of the board.
- b) The persons chosen to represent the low-income population must comprise at least one-third of the board; and
- c) Representatives of business, industry, labor, religious, welfare or other private groups and interests shall comprise the remainder of the board.

**Where the administering agency serves more than one county, the composition of the board shall include representatives of all counties served.**

### **Residence Requirements**

Each member of the board selected to represent a specific geographic area within the community must reside in the area which he/she represents.

### **Conflict of Interest**

A person who serves on the board as an officer or an employee of an organization that wants to perform a component of the work program funded by the Community Services Block Grant must publicly disclose the intent to bid for the component. They must also recuse themselves from all discussion and any selection determinations regarding award of the component. Generally, public officials serving on the agency’s boards will not be in conflict if the agency should contract with his/her jurisdiction to perform a component to the work program funded by CSBG. In most cases, a person may not serve on the board if an immediate family member is employed

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by the agency. An immediate family member is defined as mother; father, brother, sister, brother-in-law, sister-in-law, or spouse.

## **Limitations on Board Service**

Public officials serve as long as the public official is currently holding office. Representatives of the low-income and of the private sector may serve as required by the corporation bylaws. "In the absence of a provision fixing the term of office, the term of office of a director shall be one year."

No board member may serve more than ten years at any one community action agency. Public officials or their representatives, serve 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.

## **Governing Power of the Board of Directors**

The board members or governing board acting as one has the legal powers and responsibilities granted under its state charter as the board of directors of a private, not-for-profit corporation. For example, the board must have the power to enter into legally binding agreements with any Federal, State or local agency or with any private funding organization for the purpose of operating programs or providing services to low-income recipients.

## **Bylaws Requirements**

In accordance with CSBG Information Memorandum 82 the eligible entities Bylaws must address at least the following:

1. **Composition of the Board:** The bylaws shall set the number of seats on the board and the allotment of seats to public officials, representatives of the low income and representatives of the private sector.
2. **Selection Procedures:** The bylaws shall include procedures for selecting all sectors of the board.
  - a. **Public Officials-** The bylaws of the board may authorize each public official serving on such board to appoint a representative who will then serve as the board member. These representatives need not be public officials themselves, but they shall have full authority to act on behalf of the public officials whom they represent at meetings of the board regarding the business of the board.
  - b. **Low-Income-** Representatives of the low-income population shall be selected/ elected in accordance with democratic selection procedures adequate to assure representation of low-income persons residing in the area served.  
Representatives of the low-income population may be democratically selected either to represent a specific area or community served by the agency, or at large to represent the entire area served by the agency. The following democratic selection procedures may be used, either separately or in combination:

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- i. Nominations and elections, either within the community, specific areas, or the entire area served by the agency;
- ii. Election at a meeting or conference of low-income persons where date, time and place have been adequately publicized;
- iii. Selection/election of representatives of a community-wide board by members of a neighborhood organization who are themselves selected by a low-income neighborhood of area residents;
- iv. Democratic selection of representatives by existing organizations designated by the board whose membership is predominantly composed of low-income persons or their representatives. This is not meant to limit the variety of selection procedures which may be used. Any democratic selection procedure which assures adequate representation of the low-income where date, time and place have been adequately publicized in advance of the selection is acceptable.

The entity will have these procedures documented in its bylaws or in a separate board approved document that must accompany the bylaws.

The defined boundaries for the democratic selection of representatives of low income will be maintained in documented form in the entities files for review by the State Lead Agency.

Low income representatives are truly representative of *current* residents of the geographic area to be served, including racial and ethnic composition, as determined by periodic selection or reselection by the community. Being *current* should be based on the recent or annual demographics changes as documented in the needs/ community assessment. This does not preclude extended service of low-income community representatives on boards, but does suggest that continued board participation of longer term members be revalidated from and kept current through some form of democratic process and the assessment of community changes.

Agencies must maintain documentation of the selection/election process.

- c. Private Sector- Private sector members shall be selected in such a manner as to assure that the board will benefit from broad community involvement. Such representation shall come from members of business, social service agencies, industry, labor, religious and educational institutions or other major groups or constituencies of the low-income population concerned with specific problems of the community. Once an organization is selected, it shall nominate its own representative on the board in accordance with the bylaws. Each representative shall be empowered to speak and act on behalf of the organization which he/she represents regarding the business of the board.
3. **Petition by Other Groups for Adequate Representation on the Board:** The community action agencies shall establish and include in their bylaws procedures allowing community agencies and representative groups of the low income who feel themselves inadequately represented on the board to petition for adequate

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representation. The bylaws shall specify in these procedures the channel of communication to be used, the number of signatures required for a valid petition and the action required of the board in response to a petition for more adequate representation. The board bylaws shall include provisions for adjusting its composition in cases where a petition is granted, in order to maintain the proper percentage of public officials and of representatives of the low income.

4. **Removal of a Board Member:** The bylaws must include a description of the grounds for removal of a board member and the procedures to be followed for removing that member.
5. **Alternates:** The Arkansas Non-profit Corporation does not address the use of alternates to represent board members in their absence; therefore, alternates are prohibited.
6. **Vacancies:** A vacancy on the board exists when: (1) a member has been notified of his/her official removal by action of the board for cause; (2) a member notifies the board of his/her resignation; (3) a member dies; or (4) a public official leaves office. When the seat of a public official is vacant, the board shall ask the designating officials to select another public official to fill the seat. When the seat of a representative of a private sector is vacant, the board shall ask that organization to name another representative to finish out the term. When the seat of a representative of the low income is vacant, the board may include in its bylaws either of two options: (1) it may repeat the democratic selection procedures; or (2) it may allow the remaining representatives of the low-income population to select a person to finish out the term, with the condition that the person selected represents the same constituency as the original representative.
7. **The board must fill all vacancies within 90 days after the vacancy occurs.**
8. **Quorum:** A quorum for a meeting of the board shall be over fifty (50) percent of the board total as established in the agency's bylaws.
9. **Schedule and Notice of Meeting:**
  1. The board shall have not less than four (4) regular meetings per program year with a quorum. The annual meeting may count as one of these meetings. The schedule shall be defined in the agency's bylaws.
  2. The board shall provide notice of the agenda in writing to all of its members for any meeting as specified in its bylaws.
  3. All board of directors' meetings shall be posted in places in the community frequented by the public to ensure the public is informed of the time and date of each meeting in accordance with the Arkansas Open Meetings Act. If a preliminary agenda is not available, the posted notice shall include a general description of the nature and purpose of the meeting." Agencies should

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identify in the posted notices whether the meeting to be conducted is a full board or committee meeting.

10. **Minutes:** The agency shall maintain a roster of attendance and written minutes for board and committee meetings including a record of votes on all motions. The members making and seconding motions must be identified in the minutes. If motions are not unanimous, there must be a record of each member's vote. A record of attendance or sign-in sheet must be maintained along with the minutes. A signed copy of the minutes, roster of attendance, and any written material distributed at the meeting must be submitted to the State Lead Agency within 30 days after the next meeting has occurred and the minutes have been approved by the board.
11. **Committees on the Board:** The board may establish any committee it considers necessary for conducting its business. The composition of these committees shall fully reflect the composition of the full board. Public notices and quorums for committee meetings are required to be the same as those for full board meetings. Notices are in accordance with The Arkansas Open Meetings Act and a quorum is over fifty (50) percent of the established membership of the committee.
12. **Compensation:** Regular compensation to members for their services on the board is not permitted. However, travel reimbursement to all members of the board for expenses to attend the meetings is permitted. Reimbursement for a meal is allowed if no meal is provided during the board meeting.
13. **Officials of the Board:** Define the responsibilities of the officers of the board, e.g., the chairperson, vice chairperson, secretary, and treasurer.
14. **Evaluation of Executive Director:** Define the responsibility and authority of the board in regard to the hiring and firing of the Executive Director, and the responsibility of the performance of the Executive Director. All timesheets and travel requests for the Executive Director must be approved and signed by the Board Chair or his/her designee.

### Section IV- State Community Services Program Implementation

#### **Program Overview**

**The Service Delivery System-** The provision of CSBG services to individual low-income persons statewide is carried out primarily through Arkansas's eligible entities (community action agencies). The State Lead Agency will provide 90 percent of its CSBG allocation to these sixteen (16) community action agencies (eligible entities) for the provision of services in each applicable CSBG assurance area. These entities provide services to low-income people in each of the state's seventy-five (75) counties.

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**Linkages-** A programmatic element of the work plans submitted by the eligible entities will include the development of linkages and cooperative agreements locally.

**Coordination with Other Public and Private Resources-** Other public and private funding resources are submitted with estimated amounts leveraged as part of each community action agency's plan. The State Lead Agency requires each local entity to submit coordination plans for their grant activity. The coordination plan describes how local entities have conferred with area service providers and established working relationships, how linkages have been developed to fill identified gaps in services, how funding will be coordinated with other public and private resources, and how all the above will result in a multi-program impact on the client's progress toward self-sufficiency. As The State Lead Agency becomes aware of available grants, the information will be disseminated to the eligible entity network either directly or through the Arkansas State Community Action Agencies Association (ACAAA).

**Innovative Community and Neighborhood-Based Initiatives-** Local entities use these funds to support innovative community and neighborhood-based initiatives related to the purpose of the Community Services Block Grant, including fatherhood initiatives and other initiatives with the goal of strengthening families and encouraging effective parenting.

## **Community Assessment**

As a condition of funding, each sub-grantee is required to submit every three (3) years a comprehensive community needs assessment for the community served. The community assessment may be coordinated utilizing assessments conducted for other programs; however, a single funding source needs assessment may not be substituted for the required three (3) year CSBG Community Assessment (CSBG Org. Standard Category 3 ). Each entity is responsible for conducting or securing its own needs assessment. The needs assessment of each entity shall describe how the assessment was conducted and provide aggregate results. The goals and objectives of each entity are based upon the findings of the assessment. The State Lead Agencies realizes that eligible entities require flexibility in conducting a local needs assessment, as each area varies in the resources available and the services provided.

The CSBG Act (Section 676(b) (11)) requires an "assurance from the State that each Community Action Agency must conduct a community-needs assessment for the community served, which may be coordinated with community-needs assessments conducted for other programs..."

The assessments must be updated at least annually or when major changes occur within that agency's geographic service area (i.e., loss of major employer, natural disaster, etc.)

A Community Assessment is an instrument utilized by the agency to gather information and data about a service area's opinions, needs, challenges and available resources to assist the agency in developing a plan to strategically address the needs identified at the conclusion of the assessment.

The eligible entity should begin by designating a staff member or members to an assessment committee. This employee/committee should possess knowledge of all the social service providers, community-based organizations, government agencies, and other pertinent



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organizations within their service area that are willing to collaborate and share information with the agency about present and emerging needs facing the area. The following are some beneficial community assessment tools:

- ❖ Interview - Collect information from community members who are in a position to be very familiar with community needs. These people might be community leaders, professionals, clients, or other individuals who have affiliations with particular organizations or agencies.
- ❖ Public Forum – Assemble a wide range of community members at public meetings to gather information via group discussions.
- ❖ Focus Group - Obtain opinions and ideas from a small, targeted group of community members.
- ❖ Survey - Use a formal survey instrument or questionnaire to collect data from community members and clients.
- ❖ Secondary data analysis - Review and analyze data that has already been collected regarding community issues and needs by social service and partner agencies.
- ❖ Asset mapping - Gather information about existing community assets and resources.

Some factors that might influence the type of assessment an eligible entity selects will include time, cost, target audience, and agency capacity. Ideally a community assessment should consist of a combination of data collection methods. The assessment should include:

- ❖ A community assessment team;
- ❖ Purpose of the assessment (goals and objectives, parties involved, data collection dates, etc.);
- ❖ Needs assessment tools and methodologies (focus groups, key informants, surveys, forums, etc.);
- ❖ A plan for the assessment (who, what, when, where, how);
- ❖ Implementation of the assessment using the selected tools;
- ❖ An analysis of the results;
- ❖ An executive summary including key findings and priorities; and
- ❖ Utilize report to determine agency response.

A community action guide for conducting comprehensive community assessments is available at [www.NASCSP.org](http://www.NASCSP.org).

The type of information gathered will depend on the entities' service area and its specific needs. However, the following information must be gathered in all community assessments:

- ❖ Description of the entities' service area and statistical profile of the area including charts, graphs, maps, etc.;
- ❖ Needs identified by community leaders and members;
- ❖ Community Perspectives (Recurring themes, key quotes, etc.);
- ❖ Current action being taken to meet community needs;
- ❖ Local resources available to help meet community needs, and their scope of services;
- ❖ Opportunities for projects;
- ❖ Challenges to projects (gaps in services, duplication, etc.);
- ❖ Involvement of the community in the project; and

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- ❖ Long-term sustainability of the project by the community.

The data collected during the community assessment must be analyzed and compiled into a report and presented to the entities' board of directors. Prior to submitting the assessment to the board, these findings should be refined and translated into key findings and emerging trends affecting the service area. Based upon the needs identified during the assessment, entities can select areas within their service area which may require additional services or issues that have emerged since the last assessment which will need to be prioritized by the entity.

## Section V- Community Action Plan (CAP) and Procedures

### **Introduction**

In order to receive funding for an upcoming fiscal year, eligible entities are required to submit a Community Action Plan (CAP) to the State Lead Agency as a part of the annual application plan. The State Lead Agency has developed a supplemental Community Action Plan (CAP) manual which thoroughly demonstrates what each community action agency will be required to submit each year in order to be eligible to receive CSBG funding. This section merely serves as a reference for agency compliance with State application requirements.

### **Requirements**

#### **A. Administrative Documents**

1. Completed Checklist
2. Community Action Agency Identification
3. Site Locations
4. Agency's Organization Chart
5. Community Action Agency Board Roster
6. Board of Directors Meeting Schedule
7. Agency Closing Days

#### **B. Implementation Documents**

1. Community Assessment Form
2. Service Delivery System
3. Linkages
4. Coordination & Collaboration
5. Community Based Initiatives
6. Coordination with Employment & Training Activities
7. Provision For Emergency Services
8. Youth Activities Services
9. Senior Activities Services

#### **C. Programmatic Documents**

1. Planned Expenditure Summary
2. Program Summary Report
3. Summary of Program Activities
4. Activities Explanation

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## **D. Fiscal Documents**

1. Agency's Approved Indirect Cost Rate and/or Cost Allocation Plan
2. Current Fidelity Bond
3. CSBG Budget (Administrative/Programmatic)
4. Copy of most recent form 990

## **E. Certification Documents**

1. Lobbying
2. Refunding
3. Programmatic Assurances
4. Debarment, Suspension, and Other Responsibility Matters
5. Drug Free Workplace
6. Tobacco Smoke

### **Budget and CAP Plan Revisions**

Prior approval for any change to the scope or objectives of the approved project shall be obtained. No deviations are authorized without a signed grant award revision, with the exception of budget line items variances in accordance with allowable percentages as stipulated. An entity is bound by the budget accepted by the State Lead agency. However, the transfer of funds between personnel and administration is allowable up to 10 percent of the greater of a populated line item, not to exceed the total approved budget.

## **Section VI- CSBG Grant Operation**

### **CSBG Allowable Activities/Costs**

Community Services Block Grant (CSBG) allowable costs are those that support services and activities which are targeted to the low-income population to alleviate poverty and to promote self-sufficiency for those individuals and families.

For CSBG program reporting requirements, the HHS Office of Community Services (OCS) defines "direct" program and "administrative" costs in accordance with three criteria; (i) meeting Congressional intent for the program; (ii) achieving consistency with HHS audit and financial management standards; and (iii) ensuring a common basis for relating expenditures to the CSBG Results Oriented Management and Accountability System (ROMA) in its updated format that was OMB approved in January, 2017.

Any CSBG funded program or activity must be identified in the Community Assessment.

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## Administrative Costs

Administrative costs include administering and managing central staff and centralized functions of the agency and prorated costs associated with the entities' audit. Administrative cost also includes expenditures for support for members of the entities' governing body. Administrative costs do not include costs for administration, management or overhead expenses directly linked to a specific project operated by the eligible entity. Such administrative costs should be included as part of the program. For example, administrative overhead and general support for an eligible entities' community services projects (such as space, supplies, program manager, etc.) should be reported under Programmatic Costs (CSBG IM 37).

## Programmatic and Case Management Costs

Programmatic and Case Management costs include services and activities geared toward: attaining an adequate education, securing meaningful employment, acquiring adequate housing and living environments, obtaining emergency assistance, participating in community affairs, addressing the needs of youth and removing obstacles to improve stability and self-sufficiency.

CSBG funded services may be provided to households with incomes up to 125% of the poverty income guidelines. OMB poverty income guidelines apply to CSBG funded services and to services provided by CSBG funded staff. **However, if CSBG funded staff provide services funded by other sources with income guidelines that differ from the CSBG guidelines, the other funding sources' guidelines shall apply for those services.** Household Income eligibility documentation must be maintained on all clients served either directly or served by staff who are paid with CSBG funds.

The State Lead Agency will not attach a specific percentage of CSBG funding to case management related activities for FY 2018. However, each entity will be asked to identify funds which are used specifically for case managed clients. This requirement can also be met by showing that case managed services are being provided by entity partnerships with other entities.

The State Lead Agency will not assign a specific number of clients each eligible entity is expected to assist in transitioning out of poverty during FY 2018. However, as a part of their Community Action Plan (CAP Plan), each eligible entity is expected to identify a goal for transitioning clients out of poverty. The most recent Census data identifies that 19.3% of Arkansans are living below the Federal poverty level.

The eligible entities are expected to partner with local entities such as the local workforce, the Arkansas Department of Human Services and other local poverty fighting agencies to provide assistance and to empower individuals and families to become fully self-sufficient. (42 USC 9901, Sec. 672). The most recent Census data identifies the

## Policies and Procedures

All agencies shall be required to develop and implement written standards of operation to include program policies and procedures to govern the programs administered utilizing CSBG funds. The policies and procedures must address the following:

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- ❖ Intake procedures which shall include instructions for using agency intake and application forms.
- ❖ Eligibility criteria
- ❖ Procedures for recertification of eligibility
- ❖ The definition of household in accordance with current Federal guidelines.
- ❖ Safety mechanisms to ensure staff and staff member's family members do not gain an unfair advantage over other potential clients.
- ❖ Process to identify and inform custodial parents who receive or are enrolled in CSBG programs about child support offices at the State and local level.
- ❖ Protocol for prioritizing applicants in instances of programs or services administered by the agency exceeding capacity.
- ❖ Verbiage which ensures no person shall be excluded from or denied benefits based on their race, color, national origin, or gender.
- ❖ An appeal procedure outlining an appeal process which encompasses all applicants who apply for CSBG services. The procedure shall ensure the applicant is notified of their right to appeal prior to their eligibility determination. The applicant reserves the right to appeal any eligibility determination in which they feel the decision rendered was unduly influenced by discriminatory factors.

## **Customer Service Records**

Records must be maintained for all clients who undergo the intake process at each eligible entity site. These records may be comprised of two sources: (1) digital records in addition to (2) physical records which will be maintained on-site in a secure location to prevent any potential breeches of customer confidentiality. The physical records shall contain documentation such as the client's and/or client's household members picture identification, income verification, physical address documentation, Social Security Number, etc., in addition to any pertinent documentation required to determine eligibility for CSBG services.

## **Income Verification**

Verification of income is required for all households served with CSBG funds. This includes both direct assistance and non-direct assistance.

Verification of income may consist of, but is not limited to:

- ❖ Payroll, check stub, or check;
- ❖ Records kept by self-employed;
- ❖ Written statement of employer;
- ❖ Documentation from the Department of Human Resources, Department of Industrial Relations, or other State agencies provided the information is complete and current.

Income verification will be required each time a client and/or household requests assistance from an eligible entity. The State Lead Agency requires each agency to verify and maintain in their records documentation capable of validating one (1) month income for each potential client/household.

## **Residency Verification**

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Verification of residence is required for all households served with CSBG funds.

Verification of residence may consist of:

- ❖ Any document showing the recent address of the applicant, such as a driver's license, utility bill, tax receipt, or rent receipt;
- ❖ Other sources of verification which clearly demonstrate that the applicant is a resident of the county in which she/he is making an application.

## **Appeal Procedure**

Each eligible entity shall develop and implement an appeal procedure which outlines the method applicants should follow if they should decide to appeal any decision made in regard to their eligibility determination and/or addressing claims of discrimination. The appeal procedure shall either be disseminated to each applicant prior to application or be posted in a conspicuous area within the agency in plain view of all potential applicants.

## **Section VII- Sub Grantee Requirements**

### **Agency Personnel Policies and Procedures**

Category 7 of the CSBG Organization Standards require each eligible entity to have a comprehensive personnel policy for their agency that has been reviewed by an attorney and approved by the governing board within the past 5 year. The entity will be solely responsible for the development of their own personnel policy; however, each entity's policy will be required to address the following tenets:

1. Job Descriptions
2. Job Postings and Advertisements
3. Records of Job Offers
4. Applications and Resumes
5. Interview Notes
6. Tests and test results (If applicable)
7. Written Employment Policies and Procedures
8. Personnel Files

All Federal sub-grantees are required to post an Equal Employment Opportunity (EEO) notice in a conspicuous area on the premises where it is visible to all employees.

In addition to the aforementioned personnel policy requirements, all entities must include other federally mandated items as outlined as follows:

- ❖ Organizational Chart
- ❖ Agency rules governing vacations, sick leave, annual salary increases (if applicable), and other conditions of employment
- ❖ Description of any benefit plans employees are eligible to receive. Must address agency and employee contributions and/or other requirements.
- ❖ I-9 Documentation for employees hired after 1988
- ❖ A whistle-blower policy reflective of the Sarbanes-Oxley Act.

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- ❖ Availability of Agency's Policies and Procedures manual to all employees in addition to Board Members
- ❖ Time and attendance policies/Signatory employee responsible for time and attendance
- ❖ Grievance Procedures addressing non-discrimination assurances for staff members (CFR 45 Part 2540.230)
- ❖ A No Smoking Policy in accordance with Public Law 103-227 Part C
- ❖ Delineation of employee wage scales
- ❖ Travel policies to include approval requirements as well as allowances and reimbursement process (see subsequent section addressing Travel and Reimbursement Procedures)
- ❖ Leave procedures

### **Policy Guide for Travel and Reimbursement**

The purpose of this policy is to revise guidelines for travel expenses reimbursed by the DHS/DCO/OC. These guidelines are not meant to change an entities' current travel policy. They set guidelines and limitations on amounts to be reimbursed from CSBG funds administered by the State Lead Agency.

The following are the guidelines for reimbursement:

#### **A. IN-STATE TRAVEL**

- ❖ The travel form used by the sub grantee must reflect beginning and ending destinations (city or town should be included) as well as times of departure and return to base. The traveler's signature, as well as the person authorizing travel, must be on the form. When travel is for attending conferences or workshops, the agenda must be attached to the travel form.
- ❖ Reimbursement for mileage expenses shall not exceed the State rate which is currently set at \$.42 per mile.
- ❖ For travel requiring an overnight stay, the allowance may not exceed the current daily rate for each full day and portion of a day. Under no circumstances will expenses be reimbursed for overnight travel in the city of the traveler's base. Individual circumstances will determine what is reasonable, but generally a trip of 100 miles or less one-way does not require an overnight stay.

#### **B. OUT-OF-STATE TRAVEL**

- ❖ The mileage rate for out-of-state travel is the same as in-state travel.
- ❖ Travel form must list departure/return city, departure/return time, and be signed by traveler and supervisor. When travel is for attending conferences or workshops, the agenda must be attached to the travel form.
- ❖ Receipts must be provided for hotel and travel (airfare, etc.) expenses. The receipt must reflect \$0.00 balance. Air travel should be booked for coach class. Receipts must be submitted with reimbursement requests. Baggage fee reimbursement is limited to one (1) bag each way.

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- ❖ Reimbursement for meals for a person other than the traveler will not be allowed.

## **The Federal Hatch Act**

The Omnibus Budget Reconciliation Act of 1981 specifically makes grantees subject to certain provisions of the Federal Hatch Act. CSBG funds may not be used in a manner involving the use of program funds, the provision of services, or the employment or assignment of personnel, in a manner supporting or resulting in the identification of such programs with-

- ❖ Any partisan or nonpartisan political activity or any political activity associated with a candidate, or contending faction or group, in an election for public or party office;
- ❖ Any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election; or
- ❖ Any voter registration activity.

## Prohibited Political Activities

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 OCS funds for political purposes.

Eligible entities must administer programs in a politically nonpartisan manner. The use of CSBG funds, 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 CSBG funds, the provision of services, or the assignment of personnel in connection with transporting voters or potential voters to the polls.

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.

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



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CSBG funds, the provisions of services, and the assignment of agency personnel in a manner which identifies any CSBG-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 CSBG funds for certain purposes. They apply to all CSBG-funded personnel. Insofar as the individual employee is concerned, however, these restrictions deal only with what he or she does as an employee.

The following restrictions apply to all employees, volunteers and board members:

- ❖ 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.
- ❖ 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.
- ❖ Must not use CSBG funds for any political purpose or to influence any election for public or party office.
- ❖ Must not permit the use of equipment or premises purchased or leased with CSBG funds 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.
- ❖ 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.
- ❖ 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.
- ❖ 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 CSBG funds, facilities or equipment purchased with CSBG funds, as well as to the provision of CSBG services, and the assignment of CSBG-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.

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- ❖ 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.
- ❖ Candidates' meetings, even if all rival candidates for one or more public offices appear, shall not be sponsored or conducted with CSBG funds or facilities. This restriction on the use of CSBG funds does not, however, limit the rights of employees, volunteers or board members to participate in candidates' meetings, subject to these restrictions.

## **Codes of Conduct**

Eligible entities must maintain written standards of conduct governing the performance of its board members and employees engaged in the award and administration of contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved.

Such a conflict would arise when the employee, officer or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award.

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.

The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, from any person applying for or receiving benefits or services through or from the eligible entity, or parties to sub-agreements.

However, recipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipient.

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 CSBG funds. This shall not be construed to deny services provided by the eligible entity to a person otherwise eligible to receive such services.

A board member or employee of an eligible entity agency shall not participate in any matter involving CSBG funds or other funds administered by CSBG which affects, to his/her knowledge, the financial interest of:

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- ❖ 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);
- ❖ His/her business partner(s) or a business organization with which he/she is associated;
- ❖ Any person or organization with whom he/she is negotiating or has any arrangement concerning prospective employment.
- ❖ No person may serve on the eligible entity board that is an employee of the eligible entity agency.

### **Non-Discrimination**

The CSBG Sub-recipient shall be and is prohibited from discrimination based on race, color, religion, sex, age, national origin, and disability. The CSBG Sub-recipient shall be in compliance with all Federal statutes relating to nondiscrimination. These include but are not limited to:

- ❖ 45 CFR Part 80, Nondiscrimination Under Programs Receiving Federal Assistance through the Department of Health and Human Services, Effectuation of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color, or national origin;
- ❖ 45 CFR Part 86, Nondiscrimination on the Basis of Sex in Education Programs and Activities Receiving or Benefiting from Federal Financial Assistance;
- ❖ 45 CFR Part 84, Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving Federal Financial Assistance, Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 795), which prohibits discrimination on the basis of disabilities (the Americans with Disabilities Act (ADA) of 1990;
- ❖ 45 CFR Part 91, Nondiscrimination on the Basis of Age in HHS Programs or Activities Receiving Federal Financial Assistance, the Age Discrimination Act of 1975, as amended (42 U.S.C. 6101-6107), which prohibits discrimination on the basis of age;
- ❖ The Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse;
- ❖ The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism;
- ❖ Sections 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patients' records;
- ❖ Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing;
- ❖ Any other nondiscrimination provisions in the specific statute(s) made; and,
- ❖ The requirements of any other nondiscrimination statute(s) which may apply.

### **Section VIII- Financial Policies and Procedures**

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## **Financial Guidelines**

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 must be reviewed by staff every two years, and any amendments thereto must be approved by the eligible entity's Board of Directors. (CSBG Org Standard Category 8)

## **Fidelity Bond**

Each entity is required to have a current fidelity bond providing coverage at a minimum 10% of any funds in which the agency is liable for the reimbursement of Federal and/or State funds to the grantor. HHS reserves the right to require agencies to maintain adequate bonding and insurance if the current bonding or insurance is deemed inadequate to protect the interests of the Federal Government.

The eligible entity must, as a condition for the receipt of CSBG 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 the total funds awarded to be disbursed.

Prior to its initial agreement with the State Lead Agency 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. The State Lead Agency must be notified by the eligible entity within thirty days of any changes in bonding coverage.

The **Employee Retirement Income Security Act of 1974 (ERISA)** is a federal law that sets minimum standards for most voluntarily established pension and health plans in private industry to provide protection for individuals in these plans.

The State Lead Agency also requires the each eligible entity provide proof of adequate coverage under ERISA and a Director's and Officer's policy.

## **Financial Management**

Federal awarding agencies shall require recipients to relate financial data to performance data and develop unit cost information whenever practical. The following requirements have been cited from OMB Circular. Strict adherence to these regulations will be verified through agency monitoring visits. Agencies are required to maintain a cash receipts journal, cash disbursement journal, and a general ledger. Each eligible entity is mandated to meet the minimum requirements of CSBG Organizational Standard Category 8 as it pertains to financial management.

# Arkansas Community Services Block Grant Policy and Procedures Manual

Agencies' financial management systems shall provide for the following.

- ❖ Accurate, current and complete disclosure of the financial results of each federally-sponsored project or program.
- ❖ Records that identify adequately the source and application of funds for federally-sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, income and interest.
- ❖ Effective control over and accountability for all funds, property and other assets. Recipients shall adequately safeguard all such assets and assure they are used solely for authorized purposes.
- ❖ Comparison of outlays with budget amounts for each award. Whenever appropriate, financial information should be related to performance and unit cost data.
- ❖ Written procedures for determining the reasonableness, allocability and allowability of costs in accordance with the provisions of the applicable Federal cost principles and the terms and conditions of the award.
- ❖ Accounting records including cost accounting records that are supported by source documentation.
- ❖ 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.

Agencies will be responsible for maintaining a cash receipts journal in which all transactions are recorded thoroughly with the correct corresponding amounts. In the instance there is some type of refund, this credit will be recorded in the journal accompanied by an explicit explanation of this transaction.

In addition to a cash receipts journal, all agencies must maintain a cash disbursement journal documenting all expenditures.

In accordance with OMB Subpart C § 21 (b) (3), all agencies are encouraged to have dual signature checks. DHS/DCO/OCS encourages one of these signatures be that of a designated Board Member and the other a designated staff member. Agency checks should always be kept in a secure area that can be locked to prohibit access from unauthorized personnel.

The State Lead Agency prohibits the use of signature stamps due to the uninhibited potential for fraud.

The eligible entity must ensure all checks are numbered consecutively with any missing checks accounted for by financial staff.

The Eligible Entity Executive Director shall receive a monthly budget to compare budgeted costs with actual costs. When possible, financial information should be related to performance data.

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All entities will be required to maintain all accounting documentation as well as supporting documentation to augment any expenditures and/or credits as deemed necessary. The following documentation must always be maintained by the agency:

- ❖ Initialed invoices validating prior approval of payment
- ❖ Invoices with the grant number and grant name clearly identified on the document
- ❖ Invoices shall include a description of the services rendered or items purchased. The invoice will also include the identification of the vendor, unit price (if applicable), and total cost to be charged to CSBG funds.
- ❖ Personnel charges will be documented with time and attendance records. Records must be based on an after-the-fact determination of the actual activity of each employee. Budget estimates do not qualify as support for charges to awards.
- ❖ All contracts utilizing CSBG funds must be in writing
- ❖ Travel costs will be thoroughly documented indicating time, purpose, mode, point(s) of destination and expense. All travel must have prior approval from the appropriate agency official and retained for documentation.

Although not mandated by OMB, in order to conform with GAAP best practices the State Lead Agency recommends that all entities develop a program to back-up financial documents. Each entity can develop its own contingency procedures as deemed necessary, as long as some type of procedure is enacted for the protection of financial records.

There is no match requirement.

Any eligible entity whose bookkeeping/accounting is being performed by an independent accounting firm may not use the same firm for auditing purposes.

## 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.

## Procurement Procedures

All agencies are required to establish written procurement procedures. The procedures will, at a minimum, ensure:

- ❖ Recipients avoid purchasing unnecessary items
- ❖ Where appropriate, an analysis is made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the Federal Government.
- ❖ Solicitations for goods and services provide for all the following.
- ❖ A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition.

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- ❖ Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals.
- ❖ A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.
- ❖ The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitation.
- ❖ The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement.
- ❖ Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

All procurement transactions shall be conducted in a manner to provide, to the maximum extent possible, open and free competition. The agencies should be cognizant of organizational conflicts of interest in addition to noncompetitive practices among contractors that could potentially obstruct fair competition or fair trade.

All agencies shall comply with the nonprocurement debarment and suspension common rule implementing E.O.s 12549 and 12689, "Debarment and Suspension." This common rule restricts sub awards and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal assistance programs or activities. Agencies will be required to properly vet all potential contractors/vendors utilizing the Federal website, <https://www.sam.gov/portal/public/SAM/>.

## **Expenditure Reports**

Expenditure reports are to be submitted to the State Lead Agency on a monthly basis. The reports must be received no later than the 15<sup>th</sup> of the month following the month covered by the report. The report must contain the invoice page, expenditure documentation form and documentation for the expenditures.

## **Budget Modifications**

Budget modifications must be submitted to the State Lead Agency whenever a budget line item is overspent by 10% or more. Expenditure Reports will not be processed if the expenditure back-up form indicates line items are overspent by 10% or more, unless a budget modification has been received by the State Lead Agency.

Budget modifications may be submitted by email to the CSBG Manager.

## **Purchase or Permanent Improvements of Real Property**

The use of CSBG funds are prohibited for the purchase or improvement of land, or the purchase, construction or permanent improvement (other than low cost residential weatherization or other energy related home repairs) of any building or other facility except as defined in Section 678 (F) of the Community Services Block Grant Act.

## **Purchasing Guidelines**

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Any single item purchase of \$500 or more, with funds from CSBG, will require the prior approval of the State Lead Agency. This approval may be requested via e-mail, or US mail, but written approval from the State Lead Agency must be obtained prior to the purchase.

## **Inventory Procedures:**

The eligible entity shall maintain an inventory list of all property (with a unit cost of \$500.00 or more) purchased with CSBG funds.

The inventory list shall include the date of purchase, inventory number, cost, portion of CSBG funds used to purchase the property, if not fully paid for by CSBG funds, procurement procedures used for purchase, and location of the property.

The inventory list shall be submitted to the State Lead Agency staff during the annual on-site monitoring.

The entity will also be required to conduct an annual inventory inspection to ensure accountability for all items in possession of the agency that were purchased with CSBG funds. If the entity intends to dispose of any property purchased with CSBG funds, a written request must be made and a written approval from the State Lead Agency must be received prior to the disposition of any property.

## **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 State Lead Agency prior to purchase. Items are considered to be equipment which has a unit cost of \$1,000.00 or more and a life of two years or more. Each entity 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.

## **Retention of Records**

Each eligible entity is required in accordance to CSBG Organizational Standard Category 8 to have a policy in place for record retention and destruction of said records. The policy must define the minimum and maximum holding period for each category of records for the entity. If any litigation, claim or audit is started before the expiration of the retention period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

The eligible entity will provide the State Lead Agency, the Federal Office of Community Services, the Comptroller General of the United States or any of their authorized representatives, access to any pertinent books, documents, papers, or other records in order to make audits, examinations, excerpts and transcripts.

## **Indirect Costs**

Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective. Direct cost of minor amounts may be treated as indirect costs under the conditions described in OMB Circular. After direct costs have been determined and assigned directly to awards or other work as appropriate, indirect costs are those remaining to be allocated to benefiting cost objectives.



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A cost may not be allocated to an award as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to an award as a direct cost.

Because of the diverse characteristics and accounting practices of non-profit organizations, it is not possible to specify the types of cost which may be classified as indirect cost in all situations.

However, typical examples of indirect cost for many non-profit organizations may include depreciation or use allowances on buildings and equipment, the costs of operating and maintaining facilities, and general administration and general expenses, such as the salaries and expenses of executive officers, personnel administration, and accounting.

Unless different arrangements are agreed to by the entities concerned, the Federal agency with the largest dollar value of awards with an organization will be designated as the cognizant agency for the negotiation and approval of the indirect cost rates and, where necessary, other rates such as fringe benefit and computer charge-out rates.

Once an agency is assigned cognizance for a particular non-profit organization, the assignment will not be changed unless there is a major long-term shift in the dollar volume of the Federal awards to the organization.

All concerned Federal agencies shall be given the opportunity to participate in the negotiation process but, after a rate has been agreed upon, it will be accepted by all Federal agencies. When a Federal agency has reason to believe that special operating factors affecting its awards necessitate special indirect cost rates in accordance with OMB, it will, prior to the time the rates are negotiated, notify the cognizant agency

## **Termination of the Agreement, Reduction, or Suspension of Funding**

In the event that the State Lead Agency elects to, for cause, terminate reduce or suspend funding to the sub recipient, it shall do so in accordance with the provisions of CSBG Information Memorandum 116 of 2012. Causes for termination, reduction or suspension of funds by DHS/DCO/OCS may include:

- ❖ Failure of the sub recipient to fulfill its obligations under the CSBG grant agreement and the agency work plan;
- ❖ Ineffective or improper use of funds provided under the CSBG grant agreement;
- ❖ Failure to provide assurance that, in the case of a community action agency or nonprofit private organization, each board will be constituted so as to assure that one-third of the board are elected public officials, currently holding office, or their representatives, except that if the number of elected officials reasonably available and willing to serve is less than one-third of the membership of the board, membership on the board of appointed public officials may be counted toward meeting such one-third requirement; at least one-third of the members are persons chosen in accordance with democratic selection procedure adequate to assure that they are representative of the poor in the area served; and the remainder of the members are officials or members of

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business, industry, labor, religion, welfare, education, or other major groups and interests in the community;

- ❖ Failure 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;
- ❖ Failure to follow any of the assurances of the CSBG Program as defined in the Community Services Block Grant Amendments of 1998; and
- ❖ If the sub recipient is unable or unwilling to comply with the terms of the CSBG grant agreement or such additional conditions as may be lawfully applied by the State of Arkansas.

Where the State Lead Agency determines, pursuant to Section 678B of the *Community Services Block Grant Act*, that it will terminate present and future funding of any sub recipient which received funding in the previous fiscal year, the State Lead Agency must provide the organization with notice and an opportunity for a hearing on the record prior to terminating funding. If a review by the Secretary of Health and Human Services of the State Lead Agency's final decision to terminate funding is requested pursuant to Section 678C of the CSBG Act, the request must be made in writing within thirty (30) days of notification by DHS/DCO/OCS of its final decision to terminate funding.

The Department of Health and Human Services (federal Office of Community Services) will confirm or reject the State Lead Agency's finding of cause, normally within ninety (90) days.

If a request for a review has been made, the State Lead Agency may not discontinue present or future funding until the Department of Health and Human Services (federal Office of Community Services) confirms the State Lead Agency's findings of cause.

If no request for a review is made within the 30-day limit, the State Lead Agency's decision will be effective at the expiration of that time.

## **HEARING ON APPEAL.**

Prior to the suspension of funds, or termination of the grant agreement for non-compliance with grant conditions, the sub recipient shall be granted a hearing by the State Lead Agency upon written request made by the sub recipient within ten (10) days from the date of Notification of Intent to Suspend or Terminate the CSBG Grant Agreement.

The hearing shall be conducted at the State Lead Agency's offices in Little Rock, AR, or any other appropriate location at the State Lead Agency's discretion, with a written notification of the time, place, and subject matter by the State Lead Agency to the sub recipient.

## **Section IX- Reporting Requirements**

### **ROMA/IS Report**

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The ROMA/IS Report is cumulative and tracks the progress for each national indicator. Entities will report for indicators only where outcomes are achieved. There may be some indicators that will not have any results in the first quarterly report but may be reflected by the end of the year.

The ROMA report is due quarterly. The report is due on the 30<sup>th</sup> of each month following the end of a quarter. Should the 30<sup>th</sup> fall on a weekend, then the report is due on the following Monday.

The CSBG IS report is due annually. This report is due in January or February, following the end of the federal fiscal year, with actual date determined by the State Lead Agency.

FY 2017 is the final year for the eligible entities to report on the Information Survey. Entities will report FY 2018 and beyond on the January, 2017 OMB approved Annual Report with report due dates in January or February following the end of the federal fiscal year.

## **Board and Committee Reporting**

All Board and Committee meeting minutes must be submitted to the State Lead Agency 30 days following the meeting in which the minutes are approved. The following documents must also be included with their corresponding minutes:

- ❖ Agenda
- ❖ Sign-in sheets
- ❖ Reports presented during the meet

## **Financial Expenditure Reporting**

Financial expenditure reports are to be submitted to the State Lead Agency on a monthly basis. The reports must be received no later than the 15<sup>th</sup> of the month following the month covered by the report. The report must contain the invoice page, expenditure documentation form and documentation for the expenditures.

## **Section X – Required Referrals**

This is to be in compliance with CSBG Act Section 678g(b) regarding child support and CSBG Act Section 676(b) regarding the Workforce Investment Act of 1998 (career centers). The required referrals must be completed when there are households that are eligible for child support but not receiving it. *See Appendix A, B and C for sample policy, procedure and referral notice documents.*

### **Child Support**

- A client is marked as a Single Parent male or female with children
- No income recorded under Child Support
- Entity staff will give client the agency child support information and application
- The date of the referral for Child Support will be made along with any necessary notes in the client file about the referral and will be entered into the agency client tracking software.

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## **Workforce Investment Act of 1998**

- A client is marked unemployed or no income source
- Entity staff will give the client a referral.
- The date of the referral will be made along any necessary notes about the referral.

## **Section XI- Agency Audit Reports** **Sub-recipient Audit Requirements.**

This DHS/DCO/OCS Audit Policy requires the State Lead Agency sub-recipients to follow the guidelines outlined below to determine the sub-recipient's audit requirements.

Local Government, Institution of Higher Education, Hospital, and Non-Profit Organization Sub-recipients

- ❖ A sub-recipient that expended \$750,000 or more of federal awards during its fiscal year accepts the responsibility to provide a single audit at the conclusion of that fiscal year.
- ❖ When a sub-recipient expends \$300,000 or more of federal awards
- ❖ 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 fiscal year in total and shall be submitted to OCS no later than 120 days after the eligible entity's program year ends.
- ❖ The services of an independent Certified Public Accountant shall be secured.
- ❖ An eligible entity receiving an initial DHS/DCO/OCS contract shall within thirty days following the contract starting date, supply the State Lead Agency with the name of the auditor or auditing firm which it has selected.
- ❖ Each eligible entity shall followed CSBG Organizational Standard Category 8 and OMB regulations for procurement requirements when selecting an auditor for the annual audit

OMB Circular No. A-133 Single Audit Requirements. The audit shall cover the entire operations of the sub-recipient or, at the option of the sub-recipient, such audit shall include a series of audits that cover departments, agencies, and other organizational units which expended or otherwise administered federal awards during such fiscal year, provided that each such audit shall encompass the financial statements and schedule of expenditures of federal awards for each such department, agency, and other organizational unit, which shall be considered to be a nonfederal entity. The financial statements and schedule of expenditures of federal awards shall be for the same fiscal year.

## Arkansas Community Services Block Grant Policy and Procedures Manual

- ❖ Financial Statements. The auditor shall determine whether the financial statements of the sub-recipient are presented fairly in all material respects in conformity with generally accepted accounting principles. The auditor shall also determine whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the sub-recipient's financial statements taken as a whole.
- ❖ Internal Control. In addition to the requirements of Government Auditing Standards (the Yellow Book), the auditor shall perform procedures to obtain an understanding of internal control over federal programs sufficient to plan the audit to achieve a low assessed level of control risk for major programs (major program determination process is defined in A-133 §.520).
- ❖ Except as provided in paragraph 2 below, the auditor shall:
  - ❖ Plan the testing of internal control over major programs to achieve a **low assessed level** of control risk for the assertions relevant to the compliance requirements for each major program.
  - ❖ Perform testing of internal control over major programs as planned in paragraph 1(i) above.
  - ❖ When internal control over some or all of the compliance requirements for a major program are likely to be ineffective in preventing or detecting noncompliance, the planning and performing of testing described in paragraph 1. above are not required for those compliance requirements. However, the auditor shall cite a reportable condition (including whether any such condition is a material weakness), assess the related control risk at the maximum, and consider whether additional compliance tests are required because of ineffective internal control.
  - ❖ NOTE: This guidance on the audit requirement to document and test the internal control structure is from A-133, §.500(c).
  - ❖ Compliance. In addition to the requirements of Government Auditing Standards (the Yellow Book), the auditor shall determine whether the sub recipient has complied with laws, regulations, and the provisions of sub grant agreements that may have a direct and material effect on each of its major programs:
- ❖ The principal compliance requirements applicable to most federal programs and the compliance requirements of the largest federal programs are included in the compliance supplement.
- ❖ For the compliance requirements related to federal programs contained in the compliance supplement, an audit of these compliance requirements will meet the requirements of this part. Where there have been changes to the compliance requirements and the changes are not reflected in the compliance supplement, the auditor shall determine the current compliance requirements and modify the audit procedures accordingly. For those federal programs not covered in the compliance supplements, the auditor should use the types of compliance requirements contained in the compliance supplement as guidance for

## Arkansas Community Services Block Grant Policy and Procedures Manual

identifying the types of compliance requirements to test, and determine the requirements governing the federal program by reviewing the provisions of the contracts and sub grant agreements and the laws and regulations referred to in such contracts and sub grant agreements.

- ❖ The compliance testing shall include tests of transactions and such other auditing procedures necessary to provide the auditor sufficient evidence to support an opinion on compliance.
- ❖ Major Program Determination: The auditor shall use a risk-based approach to determine which federal programs are major programs. This risk-based approach shall include consideration of:
  - ❖ Current and prior audit experience.
  - ❖ Oversight by federal agencies and pass-through entities (i.e., evidence of monitoring, etc.).
  - ❖ Inherent risk of the federal program (federal agencies with concurrence of OMB may identify federal programs which are higher risk. According to A-133 §.525, OMB plans to provide this identification in the compliance supplement). The auditor shall follow the four (4) step major program determination process as described in A-133 §.525. As part of this process, the auditor shall also consider the risk analysis criteria for federal program risk that is outlined in A-133 §.525. This section states that the auditor's determination process shall include an overall evaluation of the risk of noncompliance occurring which could be material to a federal program. As suggested in §.525, the auditor may wish to discuss risk factors associated with a particular ADECA federal program with the Audit Section staff and/or the applicable ADECA program manager. For example, oversight by ADECA through monitoring or other reviews may have disclosed significant problems with an ADECA program; this would indicate a higher risk. However, if the results of monitoring or reviews indicated no significant problems with a particular ADECA program, this would indicate a lower risk. ADECA encourages this communication when planning a single audit of an ADECA sub recipient to be performed in accordance with this Policy. One method that can alert auditors of high risk or potential high risk ADECA federal programs will be through the periodic letters to auditors of ADECA subrecipients from the ADECA Chief Auditor.
- ❖ Audit Follow-Up. The auditor shall follow-up on prior audit findings, perform procedures to assess the reasonableness of the summary schedule of prior audit findings prepared by the sub recipient in accordance with A-133 §.315(b), and report, as a current year audit finding, when the auditor concludes that the summary schedule of prior audit findings materially misrepresents the status of any prior audit finding. The auditor shall perform audit follow-up procedures regardless of whether a prior audit finding relates to a major program in the current year.

## Arkansas Community Services Block Grant Policy and Procedures Manual

- ❖ Reporting on Single Audits of Subrecipients. The auditor's reports shall conform to the guidance provided in SOP 98-3 and any subsequent revision and state that the audit was conducted in accordance with A-133 and Government Auditing Standards (the Yellow Book). The minimum reporting requirements for a single audit conducted in accordance with A133.§505 are as follows:
- ❖ An independent auditor's report (opinion or disclaimer of opinion) on the financial statements and the supplementary schedule of expenditures of federal awards which states whether they are presented fairly in all material respects in conformity with generally accepted accounting principles.
- ❖ The financial statements required by generally accepted accounting principles.
- ❖ The notes to the financial statements reflecting all the necessary information essential to fair presentation of the financial statements.
- ❖ A schedule of expenditures of federal awards that meets the minimum requirements of A-133 §.310 (b) and includes the applicable activity defined in A-133 §.205.
- ❖ An independent auditor's report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133 and, when applicable.
- ❖ An independent auditor's report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with the Government Auditing Standards (the Yellow Book).
- ❖ A schedule of findings and questioned costs which shall include the following three (3) sections:

**SECTION I** - Summary of the Auditor's Results. The summary of the auditor's results shall include:

- ❖ The type of report the auditor issued on the financial statements (i.e., unqualified opinion, qualified opinion, adverse opinion, or disclaimer of opinion).
- ❖ A statement whether any material weaknesses in internal control were disclosed by the audit of the financial statements.
- ❖ A statement whether any reportable conditions in the internal control were disclosed by the audit of financial statements that were not considered material weaknesses.
- ❖ A statement as to whether the audit disclosed any noncompliance which is material to the financial statements.

## Arkansas Community Services Block Grant Policy and Procedures Manual

- ❖ A statement whether any material weaknesses in internal control over major programs were disclosed by the audit.
- ❖ A statement whether any reportable conditions in the internal control over major programs were disclosed by the audit.
- ❖ The type of report the auditor issued on the subrecipient's compliance with major programs (i.e., unqualified opinion, qualified opinion, adverse opinion, or disclaimer of opinion).
- ❖ A statement as to whether the audit disclosed any audit findings which the auditor is required to be reported in accordance with A-133 §.510(a).
- ❖ An identification of major programs.
- ❖ The dollar threshold used to distinguish between Type A and Type B programs as defined in A-133 §.520.
- ❖ A statement as to whether the sub recipient qualified as a low-risk sub recipient as defined in A-133 §.530.

**SECTION II** - A Schedule of Findings for the Financial Statements. This schedule shall include those findings, which are required to be reported in accordance with paragraphs 5.18 through 5.20 and Chapter 7 of Government Auditing Standards (the Yellow Book). SOP 98-3, Appendix E provides guidance for reporting for this section.

**SECTION III** - A Schedule of Findings and Questioned Costs for Federal Awards. This schedule shall include those findings and questioned costs, which are required to be reported.

- ❖ Audit Finding Presentation. The auditor shall present audit findings in sufficient detail for the sub recipient to prepare a corrective action plan and take corrective action and the State Lead Agency to arrive at a management decision. The following specific information shall be included, as applicable, in audit findings:
- ❖ Federal program title, CFDA number, DHS award number (if applicable) and year, name of federal agency, and name the pass-through entity (i.e., DHS/DCO/OCS), if applicable.
- ❖ The criteria or specific requirements upon which the audit finding is based, including statutory, regulatory, or other citation.
- ❖ The condition found, including facts that support the deficiency identified in the audit finding.
- ❖ Identification of questioned costs and how they were computed.



## Arkansas Community Services Block Grant Policy and Procedures Manual

- ❖ Information to provide proper perspective for judging the prevalence and consequences of the audit findings (for example, whether the audit findings represent an isolated instance or a systemic problem). Where appropriate, instances identified shall be related to the universe and the number of cases examined and is quantified in terms of dollar value. (VI) The possible asserted effect to provide sufficient information to the sub recipient and the State Lead Agency to permit them to determine the cause and effect to facilitate prompt and proper corrective action.
- ❖ Recommendations to prevent future occurrences of the deficiency identified in the audit finding.
- ❖ Views of responsible officials of the sub recipient when there is disagreement with the audit findings, to the extent practicable.
- ❖ Each audit finding in the schedule of findings and questioned costs shall include a reference number to allow for easy referencing of the audit findings during follow-up

**Audit Contract.** Each sub-recipient shall enter into a formal written contractual agreement or an audit engagement letter with the auditor that, at a minimum, should reference A-133, Government Auditing Standards (the Yellow Book), and this DHS/DCO/OCS Audit Policy and any other requirements that may be specified by federal program regulations. A copy of each sub-recipient's written contractual agreement shall be provided to DHS/DCO/OCS upon request.

### **Summary schedule of prior audit findings.**

If applicable, the sub-recipient shall prepare a summary schedule of prior audit findings and submit the summary schedule with the reporting package defined in paragraph (6) below. The summary schedule shall report the status of all audit findings included in the prior audit's schedule of findings and questioned costs relative to federal awards. The summary schedule shall also include audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected in accordance with paragraph (a) of this section, or audit findings listed as no longer valid or not warranting further action in accordance with paragraph (d) of this section. (a) When audit findings were not corrected or were only partially corrected, the summary schedule shall describe the planned corrective action as well as any partial corrective action taken. (b) When audit findings were fully corrected, the summary schedule need only list the audit findings and state that corrective action was taken. (c) When corrective action taken is significantly different from corrective action previously reported in a corrective action plan or in the federal agency's or pass-through entity's management decision, the summary schedule shall provide an explanation. (d) When the sub-recipient believes the audit findings are no longer valid or does not warrant further action, the reasons for this position shall be described in the summary schedule. A valid reason for considering an audit finding as not warranting further action is that all of the following have occurred:

- ❖ Two years have passed since the audit report in which the finding occurred was submitted to the federal clearinghouse.

# Arkansas Community Services Block Grant Policy and Procedures Manual

- ❖ The federal agency or pass-through entity (i.e. DHS/DCO/OCS) is not currently following up with the sub-recipient on the audit finding.
- ❖ A management decision was not issued.

## **Corrective Action Plan.**

At the completion of the audit (if applicable), the sub-recipient shall prepare a corrective action plan to address each audit finding included in the current year auditor's reports. The corrective action plan shall provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. If the sub-recipient does not agree with the audit findings or believes corrective action is not required, then the corrective action plan shall include an explanation and specific reasons.

## **Due Date/Submittal of Audit Report.**

**The audit is to be submitted to DHS/DCO/OCS within 120** after the end of the agency fiscal year. All sub-recipient shall submit the reporting package described below directly to the DHS Audit Section. The reporting package shall include: one copy of the audit report (financial statements, schedule of expenditures of federal awards and applicable auditor's reports); corrective action plan discussed in paragraph (5) above (if applicable); and summary schedule of prior audit findings discussed in paragraph (4) above (if applicable).

When the audit reporting package is not expected to be submitted to the Arkansas Department of Human Services within 120 after the end of the agency fiscal year, the signatory or other sub-recipient official must request in writing an extension containing the expected date of submission to the Arkansas Department of Human Services, Director of the Division of County Operations.

## **DHS/DCO/OCS Responsibilities.**

### **Audit Resolution and Management Decision.**

The State Lead Agency has the responsibility for making a management decision on whether or not audit findings that could or do affect DHS/DCO/OCS programs are sustained; the reasons for the decision; and the expected sub-recipient action to repay disallowed costs (if any), make financial adjustments or take other action. Such management decision shall be made within six (6) months from the date the State Lead Agency receives an acceptable audit report. In unusual circumstances, the DCO Director will consider requests to extend this period. In addition, this same resolution period shall apply to the sub-recipient's responsibility for overseeing the resolution of audit findings and/or questioned costs that affect DHS/DCO/OCS-funded programs or their sub-recipients. The DHS Audit Section has the oversight responsibility to coordinate and ensure that all audit finding(s) that could or do affect the State Lead Agency programs are satisfactorily resolved within the time limit stated above. The DHS/DCO Director will be the final authority within the State Lead Agency on the management decision of all audit findings. Where applicable, the management decision will describe the appeal process available to the sub-recipient.

## **Disallowed Costs.**

# Arkansas Community Services Block Grant Policy and Procedures Manual

In those instances in which a sub-recipient cannot document the allowability of certain cited questioned costs that will meet the applicable federal or state regulations, the State Lead Agency will have no recourse but to disallow these costs. Once this determination is made, the sub-recipient will be officially notified by the State Lead Agency in writing of such a determination. The sub-recipient will be given thirty (30) days from the date of the State Lead Agency's letter to remit the amount disallowed. The remittance must be paid from non-federal funds.

## **Debt Collection.**

The debt collection process begins with the State Lead Agency's letter to the affected sub-recipient and establishes the debt owed to the State Lead Agency as a result of costs that were disallowed during the audit resolution process. The sub-recipient must remit the disallowed costs to the State Lead Agency within thirty (30) days from the date of the State Lead Agency's letter. Those sub-recipients who do not remit disallowed costs or an within this time frame may be charged interest at the applicable prime rate on the debt starting the day after the due date of the remittance.

## **Section XII- Monitoring**

### **Desk and Field Reviews**

The CSBG Act SEC. 678B

In order to determine whether eligible entities meet the performance goals, administrative standards, financial management requirements, and other requirements of a State, the State shall conduct the following reviews of eligible entities:

- ❖ A full onsite review of each such entity at least once during each three-year period.
- ❖ An onsite review of each newly designated entity immediately after the completion of the first year in which such entity receives funds through the CSBG.

The State Lead Agency will, at a minimum, conduct an on-site review of each eligible entity at least once annually.

Reviews may be conducted as a combination of desk reviews and field reviews, and may be specialized or general in nature.

Entities will be notified in writing with a letter to the Executive Director. The timing of the notification, and areas to be reviewed, will be in accordance with the policies of the Community Services Block Grant.

Both an entrance and an exit conference will be conducted for onsite reviews with the executive director and other designated staff.

The monitoring process will address prior review findings, agency eligibility, governance, planning process, fiscal, audit reports, program administration, personnel, ROMA implementation, data collection, and reported performance.

Monitoring may include, but is not limited to a review of:

## Arkansas Community Services Block Grant Policy and Procedures Manual

- ❖ Program policies and procedures.
- ❖ Income guidelines and verification procedures.
- ❖ Intake forms and procedures.
- ❖ Program work plans and activities.
- ❖ CSBG administrative files.
- ❖ Personnel policies, files and job descriptions.
- ❖ Inventory and procurement procedures.
- ❖ Cooperative agreements and contracts, including consultant contracts.
- ❖ Organizational structure and lines of authority.
- ❖ Board member files, bylaws and meeting documentation.
- ❖ Adherence to Federal and State guidelines and requirements.
- ❖ Fiscal policies and practices.
- ❖ Service activity reports, data tracking and reporting systems and supporting documentation.
- ❖ Compliance with the CSBG Organizational Standards

Monitoring may also include:

- ❖ Interviews with program staff regarding program operations and job functions.
- ❖ Interviews with administrative and fiscal staff.
- ❖ Interviews with members of the governing/administering board.

A letter will be issued to the executive director, by the State Lead Agency stating the results of the review. It will include comments on all areas reviewed and detail any concerns and/or findings.

All findings will cite the law, rule, regulation or policy for which noncompliance has been determined.

The letter will set a deadline for a response to the concerns/findings in accordance with the division/program policies utilized for the review.

Responses must include appropriate documentation.

After receipt and review of responses by the State Lead Agency, if findings are not resolved, then corrective actions will be determined in accordance with CSBG regulations.

On a monthly basis, CSBG program monitors will perform a desk audit of each agency.

This review consists of examining budgets and expenditure reports, quarterly ROMA reports, board rosters and board meeting minutes.

An on-site review of a newly designated entity will be conducted immediately after the completion of the first six months in which such entity receives funds through the CSBG program.

# Arkansas Community Services Block Grant Policy and Procedures Manual

A subsequent visit will be conducted at the end of the first twelve months of operation.

Additional on-site reviews will be conducted when specific concerns are identified that require attention beyond the Corrective Action Plan.

## **Monitoring Corrective Action Plan**

In those instances when findings cannot be resolved through additional information or supporting documentation, a corrective action plan must be implemented in a manner that is consistent and fair.

Resolution of minor, first time findings, shall be through certification from the board chairman and executive director stating that the correction was made through whatever means that were used. The certification should also state that the finding will not reoccur because of the actions taken to preclude it.

If requested, the State Lead Agency will provide technical assistance to the entity so as to address any weakness the agency has identified as needing clarification or training. Requests for technical assistance should be made in writing.

## **Actions (Items) that require additional monitoring**

The State Lead Agency may perform additional on-site monitoring and/or technical assistance if determined appropriate based on prior monitoring, that the eligible entity is not financially stable, has a management system which does not meet management standards, or has not conformed to terms and conditions of previous awards.

Examples of indicators that may lead to additional monitoring or technical assistance include but are not limited to:

- ❖ Entity is unresponsive to and noncompliant with requests and requirements to correct compliance findings.
- ❖ Management systems do not contain data driven strategic plans and work plans.
- ❖ The entity's adherence to its approved operating documents (including bylaws, personnel policy and fiscal policy) is inconsistent.
- ❖ Record keeping related to board and committee activity is not systematic. The corporate record is, as a result, incomplete.
- ❖ Abrupt departure of the executive director and/or the fiscal officer.
- ❖ The audit conducted in accordance with the requirements of the applicable OMB Circular contains one or more significant findings relevant to the entity's capacity to successfully administer its programs.
- ❖ Failure without cause to meet performance targets defined within the entity's approved Community Action Plan.
- ❖ CSBG percent of revenue exceeds one-third of the entity's total revenue.

## Arkansas Community Services Block Grant Policy and Procedures Manual

- ❖ Entity lacks connection and a demonstrated commitment to the broader community action network.

Eligible entities will be notified in writing as to the specific findings or deficiencies and shall be required to remedy the situation within a specific timeline or to develop and implement a technical assistance plan and/or quality improvement plan.

Technical assistance and training will be provided by the State Lead Agency with the goal of preventing any reoccurrences.

The designation will remain in place for a specified time and will not be removed until a follow-up review, conducted by the State Lead Agency, clearly indicates that all weaknesses that resulted in the designation have been corrected.

Information Memorandum 116 (<http://www.acf.hhs.gov/programs/ocs/resource/no-116-corrective-action-termination-or-reduction-of-funding>) and revisions thereto will guide the designation and de-designation of CSBG-eligible entities.

Community Services Block Grant State Plan  
FY 2018 and FY 2019

# ARKANSAS DEPARTMENT OF HUMAN SERVICES

## Policy Review Document

REVIEW IN DIVISION OF County Operations

Control Number

Beverly Buchanan  
Originator

OCS/CSBG  
Section/Unit

501-682-8720  
Telephone Number

May 15, 2017  
Date

### Action

- ☐ New
- ☐ Revision
- ☐ Deletion
- ☐ Clarification
- ☐ Informational

### Type of Material

- ☒ State Plan
- ☒ Manual Issuance
- ☐ Directive

- ☐ Form/Form Letter
- ☐ Memorandum
- ☐ Publication

Community Services Block Grant

State Plan and Policy Manual

Program(s) Involved

Form Number/Policy Section(s) Number/Identifier

Community Services Block Grant State Plan and Policy Manual

Title/Description

See Attached Summary of Changes

Purpose

INTERNAL REVIEW (Initial and Date as Appropriate)									
Review of Draft						Final Draft Review			
To	Dis- Approve	Date	Comment Attached	Date	Approved As Submitted	Date	Dis App.	App.	Date
<u>Lorie Williams</u>			<u>SAW</u> <u>en</u>	<u>5/18</u> <u>6/11</u>	<u>SAW</u>	<u>6/13</u>			

Subject to Administrative Procedures Act Review? ☒ Yes ☐ No If Yes, ☐ Regular ☐ Emergency

Deputy Director Approve ☒

Disapprove ☐

Mary Franklin  
Signature

6/30/17  
Date



# Community Services Block Grant(CSBG) Policy and Procedures Manual and State Plan FY 2018- 2019 Summary of Changes

**Purpose: To identify the changes from the FY2016 – 2017 Community Services Block Grant State Plan and Policy and Procedures Manual for FY 2018 – 2019.**

## **Details of changes:**

- ❖ The entire policy manual has been developed to include current language as found in the Community Services Block Grant Performance Management Framework. This framework includes the Community Services Block Grant Organizational Standards, The ROMA Next Generation (Annual Report), State and Federal Accountability Measures.(**see Attachment A; and Section IX, p.30 of Policy Manual**)
- ❖ The policy manual was updated to include required referrals to Workforce and Child Support to be in compliance with the CSBG Act. Included sample policy, procedure and referral notice documents for Child Support (**Section X, p.31 of Policy Manual and Section 16**)
- ❖ The policy manual also was updated in the area of board requirements to include regulations set forth in Information Memorandum 82.(**Section III, p.6 - 11 of Policy Manual**)
- ❖ The State Plan for FY 2018 and FY 2019 includes updated Lead Agency goals and training and technical assistance needs. (**Section 3 of State Plan**)
- ❖ The State Plan for FY 2018 and FY 2019 includes updated requirements for monitoring by the State Lead Agency and terms of corrective actions plans that could be issued as a result.(**Section XII, p.39- 41 of Policy Manual**)

# Attachment A

- Community Services Block Grant Information Memorandum Transmittal Number 138
- Community Services Block Grant Information Memorandum Transmittal Number 144
- Community Services Block Grant Information Memorandum Transmittal Number 149
- Community Services Block Grant Information Memorandum Transmittal Number 152
- Community Services Block Grant Public Law 105-285

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## **COMMUNITY SERVICES BLOCK GRANT**

### **Information Memorandum**

U.S. Department of Health and Human Services  
Administration for Children and Families  
Office of Community Services  
Division of State Assistance  
370 L'Enfant Promenade, S.W.  
Washington, D.C. 20447

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**Transmittal No. 138**

**Date: January 26, 2015**

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**TO:** State Community Services Block Grant (CSBG) Administrators, U. S. Territory CSBG Administrators, Eligible Entities, and State Community Action Associations

**SUBJECT:** State Establishment of Organizational Standards for CSBG Eligible Entities under 678B of the CSBG Act, 42 U.S.C. § 9914

**RELATED REFERENCES:** Community Services Block Grant Act 42 U.S.C. § 9901 *et seq.*, hereafter referred to as "the CSBG Act."

This information memorandum (IM) provides guidance and describes State and Federal roles and responsibilities for the establishment of organizational standards as a component of a larger performance management and accountability system for CSBG. Consistent with the authority and responsibilities the CSBG Act establishes for the Federal office and States, OCS is requiring States, no later than FY 2016, to establish and report on their organizational standards for CSBG eligible entities as part of an enhanced system for accountability and performance management across the CSBG Network.

While States have discretion on the set of standards they may use, OCS recommends States use the organizational standards (Appendices 2 and 3) developed by the OCS-supported CSBG Organizational Standards Center of Excellence (COE), which reflect the requirements of the CSBG Act, good management practices, and the values of Community Action. These standards will ensure CSBG eligible entities have appropriate organizational capacity to deliver services to low-income individuals and communities.

The guidance in this IM applies to States, the District of Columbia, and U.S. Territories that support CSBG eligible entities. Tribal governments and organizations that receive CSBG directly from the Federal government are not included in this guidance, but will receive future guidance on a separate accountability and reporting process.

### **State Authority and Responsibility to Establish Organizational Standards**

Under the block grant framework established in the CSBG Act, States have both the authority and the responsibility for effective oversight of eligible entities that receive CSBG funds. Section 678B of the CSBG Act (42 U.S.C. § 9914) requires State CSBG Lead Agencies to establish "performance goals, administrative standards, financial management requirements, and other requirements" that ensure an appropriate level of accountability and quality among the State's eligible entities. In order for States to meet these responsibilities under the CSBG Act,

States must establish and communicate clear and comprehensive standards and hold eligible entities accountable according to the standards as part of their oversight duties.

### **Federal Authority and Responsibility for Organizational Standards**

As the Federal office responsible for oversight of CSBG, the Office of Community Services (OCS) is responsible for monitoring to assure State compliance with the requirements of the CSBG Act and for providing training and technical assistance to help States carry out the requirements of the CSBG Act. Section 678B(c) (42 U.S.C. § 9914(c)) directs the U.S. Department of Health and Human Services (HHS) to conduct evaluations of the use of CSBG funds received by the States. Section 678A(a) (42 U.S.C. 9913(a)) requires HHS to support training and technical assistance activities to assist States in monitoring activities to correct programmatic deficiencies of eligible entities, and for reporting and data collection activities.

Several sections of the CSBG Act provide authority or require OCS to collect information from States as part of the State plan or annual report regarding how the State will meet requirements of the CSBG Act. Section 676(b) (42 U.S.C. § 9908(b)) outlines authority for the collection of necessary information as part of a State application and plan. The statute provides the authority to collect “such information as the Secretary shall require,” including a series of detailed assurances based on the requirements of the CSBG Act. To assure effective use of funds to meet the purposes of the statute, section 676(d) (42 U.S.C. § 9908(d)) states that the “Secretary may prescribe procedures for the purpose of assessing effectiveness of the eligible entities in carrying out the purpose of [the CSBG Act].”

### **Performance Management for CSBG**

Budget constraints, high poverty levels, changing demographics, and income inequality demand that the CSBG Network remain vigilant in our shared mission of creating opportunity and security for all Americans. We must look at all levels of the CSBG Network – local, State, and Federal – to assess and increase CSBG’s impact. The CSBG Network is far-reaching and nationwide. Together, we have the potential to achieve even greater results, in every community, by improving our accountability to one another, our customers, and our communities.

In an effort to help the CSBG Network increase accountability and achieve results, OCS launched several initiatives in 2012. One focused on establishing organizational standards for eligible entities. Under this effort, CSBG Network leaders developed and recommended a set of organizational standards to strengthen the capacity of the more than 1,000 eligible entities providing services across the country.

A second performance management initiative focused on enhancing the CSBG Network’s performance and outcomes measurement system for local eligible entities – identified in the CSBG Act as Results Oriented Management and Accountability System (ROMA). Finally, a third initiative focused on creating State and Federal-level accountability measures to track and measure organizational performance by State CSBG Lead Agencies and OCS.

These three efforts are complementary and integrated; together they comprise a network-wide accountability and management system for CSBG. They will ensure eligible entities, States, and OCS operate within Federal law and regulation and will build accountability and continuous management improvement into all three levels of the network (local, State and Federal). As shown in Appendix 1, *Measuring the Success of Community Action and CSBG*, these efforts will help us answer the questions, 'How well did the Network perform?' and 'What difference did the Network make?' Ultimately, using these new and enhanced tools and information, the CSBG Network will make better program decisions and generate stronger results for low-income families and communities.

### **Organizational Standards for CSBG Eligible Entities - Background**

In 2012, OCS funded a cooperative agreement for the CSBG Organizational Standards Center of Excellence (COE). The two-year cooperative agreement coordinated – with input from local, State, and national partners – the development and dissemination of a set of organizational standards for eligible entities for the purpose of ensuring that all CSBG eligible entities have the capacity to provide high-quality services to low-income individuals and communities.

To begin the project, the COE expanded an existing CSBG Working Group from its original 20 members to over 50 individuals. The expanded working group included a balanced representation from eligible entities, State CSBG Lead Agencies, Community Action State Associations, national partners, technical assistance providers, and external content experts.

The working group's first task was a thorough environmental scan and analysis of existing organizational oversight tools and resources, internal and external to the CSBG Network. The group found that while there are many similarities across States in how State CSBG Lead Agencies monitor eligible entities, substantial differences also exist.

The project continued through a nine-month development process that provided numerous opportunities for input by the CSBG Network, including financial and legal experts, on draft organizational standards. All together, the network invested over 3,500 documented hours in Working Group and committee meetings and in national and regional listening sessions. The final phase included a pilot that engaged a subset of State CSBG Lead Agencies and eligible entities in a field test of draft organizational standards and tools.

In March, 2014, OCS published a draft information memorandum with the draft organizational standards. OCS received 29 sets of comments (approximately 160 individual comments) from a broad range of individuals and organizations, including six CAAs; 12 states; five state associations; and six national organizations and individuals, and integrated all of this feedback into the final set of organizational standards.

The final result of the COE and OCS efforts is a comprehensive set of organizational standards developed by the CSBG Network for the CSBG Network. The CSBG Network is to be commended for its commitment to ongoing performance improvement and strengthening accountability.

## **The COE-developed Organizational Standards**

The COE-developed standards are organized in three thematic groups comprising nine categories and totals of 58 standards for private, nonprofit eligible entities and 50 for public entities.

1. Maximum Feasible Participation
  - Consumer Input and Involvement
  - Community Engagement
  - Community Assessment
2. Vision and Direction
  - Organizational Leadership
  - Board Governance
  - Strategic Planning
3. Operations and Accountability
  - Human Resource Management
  - Financial Operations and Oversight
  - Data and Analysis

In order to be widely applicable across the CSBG Network, the standards are defined differently for private and public eligible entities. The complete description and list of private and public organizational standards are attached as Appendices 2 and 3, respectively.

All of the COE-developed organizational standards work together to characterize an effective and healthy organization. Some of the standards have direct links to the CSBG Act, such as the standards on the tripartite board structure and the democratic selection process. Some standards link with U.S. Office of Management and Budget (OMB) guidance, such as the standards on audits. As a whole, the standards reflect many of the requirements of the CSBG Act, applicable Federal laws and regulations, good management practices, and the values of Community Action.

The purpose of the organizational standards is to ensure that all eligible entities have appropriate organizational capacity, not only in the critical financial and administrative areas important to all nonprofit and public human service agencies, but also in areas of unique importance for CSBG-funded eligible entities. To fulfill the promise of the standards, States must provide consistent and high-quality oversight and technical assistance related to organizational standards. In addition, based on information about organizational capacity, States must work with the eligible entities to make informed programmatic decisions about how the agencies can best meet the needs of local low-income families and communities.

States and eligible entities that implement the COE standards will benefit from COE-developed tools, training, and technical assistance, and from the collective wisdom and scale of having many States using common standards (detailed tools and materials on the standards are available on the COE web page on the [Community Action Partnership](#) website). States using the COE standards will also benefit from a streamlined State plan process.

## State Oversight

Section 678B of the CSBG Act (42 U.S.C. § 9914) requires State CSBG Lead Agencies to establish “performance goals, administrative standards, financial management requirements, and other requirements” that ensure an appropriate level of accountability and quality among the State’s eligible entities. The purpose of States using the organizational standards is to ensure each eligible entity has appropriate organizational capacity to fulfill the purposes of the CSBG Act. As noted below, States have discretion to determine how organizational standards will be implemented as part of their overall oversight strategy.

### *Assessment of Standards*

Once the expectations for organizational standards are established and communicated to the eligible entities across a State, the State CSBG Lead Agency is responsible for assessing the status of standards among all of the eligible entities annually and for reporting to OCS on the standards in the CSBG Annual Report. States may design an approach for assessing organizational standards that fits within the oversight framework in their State. Many States may integrate standards assessment into their regular CSBG monitoring procedures, while other States may choose different oversight approaches, such as peer-review, assessment by a consultant or third party, or self-assessment. Some States may also choose a hybrid approach involving two or more strategies. Regardless of the approach, States must ensure the assessment of standards is independently verified by the State or a third party.

For example, a State on a triennial monitoring cycle may decide to assess the standards as part of their full onsite financial, administrative, and programmatic monitoring protocol. In the years between monitoring visits, the State may require entities to do self-assessments that are independently verified by a third party. In another example, a State may develop a process that includes peer review assessment that is then verified annually during regular State monitoring visits or a State desk review process.

States will describe their approach for assessing standards in their State plans, which will be subject to OCS review. Promising practices and other tools on integrating such assessment into a State’s oversight strategy will be available on the COE web page on the [Community Action Partnership](#) website.

States are responsible for ensuring that the eligible entities meet all State-established organizational standards. Some standards (i.e., strategic planning, developing an agency-wide budget, etc.) may take several years for eligible entities to meet, but every entity must make steady progress toward the goal of meeting all standards.

### *Corrective Action*

During the assessment process, if a State finds an eligible entity is not meeting a standard or set of standards, the State’s response will depend on the circumstances. In cases where the eligible entity may be able to meet the standard in a reasonable time frame contingent on some targeted technical assistance, the State and entity may develop a technical assistance plan to target

training and technical assistance resources and outline a time frame for the entity to meet the standard(s). If appropriate in other situations, the State may initiate action in accordance with section 678C of the CSBG Act (42 U.S.C. § 9915), including the establishment of a Quality Improvement Plan (QIP) with clear timelines and benchmarks for progress.

As long as the State is confident that the eligible entity is moving toward meeting standards, under a technical assistance plan, QIP, or other oversight mechanism, the State should not initiate action to terminate or reduce funding.

The failure of an eligible entity to meet multiple standards may reflect deeper organizational challenges and risk. In those cases, a State must determine whether it may be necessary to take additional actions, including reducing or terminating funding, in accordance with CSBG IM 116 (Corrective Action, Termination, or Reduction of Funding), issued May 1, 2012. OCS and States do not have the authority under the CSBG Act to bypass the process described in CSBG IM 116 in order to re-compete CSBG funding based on failure to meet organizational standards.

### **Implementation of Organizational Standards**

The roll-out of organizational standards for eligible entities is a significant development in the history of CSBG and marks a new phase in our ability to strengthen accountability and results. While we expect States to move expeditiously in integrating organizational standards into their plans in FY 2016, we also recognize that States must manage this process thoughtfully so as to minimize unintended impact on their operations and those of the eligible entities.

#### *State Considerations for an Effective Roll-out Process*

As States establish new organizational standards for their eligible entities, they must follow a process that is consistent with State rules and is as fair and reasonable as possible. States should allow for input from the boards and leadership of eligible entities on the timing and procedures for implementing, documenting, and reporting on the standards. States should consistently integrate the organizational standards in State CSBG plans, contracts with eligible entities, funding documents, and oversight and monitoring instruments and reports. In particular, States should clearly communicate expectations around organizational standards prior to State oversight and monitoring activities. Once established, a State should only modify organizational standards based on established State rules and procedures that are publicly communicated and transparent (see Appendix 4: State Implementation of Organizational Standards – Key Considerations).

#### *Process and Timing for Planning and Roll-out*

States are expected to use organizational standards for assessing eligible entities starting in FY 2016. In order to do this, States must include information about organizational standards in their FY 2016 application and State plan, due September 1, 2015.

OCS encourages States to start planning for this process now, in FY 2015, particularly if State procedures for establishing official organizational standards may require a lengthy implementation period. For example, if a State uses regulation to establish official CSBG policy



for the eligible entities, the State may want to begin that process in advance of the FY 2016 CSBG application cycle. The timelines for any necessary rulemaking, including any potential obstacles that would prevent full implementation by FY 2016, must be described in the State plan. OCS will work with States that may need additional time due to rulemaking issues.

Any State that submitted a two-year plan for FY 2015 (due September 1, 2014) that did not include organizational standards for FY 2016 will have to submit a supplemental application for FY 2016 that includes organizational standards. This submission will be incorporated into the process for the FY 2016 submission of the State's 424-M application, which States must submit annually online in order to receive CSBG funding.

#### *CSBG Model State Plan and Annual Report*

The CSBG Model State Plan and CSBG Annual Report are interconnected and work together to provide critical information to OCS, Congress, and other stakeholders. The CSBG Model State Plan establishes the plans and goals for the performance period, and the annual report cycle provides information on the State's progress toward fulfilling those goals. OCS envisions the Model State Plan to work together with the annual report to provide critical performance management information – including that of organizational standards – to be used by all three levels of the CSBG Network.

In accordance with authorities outlined in Section 676(b) of the CSBG Act (42 U.S.C. § 9908(b)), OCS is revising the Model State Plan for the FY 2016 application cycle (for applications due September 1, 2015) to incorporate items related to organizational standards. OCS will review these elements during the usual State plan review process. Because the COE standards are designed as a comprehensive and complete set, any State that proposes making a minor modification to the standards must document the rationale for the change in their State plan and reports; and any modification to the COE standards will be subject to OCS review.

The revised Model State Plan will require the State to describe:

- whether the State is using the COE-developed organizational standards (and any modifications, if applicable);
- alternative organizational standards, if applicable;
- the process for establishing organizational standards officially in the State (e.g., through State regulation, contract terms and conditions, or other official policy documents), including a timeline;
- the approach for assessing eligible entities against standards;
- procedures for corrective action activities based on organizational standards; and
- exceptions for limited purpose or very small eligible entities, if applicable.

States will report on the status of eligible entities based on organizational standards through the required CSBG Annual Report. In past years, States may have fulfilled their annual reporting requirements, under section 678E(a)(2) of the CSBG Act (42 U.S.C. § 9917(a)(2)), by providing data for the CSBG Information Survey. In the future, OCS will provide new instructions for States regarding annual reporting.

OCS will be revising the Annual Report forms to include information on organizational standards, such as a comparison of the State's actual activities and performance on organizational standards to the planned activities and performance in the State plan. The Annual Report forms will also include data on the new State CSBG Accountability Measures.

#### *Alternative Organizational Standards*

Some States may already have highly developed standards in place that may function well in fulfillment of State oversight requirements under the CSBG Act. In these cases, a State may establish and communicate organizational standards for its eligible entities that are different from the COE-developed standards.

However, a State that uses an alternative set of standards must demonstrate that the standards are at least as rigorous and comprehensive as the organizational standards developed by the COE. If a State establishes a different set of organizational standards, the alternative standards must encompass requirements of the CSBG Act and other Federal requirements, such as those found in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. Part 200), and should address the nine categories listed in the description of the COE-developed standards (e.g., consumer input and involvement, community engagement, etc.). OCS will review alternative standards during the application and State plan review process.

#### *Exceptions for Limited-purpose Agencies and Special Circumstances*

While the COE-developed organizational standards and related tools and materials are applicable to the vast majority of public and private CSBG eligible entities across the network, OCS recognizes that some States, according to their historical CSBG structure or other factors, may provide CSBG funds to certain entities for which the organizational standards may not be appropriate. These entities may include limited purpose agencies, State-funded tribal organizations, and migrant and seasonal farmworker organizations. In addition, organizational standards may not be applicable to entities with very small overall budgets (e.g., under \$50,000) or entities that receive very minor CSBG allocations (e.g., \$15,000).

In these special circumstances, States should assess both the applicability of the standards and the administrative burden for very small entities. States should also assess whether these agencies that are unable to meet the organizational standards are otherwise equipped to meet the purposes and goals of the CSBG Act, and whether alternative approaches, such as shared administrative supports or mergers, should be considered in order to assure appropriate capacity.

States may describe the rationale for not implementing the COE-developed or alternative organizational standards for these specific entities in their State plan, which will be subject to OCS review. However, as appropriate, States should describe other types of appropriate standards for excepted entities in order to ensure performance and accountability appropriate to the specific purpose and scope of the Federal support.

### *State Accountability Measures on Organizational Standards*

States will report on organizational standards in part by using the new CSBG State Accountability Measures. These new accountability measures will require States to track data such as the percentage of eligible entities that met 100 percent of the organizational standards during the performance period and information on technical assistance plans and Quality Improvement Plans for eligible entities not meeting the standards during the performance period.

OCS is incorporating the State Accountability Measures into the CSBG Model State Plan and CSBG Annual Report forms and will clear them through the U.S. Office of Management and Budget (OMB). For more information on the CSBG State and Federal Accountability Measures, including the specific measures related to organizational standards, see the draft IM, *State and Federal Accountability Measures and Data Collection Modernization*.

### *CSBG Network Review and OMB Paperwork Reduction Act Clearance Process*

As noted earlier, OCS is currently revising the Model State Plan and the CSBG Annual Report forms to incorporate performance management elements, as well as to create forms that are better integrated, web-based, and streamlined. OCS has and will continue to seek input from States and other CSBG Network stakeholders on the clarity, usability, and effectiveness of the revised documents.

As a part of this effort, OCS must clear the revised forms through OMB, as required under the Paperwork Reduction Act of 1995 (PRA). The PRA requires agencies and OMB to ensure that information collected from the public minimizes burden and maximizes practical utility. The OMB/PRA review and approval process includes a 60-day and a 30-day public comment period. For more information about the OMB/PRA clearance process, please see the [Frequently Asked Questions](#) on the U.S. Department of Health and Human Services website.

The COE-developed organizational standards themselves will not go through a formal OMB/PRA clearance process. Rather, OCS will clear elements related to the organizational standards (such as implementation plans, data collection for the accountability measures, etc.) that are incorporated in the CSBG Model State Plan and the CSBG Annual Report forms.

OCS expects to initiate the OMB/PRA clearance process for the CSBG Model State Plan in early 2015. Concurrently, we will begin automating the Model State Plan so that States can access it through the ACF Online Data Collection (OLDC) system. We anticipate States will use the online version of the revised Model State Plan for the FY 2016 application cycle (for applications due September 1, 2015).

Below is information on implementation timing and roll-out of the organizational standards for OCS, States, and eligible entities. If you have questions, please contact an OCS CSBG specialist. The list of OCS staff and contact information is posted on the OCS website at [www.acf.hhs.gov/programs/ocs/resource/csbg-staff-assignments-by-region](http://www.acf.hhs.gov/programs/ocs/resource/csbg-staff-assignments-by-region).

**OCS Responsibilities**

<b>Responsibilities</b>	<b>Time Frame</b>
<i>CSBG Model State Plan:</i> Complete the first revision with CSBG Network input	Fall 2014
<i>Final IM on Organizational Standards:</i> Publish	January 2015
<i>CSBG Model State Plan:</i> Program into the ACF Online Data Collection (OLDC) system	Approximately 6 months winter 2015 – spring 2015
<i>CSBG Model State Plan:</i> Request public comments; get HHS and OMB approval	Approximately 6 months winter 2015 – spring 2015
<i>CSBG Model State Plan:</i> Publish and provide training and technical assistance	Spring/summer 2015
<i>Annual Report:</i> Revise, automate, and get OMB approval; with the National Association for State Community Services Programs (NASCSPP)	2015 - 2016

Note: Dates above are contingent on the time frame for final OMB/PRA clearance.

**State Responsibilities**

<b>Responsibilities</b>	<b>Time Frame</b>
<i>Organizational Standards:</i> Establish, communicate, and implement	2015
<i>CSBG Model State Plan:</i> Include organizational standards (States will submit State Plans through the OLDC system)	Due by September 1, 2015
<i>Organizational Standards:</i> Assess through established oversight procedures	Starting Federal Fiscal Year 2016
<i>Annual Report:</i> Report performance on organizational standards (State accountability measures)	End of 2016 performance period, by March 2017, as appropriate

**CSBG Eligible Entity Responsibilities**

<b>Responsibilities</b>	<b>Time Frame</b>
<i>Organizational Standards:</i> Self-assessment and planning for adoption of standards	2015
<i>Organizational Standards:</i> Assess through established State oversight procedures; Address identified weaknesses and share exceptional practices, with State and technical assistance providers	Starting Federal Fiscal Year 2016

## **Conclusion**

Together we must insist upon accountability and performance management across the CSBG Network. The COE-developed organizational standards have the potential to protect and enhance the structural integrity of this national network by assuring that all entities that annually receive CSBG funds have the capacity to organize and support a comprehensive community response to the complex social problems that contribute to poverty.

/s/

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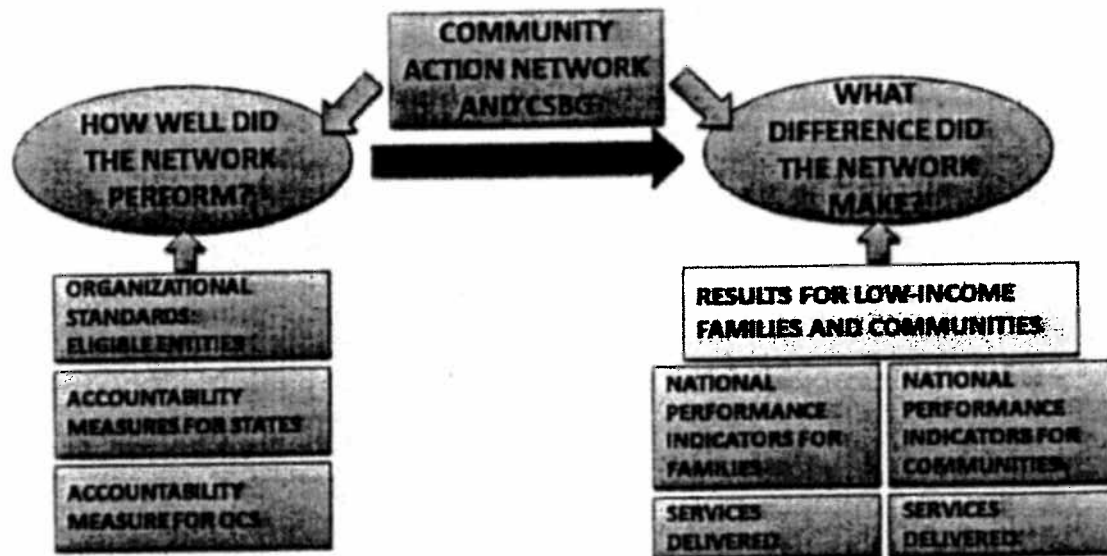
Jeannie L. Chaffin  
Director  
Office of Community Services

## **Appendices:**

- Appendix 1:** Measuring the Success of Community Action and CSBG
- Appendix 2:** COE-developed Organizational Standards for Private, Nonprofit CSBG Eligible Entities
- Appendix 3:** COE-developed Organizational Standards for Public CSBG Eligible Entities
- Appendix 4:** State Implementation of Organizational Standards – Key Considerations

Appendix 1: Measuring the Success of Community Action and CSBG

# **MEASURING THE SUCCESS OF COMMUNITY ACTION NETWORK AND CSBG**



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## **COMMUNITY SERVICES BLOCK GRANT**

U.S. Department of Health and Human Services  
Administration for Children and Families  
Office of Community Services  
Division of State Assistance  
370 L'Enfant Promenade, S.W.  
Washington, D.C. 20447

### Information Memorandum

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**Transmittal No. 144**

**Date: October 2, 2015**

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**TO:** State Community Services Block Grant (CSBG) Administrators, U. S. Territory CSBG Administrators, Eligible Entities, and State Community Action Associations

**SUBJECT:** State and Federal Accountability Measures and Data Collection Modernization

**RELATED REFERENCES:** Community Services Block Grant Act 42 U.S.C. § 9901 *et seq.*, hereafter referred to as “the CSBG Act.”

In collaboration with the Community Services Block Grant (CSBG) Network, the Office of Community Services (OCS) developed State and Federal Accountability Measures to track organizational performance by State CSBG Lead Agencies and OCS. These measures are part of an enhanced framework for accountability and performance management across the CSBG Network.

OCS will require States, no later than FY 2016, to collect data and prepare to analyze and report on State CSBG Accountability Measures through their online State plan and annual reports. Concurrently, OCS will collect data and prepare to analyze and report on Federal CSBG Accountability Measures in FY 2016.

### **Performance Management for CSBG**

Budget constraints, high poverty levels, changing demographics, and income inequality demand that the CSBG Network remains vigilant in our shared mission of creating opportunity and security for all Americans. We must look at all levels of the CSBG Network – local, State, and Federal – to assess and increase CSBG impacts. The CSBG Network is far-reaching and nationwide. Together, we have the potential to achieve even greater results, in every community, by improving our accountability to one another, our customers, and our communities.

In an effort to help the CSBG Network increase accountability and achieve results, OCS launched several initiatives in 2012. One focused on establishing organizational standards for eligible entities. Under this effort, CSBG Network leaders developed and recommended a set of organizational standards to strengthen the capacity of the more than 1,000 eligible entities providing services across the country. In FY 2016, States are implementing organizational standards across the Network. (See Information Memorandum 138: “State Establishment of Organizational Standards for Eligible Entities.”)

A second performance management initiative, currently underway, is focused on enhancing the

CSBG Network's performance and outcomes measurement system for local eligible entities – identified in the CSBG Act as Results Oriented Management and Accountability System (ROMA). Finally, a third initiative focused on creating State and Federal-level accountability measures to track, measure, and improve organizational performance by State CSBG Lead Agencies and OCS.

These three efforts are complementary and integrated; together they comprise a network-wide accountability and performance management system for CSBG. They will ensure eligible entities, States, and OCS operate within Federal law and regulation, and will build accountability and continuous management improvement into all three levels of the Network (local, State and Federal). As shown in Appendix 1, *Measuring the Success of Community Action and CSBG*, these efforts will help us answer the questions: How well did the Network perform? and What difference did it make? Ultimately, using these new and enhanced tools and information, the CSBG Network will make better program decisions and generate stronger results for low-income families and communities.

### **State and Federal Accountability Measures - Background**

OCS developed the State and Federal accountability measures, with guidance and assistance from the Urban Institute and in consultation with the CSBG Network, in two phases. The initial development phase, starting in 2013, included multiple listening sessions (conducted online and in-person), three CSBG Performance Management Task Force meetings with representatives from all three levels of the Network, and two expert meetings. At the end of this process, OCS published a Dear Colleague Letter on February 28, 2014 to solicit comments on an initial list of proposed State and Federal accountability measures. In response, the Network – including States, State associations, national organizations, and eligible entities – submitted thirty eight sets of comments to OCS.

In the second phase, OCS worked with a small working group of States and eligible entities to rework the State accountability measures in response to the comments OCS received on the initial version of the State measures. On January 28, 2015, OCS published the revised State and Federal accountability measures in draft *Information Memorandum (IM), State and Federal Accountability Measures and Data Collection Modernization*, and requested a second round of feedback.

Concurrently, OCS published a draft revised CSBG Model State Plan and sought input from the CSBG Network through a 60-day Paperwork Reduction Act (PRA) comment period that ran from January 26 to March 27. (See Dear Colleague Letter: CSBG Model State Plan Revision: Open Comment Period, January 29, 2015.) The draft revised CSBG Model State Plan included information on State accountability measures using the version of the measures published in the January 28 draft IM.

In response to the draft IM and the PRA 60-day comment period on the Model State Plan, OCS received dozens of extensive comments from a broad group of States, eligible entities, State associations, and national CSBG partners. (See Dear Colleague Letter: CSBG Model State Plan Revision: OMB Clearance and 30-Day Comment Period.) OCS carefully considered all these



comments and consulted further with National and State partners before finalizing the State and Federal measures in this guidance.

### **State and Federal Accountability Measures**

The final State and Federal accountability measures are designed to create transparency and accountability for performance at the State and Federal levels, and to help OCS and the States identify successful practices and areas for improvement.

*The State accountability measures* capture performance data about the critical activities and functions performed at the State level. They indicate *how efficiently and effectively* a State implements the activities described in their State plan, and *what impact* the State's efforts have on the performance of local eligible entities.

The State accountability measures address efficiency and effectiveness characteristics such as timeliness, accuracy, standards, and stakeholder satisfaction in the critical activities and functions listed below:

- Development of the State plan
- Implementation of the State plan, including:
  - Distribution of funds
  - Use of remainder/discretionary funds
  - Grantee monitoring and corrective action
  - Data collection, analysis, and reporting
  - Organizational standards for eligible entities
  - State linkages and communication

See Appendix 2 for the State accountability measures.

*The Federal accountability measures* are tied to the critical roles and responsibilities of OCS, and, where applicable, align with the State measures. The Federal accountability measures indicate OCS's effectiveness and efficiency as well as OCS's impact on improving the performance of State Lead CSBG Offices.

Like the State measures, the Federal measures address such efficiency and effectiveness characteristics as timeliness, accuracy, standards, and stakeholder satisfaction in the following critical activities:

- State plan review and acceptance
- Distribution of funds
- Grant monitoring and corrective action
- Data collection, analysis, and reporting
- Organizational standards
- Training and technical assistance
- Communications

See Appendix 3 for the Federal accountability measures.

These State and Federal accountability measures are implemented within current Federal and State administrative authorities. The CSBG Act requires States to report on performance, according to the annual reporting provision in Section 678E (42 U.S.C. § 9917), and allows OCS to request additional information through the State plan, as described in Section 676(b) (42 U.S.C. § 9908(b)).

### **State Accountability Measures - Data Collection**

State accountability measures data will be collected using three mechanisms: 1) the CSBG Model State Plan, 2) the State CSBG Annual Report, and 3) a nationally administered survey. Generally, States will not need to collect accountability measures data outside of the State plan and annual report. Because OCS will manage the national survey, there will be no survey-related costs or burden for the States. States will collect data on the majority of measures on an annual basis, and, at some point in the future, more frequently on a very small number of measures, as noted in Appendix 2.

States will collect accountability data in a seamless, integrated fashion, through regular planning and reporting processes and through the national survey. For example, States will enter information in the State plan about planned performance in critical activity areas (e.g., development of the State plan, use of funds, grant monitoring, and training and technical assistance). In the annual report, States will enter information on the actual performance in these same areas, and strategies for improving performance as appropriate and necessary. Finally, the States will receive feedback on their performance in these activity areas from the national survey.

### **Revision of State Plan and Annual Report Forms, Including OMB/PRA Clearance**

Over the past year, and with extensive input from the CSBG Network, OCS revised the Model State Plan for the FY 2016 application cycle (for applications due September 1, 2015) to streamline and automate content and to incorporate items related to State accountability measures. Similarly, OCS, through a cooperative agreement with our national partner the National Association for State Community Services Programs (NASCS), plans to revise the annual report forms in the coming year to include State accountability measures data, among other changes.

OCS is automating these revised forms through ACF's On-Line Data Collection (OLDC) system. The OLDC Model State Plan and annual report forms will include definitions and instructions and will apply data logic and validity checks to assure that data are reported accurately and consistently. Automation provides new opportunities for integration of data sources and for using data to make program and resource decisions by comparing results over time. While States may need additional time to complete the new automated Model State Plan and annual reports in the first year, they will save time significantly in subsequent years and benefit from the host of new automated performance management tools and resources.

As part of the revision process, OCS obtained approval for the revised and automated Model

State Plan from OMB, as required under the Paperwork Reduction Act of 1995 (PRA), and will also seek PRA approval for the revised annual report form. The PRA requires Federal agencies and OMB to ensure that information collected from the public minimizes burden and maximizes practical utility. The OMB/PRA review and approval process includes a 60-day and a 30-day public comment period for each submission. For more information about the OMB/PRA clearance process, please see the [Frequently Asked Questions](#) on the U.S. Department of Health and Human Service's website.

During the PRA approval process for the Model State Plan, OCS collaborated closely with the CSBG Network. The Network's robust, thoughtful, and helpful participation in the PRA process directly contributed to the effectiveness and smooth implementation of the new Model State Plan. OCS looks forward to the continued engagement of the field in the development of the annual report.

### **The American Customer Satisfaction Index (ACSI)**

In 2012, OCS used the American Customer Satisfaction Index (ACSI) as the methodology for surveying States' perceptions of OCS performance. OCS plans to use this same methodology for the nationally administered survey of CSBG eligible entities that will collect information on State and Federal accountability measures.

The ACSI provides an independent, cost-effective, highly valid and reliable measure of satisfaction. The ACSI methodology is the "gold standard," and allows for the collection of consistent, uniform information. It will provide OCS and the States with actionable insights to assure strong working relationships at all levels of the CSBG network and, ultimately, boost program results.

OCS engaged members of the CSBG Network in both the development of the survey and in discussions about how the results will be used to improve State and OCS performance. OCS is preparing to conduct the first survey of CSBG eligible entities in October, 2015. After the survey is completed, each State will receive a report detailing the results of the survey with recommendations for where to focus follow-up actions. OCS will not distribute data comparing States. For more information about OCS' use of the ACSI see Appendix 4.

### **Data Reporting and Analysis**

Once States have collected data on accountability measures through the Model State Plans, annual reports, and nationally administered survey, States will 1) analyze the data, 2) identify performance strengths and weaknesses, 3) make performance management decisions (to improve the effectiveness and efficiency of their CSBG operations), 4) report on these efforts to OCS and their eligible entities, and 5) use the data as part of their ongoing strategic planning.

States and OCS can use State accountability measures data to identify areas for improvement and determine if program changes are appropriate. For example, a State's accountability measures might indicate the State is not meeting the timeframes for disseminating monitoring reports or distributing funds. The State could then take actions to improve performance in those areas. By

collecting consistent data over time, OCS and States will illuminate performance issues and encourage continuous improvement. In the short-term, States can aim for performance improvement over the previous year. In the longer term, consistent performance data across the entire CSBG Network can provide network-wide information about performance and best practices.

To assist with data analysis, OCS will provide each State with State-specific feedback on accountability measures after States have completed their annual reports. OCS expects States to communicate their performance data to their eligible entities, and to use the data as part of their ongoing strategic planning. We encourage States to do additional analysis to supplement the State-specific feedback. Under the new CSBG cooperative agreement mentioned earlier, NASCSP will help create web-based tools that in future years will make it easy for States and other CSBG Network partners to produce reports that compare the State's performance over time with national averages and with selected groups of similar States. OCS will engage States in discussions of data configurations and reporting that will guide decisions about State program performance.

OCS will use the State accountability data and analysis in its oversight of and guidance to States to encourage States to improve their performance. OCS will communicate progress on State accountability measures to CSBG stakeholders through the OCS website and other means, as appropriate.

#### **Federal Accountability Measures - Data Collection and Analysis**

For the Federal accountability measures, OCS will collect data on critical Federal activities from 1) a nationally administered survey, 2) automated State plans and reports, and 3) other Federal grants systems. OCS will begin to collect data on the Federal measures in FY 2016.

For example, in order to collect data for OCS performance in the State plan review process, OCS will use the Federal OLDC system to track timeframes for OCS review and acceptance of State plans. In addition, OCS will gather data on OCS's State plan review performance through the nationally administered survey.

As with the State measures, OCS will use the ACSI methodology as the nationally administered survey to collect information from States on Federal accountability measures. OCS plans to conduct the first national survey to States about Federal performance in the Fall of 2015.

OCS is committed to a system that focuses on improved Federal accountability as a part of the national performance management framework. Like the States, OCS will analyze and use the data on the Federal accountability measures to improve our performance. We will communicate progress on the measures to the States and other stakeholders through the OCS website and other methods.

#### **Conclusion**

We look forward to the Network's continued partnership in implementing the Federal and State accountability measures. OCS appreciates that the shared work of implementing accountability measures, and the new framework for accountability and performance management overall, can be challenging. To assist States in this change process, OCS and our national providers will provide training and technical assistance through webinars, presentations at conferences, and other communications to provide support on an on-going basis.

In the meantime, if you have questions, please contact an OCS CSBG program specialist. The list of OCS staff and contact information is posted on the OCS website at [www.acf.hhs.gov/programs/ocs/resource/csbg-staff-assignments-by-region](http://www.acf.hhs.gov/programs/ocs/resource/csbg-staff-assignments-by-region).

Together we must insist upon accountability and performance management across the CSBG Network. The CSBG State and Federal Accountability Measures have the potential to protect and enhance the structural integrity of this national network by assuring that all States that receive CSBG funds, as well as the Federal office responsible for CSBG, are performing as efficiently and effectively as possible to support CSBG's response to the complex social problems that contribute to poverty. We look forward to working with the CSBG Network to successfully implement the State and Federal accountability measures and the performance management framework overall.

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/s/  
Jeannie L. Chaffin  
Director  
Office of Community Services

**Appendices:**

- Appendix 1:** Measuring the Success of Community Action and CSBG
- Appendix 2:** State Accountability Measures
- Appendix 3:** Federal Accountability Measures
- Appendix 4:** American Customer Satisfaction Index and the CSBG State and Federal Accountability Measures

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## **COMMUNITY SERVICES BLOCK GRANT**

### **Information Memorandum**

U.S. Department of Health and Human Services  
Administration for Children and Families  
Office of Community Services  
Division of State Assistance  
330 C Street, S.W.  
Washington, D.C. 20201

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**Transmittal No. 149**

**Date: August 15, 2016**

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**TITLE:** Strengthening Community Services Block Grant (CSBG) Outcomes by Developing Two-Generation Approaches to Building Family Economic Security and Well-Being

**TO:** State, Territory, and Tribal CSBG Lead Agencies, State Community Action Agency Associations, Eligible Entities, and National Partner Associations.

**SUBJECT:** Using CSBG funds to support and implement two-generation approaches to increase family economic security and well-being.

**RELATED REFERENCE:** Community Services Block Grant Act 42 U.S.C. § 9901 et seq., hereafter referred to as 'the CSBG Act.'

### **PURPOSE:**

The CSBG Act requires eligible entities to conduct local community assessments and prioritize the causes and conditions of poverty to be addressed by the entity. Eligible entities commonly identify both improving economic conditions for adults and preparing children and youth to reach their full potential as key conditions of poverty. Eligible entities have flexibility on the goals they establish to address these issues and approaches they take to achieve their goals.

This Information Memorandum encourages states, territories, tribes, state Community Action Agency Associations and eligible entities to implement two-generation approaches to serving children and parents together to increase family economic security and well-being.

### **BACKGROUND:**

#### Families Facing the Challenges of Poverty

In 2014, approximately seven million families with children under age 18 had incomes below the Federal Poverty Level (FPL)<sup>1</sup> and another seven million had incomes between 100 and 200 percent of FPL.<sup>2</sup>

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<sup>1</sup> U.S. Census Bureau, POV04. Families by Age of Householder, Number of Children, and Family Structure. [http://www.census.gov/hhes/www/cpstables/032015/pov/pov04\\_000.htm](http://www.census.gov/hhes/www/cpstables/032015/pov/pov04_000.htm). The Federal Poverty Level for a family of

The lack of adequate income presents challenges for the child, the parent, and the child-parent interaction. Poverty can be a developmental risk for young children that affects their school readiness and development in multiple domains, including physical, emotional, mental, cognitive, and linguistic.<sup>3</sup> Poverty can also present challenges to child development due to its potential negative effects on parental well-being.<sup>4</sup> As the primary source of safety, security, and nurturance for young children, parents play a critical role in creating environments that promote healthy developmental outcomes and school readiness. However, poverty may be accompanied by limited education, unemployment, food and housing insecurity, poor health, mental health difficulties such as maternal depression, teen parenthood, and community violence. While many families provide strong and nurturing parenting to their children amidst these adversities, these stressors (especially when families are experiencing many at once) can compromise family well-being and affect parents' overall ability to provide the necessary supports that help children thrive.<sup>5</sup>

Parents with low incomes often have limited access to resources such as education and training opportunities linked to economic security, reliable housing, transportation, and quality full-day child care that will allow parents to pursue job opportunities. Further, the stress of living in poverty without access to adequate mental and physical health services, and social and peer supports, can lessen parental sensitivity and emotional support for children.<sup>6</sup> And, in turn, when child development is not fully supported, children may be less well-prepared for school, more likely to drop out, and bound for their own adult life in poverty.<sup>7</sup>

### The Uses of CSBG Funding

Families facing the challenges of poverty while trying to help their children develop and succeed are precisely the families Community Service Block Grant (CSBG) was intended to serve. The National Community Action Network Theory of Change, which is built on the CSBG Act purpose, seeks stability and economic security for individuals and families with low incomes and for their communities to be healthy and offer economic opportunity. The outcomes established

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4 in 2014 was \$24,230 (POV35: Poverty Thresholds by Size of Family and Number of Related Children Under 18 Years: 2014).

<sup>2</sup> U.S. Census Bureau, POV04, [http://www.census.gov/hhes/www/cpstables/032015/pov/pov04\\_200.htm](http://www.census.gov/hhes/www/cpstables/032015/pov/pov04_200.htm).

<sup>3</sup> McLoyd, V. C. (1998). Socioeconomic disadvantage and child development. *American Psychologist*, 53, 185-204.

Raver, C. C. (2004). Placing emotional self-regulation in sociocultural and socioeconomic contexts. *Child Development*, 75, 346-353.

<sup>4</sup> Yoshikawa, H., Aber, J. L., & Beardslee, W. R. (2012). The effects of poverty on the mental, emotional, and behavioral health of children and youth: Implications for prevention. *American Psychologist*, 67, 272-284.

<sup>5</sup> Vernon-Feagans, L., & Cox, M. (2012). I. Poverty, rurality, parenting, and risk: An introduction. *Monographs of the Society for Research in Child Development*, 78(5), 1-23; Brooks-Gunn, J., Duncan, G. J., & Maritato, N. (1999). Poor families, poor outcomes: The well-being of children and youth. In G. J. Duncan & J. Brooks-Gunn (Eds.), *Consequences of growing up poor* (pp. 1-17). New York: Russell Sage Foundation.

<sup>6</sup> Yoshikawa, Aber, & Beardslee (2012).

<sup>7</sup> Reardon, S.F. (2011). The widening academic achievement gap between the rich and the poor: New evidence and possible explanations. In R. Murnane & G. Duncan (Eds.), *Whither Opportunity? Rising Inequality and the Uncertain Life Chances of Low-Income Children*. New York: Russell Sage Foundation Press; Duncan, G. J., Brooks-Gunn, J., & Klebanov, P. (1994). Economic deprivation and early childhood development. *Child Development*, 65(2), 296-318.

and services provided by eligible entities promote whole-family security and well-being. Nationally, eligible entities already spend nearly half of their CSBG funds on services related to economic security (employment: 12 percent; education: 12 percent; income management: 6 percent; self-sufficiency: 17 percent). CSBG funds also provide for services that support family well-being (housing: 8 percent; nutrition: 6 percent; health: 4 percent) and help families in crisis (emergency services: 19 percent). Recognizing that no single agency can do it all, eligible entities use CSBG funds to link services, programs, and community members to meet local needs and solve local problems (linkages: 13 percent).<sup>8</sup> **In many ways, then, CSBG is already providing many of the pieces that matter most to whole family security and well-being. The challenge then becomes how states, tribes, and eligible entities use CSBG to intentionally link and align services in a way that promotes better outcomes for children, parents, and families.**

### Two-Generation Approaches and the Administration for Children and Families

Two-generation, or whole family, approaches meet the needs of children and their parents (or caregivers) together. Two-generation approaches can also accommodate families comprised of multiple generations. Serving the whole family is important because the income, educational attainment, and well-being of parents play a crucial role in children's outcomes.<sup>9</sup> Moreover, services for children such as high-quality childcare also help parents balance the demands of work and parenting by lessening their stress and supporting child and family well-being.<sup>10</sup> Acknowledging the importance of the two-generation dynamic, the Administration for Children and Families (ACF) included in its strategic plan a goal to "promote collaboration on two-generation approaches among state and tribal human services agencies, workforce agencies, educational institutions, and local organizations that achieve positive outcomes for both parents and their children."<sup>11</sup> The Office of Community Services (OCS), which administers CSBG within ACF, is strongly committed to this goal and believes that adoption of two-generation approaches could foster more strategic use of CSBG and other leveraged funds while improving family economic security and well-being. The Office of Family Assistance (OFA) within ACF has taken a similar approach and in March 2016 released an Information Memorandum encouraging state Temporary Assistance to Needy Families (TANF) officials to consider

<sup>8</sup> *Community Services Block Grant Annual CSBG Report: Analysis and State-Level Data 2014*. National Association for State Community Services Programs. Available at: <http://www.nascsp.org/CSBG-News.aspx?id=179>.

<sup>9</sup> Duncan, G.J. and Magnuson, K. (2011). "The Long Reach of Childhood Poverty," *Pathways*, Winter 2011, pp. 22-27; Magnuson, K. (2003). *The Effect of Increases in Welfare Mothers' Education on their Young Children's Academic and Behavioral Outcomes*. University of Wisconsin, Institute for Research on Poverty Discussion Paper, 1274-03; Mulligan, G.M., Hastedt, S., and McCarroll, J.C. (2012). *First-Time Kindergartners in 2010-11: First Findings from the Kindergarten Rounds of the Early Childhood Longitudinal Study, Kindergarten Class of 2010-11 (ECLS-L:2011)* (NCES 2012-049); U.S. Department of Education. (2013). Washington, DC: National Center for Education Statistics. Available at: <http://nces.ed.gov/pubsearch/>; Child Trends, *Parental Depression*. Available at: <http://www.childtrends.org/?indicators=parental-depression>.

<sup>10</sup> Council of Economic Advisors (2014), Executive Office of the President of the United States, *The Economics of Early Childhood Investments*.

<sup>11</sup> *2015-2016 ACF Strategic Plan*. <http://www.acf.hhs.gov/about/acf-strategic-plan-2015-2016>.



supporting two-generation approaches.<sup>12</sup> OCS encourages state and local coordination between CSBG and TANF agencies in the development of two-generation approaches.

ACF brings a two-generation philosophy to its efforts, and works to support and advance two-generation approaches through its research, technical assistance, and program and policy guidance. ACF encourages grantees, including CSBG lead agencies and eligible entities, to promote and support:

- linkages between high quality educational services for children and workforce development services for their parents;
- programmatic efforts to help parents gain the skills, knowledge, and resources to support their child's development;
- ensuring that families have access to the economic and social supports needed for stability and resilience and healthy child development; and
- helping families build social capital that can support both resilience and upward mobility.

ACF is committed to:

- identifying ways in which the above principles can apply in programs it administers;
- identifying ways in which it can better support the adoption of these principles in state and local efforts; and
- advancing a research agenda that will enhance its understanding of effective two-generation approaches and their impacts for children, parents, and families.

With its comprehensive anti-poverty mission, CSBG is well positioned to support two-generation approaches. Its flexibility allows states, territories, tribes, and eligible entities the ability to develop or participate in whole family approaches that address the needs of parents and children simultaneously.

### Research and Evaluation

The logic of two-generation approaches posits that linking and aligning services for children and parents will bring greater and more sustainable outcomes for children, parents, and families than either approach would on its own. Through the Office of Planning and Research Evaluation (OPRE), ACF has developed a substantial two-generation research agenda that seeks to build the evidence base and understand whether these approaches achieve their goals. Projects include:

- the Buffering Toxic Stress Consortium, launched six projects in 2011 to evaluate promising parenting interventions in Early Head Start settings;
- Head Start-University Partnerships, launched in 2013 with four projects that are rigorously testing two-generation approaches to promoting family well-being and children's school readiness within the context of Head Start;

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<sup>12</sup> The Office of Family Assistance; TANF-ACF-IM-2016-03, available at <http://www.acf.hhs.gov/programs/ofa/resource/tanf-acf-im-2016-03>.

- the Goal-Oriented Adult Learning in Self-Sufficiency (GOALS) project, launched in 2014 to explore how emerging insights from psychology can be integrated into programs aimed at helping parents strengthen the skills that will foster economic security and enhance family well-being; and
- Two-Generation Approaches to Improving Family Self-Sufficiency, launched in 2015 to examine evidence and provide options for how two-generation models might be evaluated.

More information about each of these projects is available via the [OPRE website](#).

## **POTENTIAL TWO-GENERATION ACTIVITIES:**

Taking a two-generation approach does not have to mean the development of new programs and services. Indeed, with its focus on addressing employment, education, income management, health, housing, emergency services and nutrition, CSBG already contributes to and leverages funds for virtually any program that could be reimagined from a two-generation lens. Moreover, CSBG explicitly calls for strengthening community planning and coordinating efforts, organizing services to help families achieve economic security, and developing innovative approaches to attacking the causes and effects of poverty. Each of these activities can serve as a cornerstone of an effective two-generation approach.

State Lead Agencies, territories and tribes, state Community Action Agency Associations (CAAs), and CSBG eligible entities can use existing funds in a number of ways to promote two-generation approaches. The following sections discuss opportunities and authorities CSBG stakeholders have in their current planning and coordination, economic security promotion, and innovation efforts related to CSBG.

### **State CSBG Lead Agencies**

#### ***Planning and Coordination***

CSBG requires the development of State Plans and local Community Action Plans.<sup>13</sup> The State Plan must describe how CSBG will support activities to assist low-income families and individuals in achieving a variety of goals such as employment, education, and housing, all of which can be approached from a two-generation perspective. For example, a state might include in the State Plan the use of CSBG state administrative or discretionary funds to provide two-generation training to eligible entities, building their capacity to intentionally coordinate services for children and families.

States may also use their discretionary funds to coordinate State-operated programs and services; at the option of the State, they may use these funds to coordinate programs operated by local eligible entities.<sup>14</sup> Coordination could be done through a two-generation lens, focusing on aligning parent-centered services and child-centered services to create a model that makes it easier for families to access everything they need.

<sup>13</sup> Section 676 (a)(2)(A) and Section 676(b)(11) of the CSBG Act.

<sup>14</sup> Section 675C(b)(1)(B) of the CSBG Act.

State Plans must also address how local eligible entities will develop linkages to fill service gaps in communities, coordinate between governmental and other social service providers, and form partnerships with other organizations serving low-income residents.<sup>15</sup> All this coordination can be done with the two-generation framework in mind, without expending additional resources.

#### *Furthering Innovation and Economic Security*

CSBG is unique in that it specifically calls for “the greater use of innovative and effective community-based approaches to attacking the causes and effects of poverty” as one way to achieve its goals.<sup>16</sup> As the two-generation field is currently experiencing a period of renewed inquiry and development, there are many opportunities for states to test innovative policy approaches and for CAAs to test innovative ways to engage and serve families. For example, states could use discretionary funds to support pilot projects in local communities that intentionally link employment services for parents with education and development services for children.

State Lead Agencies and tribes have a history of using discretionary funds to support any number of innovative approaches. A review of Fiscal Year (FY) 2016 State Plans revealed that over half of the states already use or plan to use a portion of their discretionary funds for innovative purposes. Minnesota, for example, plans to use discretionary funds as seed money for pilot programs and to incentivize cross-agency programming. Oklahoma’s Plan calls for eligible entities to submit requests for pilot programs; past projects include setting up a community garden and supporting a distance learning center. California already uses discretionary funds to support agencies approaching service delivery from a two-generation framework and there is no reason other states could not do the same.

#### State Community Action Agency Association

##### *Furthering Innovation and Economic Security*

State CAA Associations can play a large role in building capacity for State Lead Agencies and local eligible entities to undertake innovative two-generation approaches. They could host two-generation learning communities, bringing together interested stakeholders to put together two-generation action plans and learn from each other. There are a number of existing resources that State Associations can draw on to support such an effort (see resource attachment ). State Associations should consider consulting with State Lead Agencies about the use of State CSBG discretionary funds and the Regional Performance and Innovation Consortium (RPIC) lead agency about funding resources available for two-generation training and technical assistance.

State CAA Associations can also support two-generation coordination efforts through technical assistance such as webinar trainings and conference workshops. Using these platforms, state associations can help CAAs and eligible entities develop plans to link services such as early education and care programs with employment, financial coaching, and housing services; share

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<sup>15</sup> Section 676(b)(5) of the CSBG Act.

<sup>16</sup> Section 672(2)(C) of the CSBG Act.

best practices in workforce development, such as the use of sector-based strategies, career pathways, and career coaching; and promote the incorporation of parenting tips or financial capability tips into existing employment services. State associations can also work together and with two-generation practitioners, policymakers, and researchers to share tools that help eligible entities implement two-generation approaches on the ground.

### Eligible Entities

#### *Planning and Coordination*

The CSBG Act requires each eligible entity to conduct a local needs assessment and develop a Community Action Plan that outlines how CSBG funds and perhaps other funding will be used to address the needs and achieve results.<sup>17</sup> Center of Excellence Standard 4.2 requires the Community Action plan to be outcome-based, anti-poverty focused, and tie directly to the community assessment.<sup>18</sup> The community assessment and planning process provides an excellent opportunity for promoting two-generation coordination at the local level. During the assessment and planning process eligible entities should be seeking to identify innovative, promising and evidence based practices that will achieve robust results.

Many community assessments identify the need for employment or better employment among individuals with low incomes as a persistent and wide spread need. Many eligible entities already use CSBG funds to provide services related to securing and retaining employment and addressing other activities aimed at removing obstacles to economic security for parents and children. To do this from a two-generation perspective, an employment and/or financial coaching program would be designed from the starting point of “how can we most successfully build the economic security of *parents*, who worry about the safety and development of their *children*?” Such a program might wrap early childhood education or child health and nutrition services into the employment program itself, or it might include discussions on how to handle the stresses of being a working parent into the curriculum. Ideally the strategies would be designed in a way that recognizes the challenges workers face as parents and that getting good outcomes for children is not possible without recognizing children grow up in families.

As stated earlier, the community assessment and Community Action Plan must provide the foundation for specific service offerings, but as another example, an eligible entity could work towards using a universal intake form and family-based assessment tool to streamline enrollment among its own programs. An eligible entity that operates Head Start but not employment services could partner with the local workforce board to develop a “no wrong door” strategy so families with young children seeking services at one or the other would seamlessly have access to both. Systems could be developed to share data across programs so staff can create a full picture of family progress that could be shared with the family during coaching or case management sessions.

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<sup>17</sup> Section 676(b)(11) of the CSBG Act.

<sup>18</sup> The Office of Community Services, CSBG IM #138, January 26, 2015, available at [http://www.acf.hhs.gov/sites/default/files/ocs/im\\_138\\_csb\\_g\\_organizational\\_standards\\_fy\\_2015.pdf](http://www.acf.hhs.gov/sites/default/files/ocs/im_138_csb_g_organizational_standards_fy_2015.pdf).

In the Community Action Plan, eligible entities are required to outline a plan for integration of services and systems, which could be done with an eye towards integrating parent-centered and child-centered services and developing two-generation strategies and outcomes in particular.

The coordination of services, a key CSBG function, is also critical to the development of an effective two-generation approach. What makes the two-generation approach different is that coordination is more intentional than referral; it is not left to the parent to knit together the various services he or she needs.

### *Furthering Innovation and Economic Security*

Eligible entities have the ability to bring creative solutions to promoting family economic security. Eligible entities could, for example, lead a community-based co-design process in which the child-centered service providers and parent-centered service providers work as a team to develop a bundle of services centered on the *family*. As important, eligible entities have the ability to bring families who access services into the conversation to shape service delivery design.

Through such a process, an occupational training program at a community college and a Head Start program could create a Certified Nursing Assistant course schedule that coincides with the Head Start schedule. Parents would be able to drop off their children, get to class, and be ready to pick up the child at the end of the day without missing class or having to pick up the child early. An eligible entity that already provides each service would simply have to become intentional about considering things like class scheduling, streamlining the family goal-setting process, tracking data for the parent and the child, and so forth. Eligible entities that provide one service but not the other could establish formal processes for partnering with other service providers to achieve the same ends.

Family and community engagement are at the heart of CSBG's principles and values. Since 1964, eligible entities have been committed to not only listening to the voices of individuals with low incomes, but supporting them in efforts to build connections and advocate for themselves in their communities. Bringing parents into the two-generation design process will increase the likelihood that services will meet families' actual needs.

Another way eligible entities can promote family and community engagement is by helping families build connections or social capital. Social capital is defined by the Organization for Economic Cooperation and Development (OECD) as "networks together with shared norms, values, and understandings that facilitate cooperation within or among groups."<sup>19</sup> Within the context of families served by CSBG, social capital can be thought of as the network of people and institutions upon which a family can rely for support and assistance. Research shows that when mothers have emotional support, their children have been found to have better outcomes.<sup>20</sup>

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<sup>19</sup> Organization for Economic Cooperation and Development, *What is Social Capital?* Available at: <http://www.oecd.org/insights/37966934.pdf>.

<sup>20</sup> Bandy, T., Andrews, K.M., and Anderson Moore, K. (February 2012). *Disadvantaged Families and Child Outcomes: The Importance of Emotional Support for Mothers*, Child Trends.

Social capital also appears to be a key success factor in producing positive outcomes for programs that serve low-income families, particularly with regard to mental health.<sup>21</sup>

Local eligible entities can provide opportunities for families to build social capital by building peer support and cohort models, career coaches, connections with potential employers and industry contacts, and networking opportunities into their two-generation approaches. Eligible entities can provide opportunities for families to build social capital by promoting the development of both bonding and bridging ties.<sup>22</sup>

Bonding ties are formed among like individuals. For example, an asset building program could utilize a cohort model, where participants share common characteristics such as being parents with young children, or parents of young children enrolled in Head Start. Sharing such a characteristic brings individuals together such that they begin to encourage each other and help each other out in times of need. More than just enrolling similar people in a particular program, a cohort model provides a structure in which the participants engage with each other, sharing their successes and challenges consistently and frequently. It can facilitate the development of long-lasting, supportive relationships.

Bridging ties connect individuals to others who have access to different resources. For example, if supported by the community assessment, a job search program could use CSBG funds to hire job developers to build relationships with employers. The job developers would then help bridge connections between individuals with low-income seeking employment and employers with available jobs for whom the recipients' skills are a match.

## **CSBG AND TWO-GENERATION APPROACHES IN CURRENT PRACTICE**

### Garrett County, Maryland

In 2009, Garrett County Community Action Committee (GCCAC) began moving towards a two-generation approach. Today, the model provides tightly woven center-based or home-based early childhood and family support services with financial management and career advancement services. GCCAC can also bring their housing, transportation, and energy assistance services to families who need them. The approach required new systems and processes, staff training and support, an on-going focus on families and the staff's relationship with families, and a consistent monitoring of outcomes and services along the way. Building the data systems and workflows to measure the impact of the two-generation approach also has been a significant part of the work.

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<sup>21</sup> Rosenheck, R., Morrissey J., Lam J., Calloway M., Stolar M., Johnsen M., Randolph F., Blasinsky M., Goldman H. (2001). "Service delivery and community: social capital, service systems integration, and outcomes among homeless persons with severe mental illness," *Health Service Research*; Cutrona, C.E., Russell, D.W., Hessling, R.M., Brown, P.A., Murry, V. (2000). "Direct and moderating effects of community context on the psychological well-being of African American women," *Journal of Personality and Social Psychology*, Dec;79(6):1088-1101; Wells, K.B. (2013). "Community-Partnered Cluster-Randomized Comparative Effectiveness Trial of Community Engagement and Planning or Resources for Services to Address Depression Disparities," *Journal of General Internal Medicine*, Oct; 28(10): 1268-1278.

<sup>22</sup> Jordan, A. (2006). *Tapping the Power of Social Networks: Understanding the Role of Social Networks in Strengthening Families and Transforming Communities*, Annie E. Casey Foundation.

To embed the two-generation approach, GCCAC undertook major organizational changes. Departments were reorganized so that, for example, rather than having an energy assistance and housing department, the agency now has a service coordination department focused on stabilizing clients and an asset development department focused on financial capacity and assets. Front-line staff members are called “Coordinators” and have all received training to approach clients as coaches rather than case managers. Coordinators work with families to develop a “Pathway Plan,” which serves as a coordination tool across the programs that families access. It also serves as the Family Partnership Agreement for Head Start requirements.

As a CSBG eligible entity, GCCAC has a long history of working with community partners. Those relationships provided the foundation necessary for serving families in a holistic way. Beyond that, GCCAC has used CSBG funds to support the capacity-building required to implement their high-quality two-generation approach. CSBG funds are used to pay for staff who are responsible for designing and monitoring the two-generation approach. The flexibility of CSBG also allows GCCAC to cover costs that other funding streams will not, thereby maximizing the resources available to provide services to families. CSBG is the added value distinguished by its focus on mission and outcomes for families and communities with which GCCAC is engaged.

#### Tulsa County, Oklahoma

In 2007, Community Action Partnership Tulsa (CAP Tulsa) made its strategic shift to a two-generation approach. The Tulsa model combines center-based or home-based early childhood services with comprehensive education and workforce services to prepare parents for good-paying jobs in the healthcare sector. Called *CareerAdvance*,® the workforce development program provides full support for the parent’s education and job training, peer support through cohort enrollment and weekly cohort meetings, and a career coach. Participants also have access to a financial coach. Participation in *CareerAdvance*® has been limited to parents with children enrolled in CAP Tulsa’s early childhood programs.<sup>23</sup> Early childhood staff and *CareerAdvance*® staff meet regularly to look for ways to reinforce each other’s efforts. For example, during weekly cohort meetings the career coach delivers parenting tips and exercises for participants to use at home with their children.

CAP Tulsa also undertook major organizational restructuring. Programs that were not serving families with children enrolled in Head Start or Early Head Start, such as the first-time homebuyer program, were moved out of the agency and into other community service providers. An entire department was restructured and is now called Family Advancement, to signal the agency’s commitment to the advancement of the whole family. Data systems were redesigned. The family assessment was overhauled to promote conversations with families about *family* goal setting.

Like GCCAC, CAP Tulsa has relied on CSBG funds to support the staff time that was necessary to design the program and work with partners such as the local community college and vocational training school to link child and parent services. CSBG funds continue to help provide

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<sup>23</sup> The program began recruiting from beyond CAP Tulsa’s early childhood program in 2016.

for this kind of “two-generation management” function. Head Start dollars, Health Profession Opportunity Grant dollars (HPOG, a program of OFA within ACF that supports parents in earning credentials in healthcare) and other funding sources cover direct service costs.

#### Santa Cruz County, California

In early 2016 the Community Action Board of Santa Cruz County, Inc. submitted a proposal to the state to access discretionary funds to operate *Proyecto Conexión Familiar* (PCF, Family Connection Project). PCF offers additional services to day laborers and their families, who are mostly immigrants, seeking services at the Day Worker Center. PCF is a response to the 2014 Community Assessment Project, which documented lower rates of social support among Latino families than among non-Latino families. Day workers were found to be even more susceptible to social isolation. Recognizing that the Day Worker Center already served as a place where workers make friends, use resources, volunteer, and bring their families to social events, PCF builds upon this natural platform to add cultural gatherings, civic engagement opportunities, and parenting classes as opportunities for families to form bonds with one another. In addition, parent-child groups are held in a child-centered space where families can mingle with each other.

The program is just beginning, but families have already enjoyed a rock climbing activity, a roller skating outing, and an outdoor camping trip. Working parents are learning how to manage their stress through yoga and mindfulness activities offered in Spanish.

#### **CONCLUSION**

Eligible entities, with their flexibility, mandate to address local needs, diverse funding, and considerable experience in serving parents and children are uniquely positioned to pursue the development of robust two-generation approaches. Current two-generation approaches require meeting the needs of children and their parents (or caregivers) together, linking high quality services in an intentional manner. Eligible entities have considerable experience furthering promising practices and pursuing innovative, breakthrough approaches. State CSBG Lead Offices and State Community Action Associations can help eligible entities learn and build capacity to implement two-generation approaches. OCS and ACF will continue to advance two-generation approaches through its research, technical assistance, and program and policy guidance.

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/s/  
Jeannie L. Chaffin  
Director  
Office of Community Services

#### **Attachment A – Resource List**



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***Community Services  
Block Grant***

***Information Memorandum***

U.S. Department of Health and Human Services  
Administration for Children and Families  
Office of Community Services  
Division of Community Assistance  
330 C Street, Southwest, 5<sup>th</sup> Floor  
Mail Room 5425  
Washington, DC 20201

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**Transmittal No. 152**

**Date: January 19, 2017**

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**TO:** State, Territory, and Tribal CSBG Lead Agencies, State Community Action Agency Associations, Eligible Entities, and National Partner Associations

**SUBJECT:** Community Services Block Grant Annual Report

**PURPOSE:** To provide guidance on the implementation and timelines for online submission of the CSBG Annual Report. The guidance in this IM applies to State and Territory CSBG Lead Agencies, State Community Action Agency Associations, Eligible Entities, and National Partner Associations that support CSBG eligible entities

**RELATED REFERENCES:** Community Services Block Grant Act, Title VI, Subtitle B, of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, as amended; Human Services Amendments of 1994, P.L.103-252; the FY 1996 CSBG Appropriation Legislation, P.L.104-134; CFR Title 45, Part 96; Coats Human Services Reauthorization Act of 1998, P. L. 105-285, Department of Health and Human Services Block Grant Regulations and Current Poverty Income Guidelines

**BACKGROUND:**

The Office of Community Services (OCS) received OMB approval for a new CSBG Annual Report on January 12, 2017. The new CSBG Annual Report marks the largest overhaul of CSBG data collection and reporting since the first comprehensive CSBG Information Survey (CSBG-IS) was developed in 1983. OCS and the CSBG Network – composed of CSBG eligible entities, State CSBG Lead Agencies, State Community Action Associations, national partners, and others – have participated in a multi-year effort to update the CSBG Annual Report that was designed to complement ROMA Next Generation and support and complete the CSBG Performance Management Framework. The information in the new CSBG Annual Report will be used at local, State, and national levels to improve performance, track results from year to year and assure accountability for critical activities and outcomes at each level of the CSBG network.

The new CSBG Annual Report builds upon Community Action's 50 year history of serving individuals, families, and communities across the United States. Analysis of current CSBG data collection and reporting, consultation from multiple working groups, three public comment

periods, and countless listening sessions and interaction with the CSBG Network have led us to the final, approved CSBG Annual Report that will replace the CSBG-IS.

In 1993, the Government Performance and Results Act (GPRA) was enacted to improve performance management across all Federal government agencies. GPRA requires Federal agencies to engage in performance management activities such as setting performance goals, measuring results, and reporting their progress. The CSBG Network responded by creating Results Oriented Management and Accountability (ROMA), a comprehensive performance-based management system adopted across the entire CSBG Network.

In 2011, the GPRA Modernization Act of 2010 (GPRAMA) was implemented setting new expectations for Federal agencies and leaders to set clear and ambitious goals for a limited number of outcome-focused and management priorities; measure, analyze and communicate performance information to identify successful practices to spread and problematic practices to prevent or correct; and frequently conduct in-depth performance reviews to drive progress on the agencies priorities.

In light of these changing performance management expectations in the public and private sectors, OCS has moved forward with the implementation of a comprehensive CSBG Performance Management Framework focused on a model of continuous improvement. Implementing a comprehensive CSBG Performance Management Framework not only strengthens the CSBG Network to meet today's challenges, but positions the Network for future growth and increased capabilities to achieve breakthrough outcomes.

### **Performance Management for CSBG**

The Performance Management Framework includes 1) organizational standards for local CSBG eligible entities, 2) accountability measures for states and OCS, 3) Results Oriented Management and Accountability (ROMA) Next Generation, and 4) the CSBG Annual Report which includes an updated and refined set of CSBG outcome measures. These elements are designed to increase accountability across all three levels of the network (Federal, State and local) and to enable program administrators at all levels to make better program decisions based on data.

The CSBG Performance Management Framework is based on the National Community Action Theory of Change. A copy of the Theory of Change is attached to this IM. While the final content of the Theory of Change has been approved, OCS and its national partners will be producing a graphically enhanced version of this document for release as a follow-up to this information memorandum. It is expected that the enhanced version of the Theory of Change will be available by March, 2017 for use in training and public communication.

*Ultimately, it is expected that this framework will help OCS and the CSBG Network to generate stronger results for people with low-incomes and communities served by the national network of states and eligible entities.*

As the next step in the full implementation of the new CSBG Performance Management Framework, OCS developed and received OMB approval for the CSBG Annual Report. This new Annual Report will replace the CSBG-IS where data is currently collected via an Access database. The Access database was developed as a technical assistance tool for States and administered by an OCS grantee to help States provide necessary information for an Annual Report. OCS will phase-out the use of the Access database to collect CSBG-IS data and will collect data for the new Annual Report in ACF's existing Online Data Collection System (OLDC).<sup>1</sup>

### **CSBG Annual Report – Background**

Section 678E of the CSBG Act requires States, including the District of Columbia, the Commonwealth of Puerto Rico, and U.S. Territories, to annually prepare and submit a report on the measured performance of the State and the eligible entities in the States. To meet the CSBG annual reporting requirement, States collect information from eligible entities and report to OCS before March 30 each year on the demographics of clients served, uses and results of CSBG for the prior reporting period.

In 2012, OCS awarded a cooperative agreement to the National Association for State Community Services Programs (NASCSPP) to assist OCS in developing the CSBG Annual Report. This work involved significant interaction with the CSBG Network, including 30 listening sessions held across the country, and numerous presentations and webinars to engage States and local entities on the development. Expert workgroups with representatives from the State, local, national, and Federal levels were convened to provide direction.

From March 3, 2016 – April 13, 2016, NASCSPP invited the CSBG Network to provide feedback on content and format of a draft of the Annual Report forms. In response, over half of the CSBG network provided thoughtful responses, comments, and letters. In addition, OCS worked with NASCSPP and a small workgroup of States to obtain input on Module 1 of the Annual Report. OCS and NASCSPP analyzed all the responses and suggestions and used the feedback to prepare the forms reviewed during the first Federal Register Notice review in June 2016.

In a notice in the *Federal Register* posted on June 16, 2016 (Volume 81, Number 16, Pages 39267-39268), ACF solicited public comment on the proposed Annual Report.

In response to the 60-day notice, OCS received 134 sets of comments from organizations across the CSBG Network, including national organizations, State CSBG Lead Agencies, State Community Action associations, and local eligible entities. In addition, OCS received dozens of informal questions and comments during webinars and training events.

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<sup>1</sup> ACF is currently in the process of updating online systems. The OLDC system will, in the future, be known as the "inForm" system. However, this guidance uses the term "OLDC" pending the formal rebranding process through the ACF Grants Center of Excellence.

OCS systematically organized all the comments and deliberated on each one. During this review process, OCS consulted with national CSBG technical assistance partners and practitioners to discuss the major areas of concern and allow the partners to suggest solutions. The CSBG Annual Report was revised and submitted to OMB for the second and final comment period on November 1, 2016. OMB granted approval for the CSBG Annual Report on January 12, 2017.

### **The CSBG Annual Report**

The CSBG Annual Report is organized in four modules.

- **Module 1: State Administration** (completed by State CSBG Administrators) includes information on State administration of CSBG funding, including information on distribution of funds to eligible entities, use of State administrative funds and discretionary funds for training and technical assistance, as well as information on eligible entity organizational standards progress, and the State's progress meeting accountability measures related to State monitoring, training and technical assistance and other critical areas.
- **Module 2: Agency Expenditures, Capacity, and Resources** (completed by eligible entities; reviewed, evaluated, and analyzed by State CSBG Lead Agencies) includes information on funds spent by eligible entities on the direct delivery of local services and strategies and capacity development as well as information on funding devoted to administrative costs by the eligible entities.
- **Module 3: Community Level** (completed by eligible entities; reviewed, evaluated, and analyzed by State CSBG Lead Agencies) includes information on the implementation and results achieved for community-level strategies.
- **Module 4: Individual and Family Level** (completed by eligible entities; reviewed, evaluated; analyzed by State CSBG Lead Agencies) includes information on services provided to individuals and families, demographic characteristics of people served by eligible entities, and the results of these services.

### **Key Changes from the CSBG Information Survey (CSBG-IS) Reporting**

Section 678E of the CSBG Act requires States, including the District of Columbia, the Commonwealth of Puerto Rico, and U.S. Territories, to annually prepare and submit a report on the measured performance of the State and the eligible entities within the States. To meet the CSBG annual reporting requirement, States collect information from the eligible entities and report to OCS before March 31 each year on the uses of CSBG and outcomes obtained for the prior reporting period. Since FY2005, OCS has accepted the CSBG-IS as the information necessary to meet the CSBG Act requirement for States to provide an annual report.

The most significant changes from the CSBG-IS to the CSBG Annual Report are 1) inclusion of a report on services and strategies, 2) Increased emphasis on community level efforts and

outcomes, 3) results of State and Federal Accountability measures, Organizational Standards, and activities recorded in CSBG State Plans. Additionally, the CSBG Annual Report received OMB approval, allowing data to now be reported into the OLDC System.

### **State and Eligible Entity Authority and Responsibility to Participate in Performance Measurement**

Under Section 678E(a)(1)(A) of the CSBG Act, States that receive CSBG are required to participate in a performance measurement system and must ensure that all eligible entities in the State also participate in a performance measurement system. The Act specified that this may be a performance measurement system for which the OCS facilitated development or an alternative system that the Secretary of HHS is satisfied meets the requirements of Section 678E(b), which outlines accountability and reporting requirements, including the establishment of a performance measurement system through which States and eligible entities measure their performance in achieving the goals of their community action plans.

Section 678E(a)(2) of the CSBG Act, as amended, requires that each State shall annually prepare and submit to the Secretary a report on the measured performance of the State and the eligible entities in the State. Each State is required to include in the report an accounting of the expenditure of funds received by the State through the Community Services Block Grant, including an accounting of funds spent on administrative costs by the State and the eligible entities, and funds spent by eligible entities on the direct delivery of local services in specific domains. In addition, each State is required to include information on the number of and characteristics of clients served in the State based on data collected from the eligible entities. Each State is also required to include a summary describing the training and technical assistance offered by the State to correct deficiencies noted during the year covered by the report.

At the State level, the CSBG Annual Report will support oversight and technical assistance and promote accountability for critical State functions such as State Plan development, monitoring, grant administration, training and technical assistance, and State-level communications and linkages. At the local eligible entity level, the information in the CSBG Annual Report will support agency efforts to set and measure progress on targets for individual, family, and community outcomes resulting from locally-determined services and strategies to address locally-identified community needs.

### **Federal Authority and Responsibility to Participate in Performance Measurement**

From the information provided by States and eligible entities, OCS must annually prepare a report<sup>2</sup> on the planned and actual uses of CSBG funds by States, as well as information on delivery of services, number of eligible entities, demographics of clients, performance results, and other information considered appropriate by the Secretary of HHS.<sup>3</sup>

<sup>2</sup> The CSBG FY 2014 report is in clearance at ACF and the FY 2015 report is under development. States submitted data for the FY2015 report by March 31, 2016.

<sup>3</sup> CSBG Act Sec. 678E(b)(2)

At the Federal level, receipt and review of CSBG Annual Reports will permit necessary oversight and accountability for CSBG grant funds and provide necessary information for the Secretary's Accountability and Performance Requirements as outlined in Section 678E(b) of the CSBG Act.

## **Implementation of the CSBG Annual Report**

### *Implementation Timeline*

The new CSBG Annual Report will be implemented through a phased-in approach over two years. The first submission date of the CSBG Annual Report will be March 31, 2017 for Module 1 only.

**March 31, 2017 Submission Date:** States are required to submit Module 1 of the new CSBG Annual Report in OLDC and complete Sections E-G and the NPIs in the CSBG IS.

**March 31, 2018 Submission Date:** States are required to submit Module 1 of the new CSBG Annual Report in OLDC and complete Sections E-G and the NPIs in the CSBG IS.

**March 31, 2019 Submission Date:** States are required to submit Module 1-4 of the new CSBG Annual Report in OLDC and will no longer report in the CSBG IS.

In the first phase, States will complete Module 1 for the FY 2016 and FY 2017 Annual Reports while continuing to provide information on individual, family, and community indicators through the existing CSBG IS process. The submission date for the FY 2016 Annual Report is March 31, 2017. The submission date for the FY 2017 Annual Report is March 31, 2018. This administrative module builds directly upon the information provided in the FY 2016 State CSBG Plan and the information required for completion of this section will be available in State records and information systems. States will use the ACF OLDC system to submit Module 1. Information will be auto-populated from the corresponding CSBG State Plan into Module 1 to reduce State burden.

In the second phase, States will submit a complete CSBG Annual Report (Modules 1-4) for the FY 2018 Annual Report, with a submission date of March 31, 2019. Completion of these sections will require adaptation of information collection at the eligible entity level, and therefore, OCS plans to provide additional time for these activities.

### *Improved Information Technology*

While States and eligible entities will spend additional time in the first year using the new report, learning the new system and entering data, this burden will drop substantially in subsequent years due to automation. OLDC is the central, web-based reporting tool that ACF uses for programs and will use for CSBG data collection. The OLDC system will include many similar data elements that were found in the CSBG IS Access database and will also allow OCS to link information from the CSBG State Plans directly to the Administrative Module of the Annual

Report. States will have the option to select pre-formatted responses with check-boxes, for example, and to pre-populate data from the CSBG State Plan for the reporting year covered by the Annual Report.

Use of OLDC, will allow OCS and its grantees to create new tools for analysis and sharing of information between States and with the general public. By using technology to create an automated, web-based form for this information collection, OCS will create new efficiencies and capabilities for program planning, oversight, and accountability. In this system both Federal and State staff will have the ability to access data easily and track the submission, review, and acceptance of CSBG Annual Reports increasing the transparency and accountability of the submission and review process.

#### **OCS Responsibilities**

<b>Responsibilities</b>	<b>Time Frame</b>
Conduct beta testing of Module 1 in OLDC	January 2017
Complete Module 1 Automation in OLDC	February 2017
Provide Module 1 Instructions	February 2017
Provide Module 2-4 Instructions	May 2017
Conduct beta testing of Module 2-4 in OLDC	September 2017
Complete Module 2-4 Automation in OLDC	November 2017

#### **State Responsibilities**

<b>Responsibilities</b>	<b>Time Frame</b>
States complete Module 1 in OLDC	March 31, 2017 March 31, 2018 March 31, 2019
States complete Sections E-G and the NPIs in the CSBG IS Access Database	March 31, 2017 March 31, 2018
States Plan for Module 2-4 submission	2016-2017
States begin data collection of Module 2-4	2017-2018
States complete first submission of Modules 1-4 in OLDC	March 31, 2019

### CSBG Eligible Entity Responsibilities

Responsibilities	Time Frame
Submit Sections E-G and the NPIs to the State	FY16 and FY17 Data Submissions
Plan for Module 2-4 submission	2016-2017
CSBG Eligible Entities begin data collection of Module 2-4	2017-2018
CSBG Eligible Entities complete Modules 2-4 of the CSBG Annual Report to the State or enter data directly in OLDC	FY18 Data Submission

### Training and Technical Assistance

OCS, along with national and State partners, will be planning and providing technical assistance and training for the network to facilitate the transition to the new reporting formats. In the coming months, OCS will be working with the CSBG Network to identify and prioritize the training needs of States, eligible entities and State CAA Associations.

### Conclusion

We truly appreciate the partnership and commitment from the CSBG network and administration during this time of transition. Together, this network is ushering in a new era of accountability and effectiveness, ultimately strengthening results for people with low incomes and the communities in which they live.

/s/

\_\_\_\_\_  
 Jeannie L. Chaffin  
 Director  
 Office of Community Services

### Appendices:

**Appendix 1:** CSBG Annual Report

**Appendix 2:** CSBG Theory of Change



Community Services Block Grant State Plan  
FY 2018 and FY 2019

## Section 3: State Plan Development and Statewide Goals

## State Plan Goals

*The State Lead Agency has established the following Community Services Block Grant goals and strategies:*

### **Administration of the Community Services Block Grant**

**Goal:** to administer the State of Arkansas Community Services Block Grant Program

**Strategies:** to provide assistance to local communities through a network of eligible entities (Community Action Agencies) 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.

### **Workforce Systems**

**Goal:** to increase workforce development opportunities for CSBG participants

**Strategies:** To partner with the Department of Workforce to coordinate the Workforce Investment and Opportunity Act activities to provide a one-stop approach to workforce development services by partnering CSBG eligible entities with the Workforce offices to address barriers to employment.

### **Organizational Standards**

**Goal:** To ensure that all eligible entities are 100% compliant with the CSBG Organizational Standards as prescribed in CSBG IM 138.

**Strategies:** to partner with the Arkansas Community Action Agencies Association to provide peer-to-peer assistance and training resources to assist with the development and implementation of deficient standards:

- ❖ Organization-wide comprehensive risk assessment
- ❖ Uniform Guidance
- ❖ Succession Planning
- ❖ ROMA
- ❖ Strategic Planning

### **CSBG Monitoring**

**Goal:** to strengthen CSBG Program and Fiscal monitoring

**Strategies:** Update all CSBG monitoring tools to incorporate the CSBG organizational standards, ROMA Next Generation and Financial Management requirements to ensure eligible entity compliance.

### **State Lead Agency Professional Development**

**Goal:** To increase the professional development of the State Lead Agency staff

**Strategies:** All three CSBG Grants Analysts become Nationally Certified ROMA Implementers during the period of this State Plan. Ensure that all State Lead Agency Staff have access to and are utilizing current educational materials (as related to CSBG), and are exposed to professional growth opportunities, by means of training on the local, state and national level.

### **State Distribution Formula to the eligible Entities**

**Goal:** to revise the state distribution formula

**Strategies:** The State Lead Agency will research funding formula from other states, will identify and adopt the funding formula (in accordance with CSBG IM 116) that will best support the work of the Arkansas CSBG network. This new formula will be implemented in the year following its adoption.

### **State wide Data Collection System**

**Goal:** to implement a state wide data collection system for Arkansas eligible entities

**Strategies:** Coordinate with the eligible entities and the State Association to identify, purchase and implement a state wide data collection system for eligible entities by the end of FY 2019.

## Section 4: CSBG Hearing Requirements

## **Community Services Block Grant Hearing Requirements**

### **Community Services Block Grant 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).

Through this Act, the Arkansas Legislature institutionalized the Community Services Program and determined that it will be carried out primarily through the State's local Community Action Agencies.

The Act also determined service areas of these eligible entities to include all seventy-five counties and mandated 90 percent pass through of Community Services Block Grant funds to these eligible entities. The Act limits state administrative expenditures of Community Services Block Grant 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 Community Services Block Grant Federal Act.

### **Designation of Lead State Agency**

Governor Asa Hutchinson, as the Chief Executive for the State of Arkansas, designates the Arkansas Department of Human Services, Division of County Operations, Office of Community Services, as the lead agency for administration of the Community Services Block Grant.

In addition, through Act 345 of 1985, the Arkansas Legislature has made the Arkansas Department of Human Services, Division of County Operations, Office of Community Services responsible for carrying out all aspects of the Act. Included in this application is a letter of designation signed by Governor Asa Hutchinson.

### **Public and Legislative Hearing Requirements**

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

#### **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, on \_\_\_\_\_, in \_\_\_\_\_, Arkansas. Notice of the hearing was published in the statewide daily newspaper for three consecutive days, as well as published in the local newspaper of the service area, and posted on the Arkansas Department of Human Services website. The Executive Directors of each of the 16 Community Action Agencies and of the Arkansas Community Action Agencies Association received a draft copy of the Application. The public was offered the opportunity to comment on the proposed use and distribution of funds for the plan period (fiscal years 2018 - 2019). Documentation of the Public Hearing is attached to this application.

**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 2018 – 2019 on \_\_\_\_\_. Attached as documentation of the hearing is the scheduled hearing date and official hearing minutes.

**Public Inspection of State Plan**

The Act requires the State to make the State Plan available for public inspection, to facilitate review of and comment on the plan. The State Plan for fiscal years 2018 - 2019 was made available for public inspection and comment from \_\_\_\_\_, at all Community Action Agencies and the Arkansas Department of Human Services, Division of County Operations, Office of Community Services. Those who wished to comment could respond orally at the Public Hearings, submit written comments through their local Community Action Agency, 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 State Plan will be made available at the Arkansas State Library, Arkansas Department of Human Services, Legislative Council, Arkansas Community Action Agencies, and Arkansas Community Action Agencies Association.

## Section 5: CSBG Eligible Entities

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OFFICE OF COMMUNITY SERVICES COMMUNITY  
ACTION AGENCIES

	<u>Agency &amp; Contact Information</u>	<u>Counties Served</u>
ARVAC	<b>Stephanie Ellis, Executive Director</b> Arkansas River Valley Area Council, Inc. Post Office Box 808 613 North 5 <sup>th</sup> Street Dardanelle, Arkansas 72834 Telephone: (479) 229-4861 FAX: (479) 229-4863 E-Mail: <a href="mailto:sellis@arvacinc.org">sellis@arvacinc.org</a>	Conway Franklin Johnson Logan Perry Polk Pope Scott Yell
BRAD	<b>James Jansen, Executive Director</b> Black River Area Development Corp. 1403 Hospital Drive Pocahontas, Arkansas 72455 Telephone: (870) 892-4547 FAX: (870) 892-0707 E-Mail: <a href="mailto:jjansen@bradcorp.org">jjansen@bradcorp.org</a>	Clay Lawrence Randolph
CADC	<b>Larry Cogburn,, Executive Director</b> Central Arkansas Development Council Post Office Box 580 321 Edison Benton, Arkansas 72015 Telephone: (501) 315-1121 FAX: (501) 778-9120 E-Mail: <a href="mailto:lcogburn@cadc.com">lcogburn@cadc.com</a> Web: <a href="http://www.cadc.com">www.cadc.com</a> LR Office Number: (501) 603-0909 Lonoke Number: (501) 676-0019	Calhoun Clark Columbia Dallas Hot Spring Lonoke Montgomery Ouachita Pike Pulaski Saline Union



<b>CAPCA</b>	<b>Jenifer Welter, Executive Director</b> Community Action Program for Central Arkansas, Inc. 707 Robins Street, Ste. 118 Conway, Arkansas 72034 Telephone: (501) 329-3891 FAX: (501) 329-8642 E-Mail: <a href="mailto:Jennifer.Welter@capcinc.org">Jennifer.Welter@capcinc.org</a> Web: <a href="http://www.capcainc.org">www.capcainc.org</a>	Cleburne Faulkner White
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<b>CRDC</b>	<b>Tim Wooldridge Executive Director</b> Crowley's Ridge Development Council, Inc. Post Office Box 16720 Jonesboro, Arkansas 72401 Telephone: (870) 802-7100 Fax: (870) 935-0291 E-Mail: <a href="mailto:twooldridge@crdcnea.com">twooldridge@crdcnea.com</a> Web: <a href="http://www.crdcnea.com">www.crdcnea.com</a>	Craighead Crittenden Cross Greene Jackson Poinsett St. France Woodruff
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<b>C-SCDC</b>	<b>Marc Baker, Executive Director</b> Crawford-Sebastian Community Development Council, Inc. Post Office Box 180070 Fort Smith, Arkansas 72918-0070 1617 South Zero Fort Smith, Arkansas 72901 Telephone: (479) 785-2303 FAX: (479) 785-2341 E-Mail: <a href="mailto:mbaker@cscdccaa.org">mbaker@cscdccaa.org</a> Web: <a href="http://www.cscdccaa.org">www.cscdccaa.org</a>	Crawford Sebastian
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<b>CSO</b>	<b>Leslie Barnes, Executive Director</b> Community Services Office, Inc. Post Office Box 1175 600 West Grand Ave. Hot Springs, Arkansas 71901 Telephone: (501) 624-5724 FAX: (501) 624-1645 Cell: (901) 389-0162 E-Mail: <a href="mailto:exectivedirector@csoarkansas.org">exectivedirector@csoarkansas.org</a>	Garland
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<b>EOAWC</b>	<b>Michael Lanier, Executive Director</b> Economic Opportunity Agency of Washington Co., Inc. 614 East Emma Avenue, Suite M401 Springdale, Arkansas 72764 Telephone: (479) 872-7479 FAX: (479) 872-7482 E-Mail: <a href="mailto:mlanier@eoawc.org">mlanier@eoawc.org</a> Web: <a href="http://www.eoawc.org">www.eoawc.org</a>	Washington
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<b>MCAEOC</b>	<b>Priscilla Johnson, Interim Executive Director</b> Mississippi County, Arkansas Economic Opportunity Commission, Inc. Post Office Box Drawer 1289 1400 North Division Street Blytheville, Arkansas 72342 Telephone: (870) 776-1054 Ext: 22 E-Mail: <a href="mailto:cilla.johnson@sbcglobal.com">cilla.johnson@sbcglobal.com</a>	Mississippi
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<b>M-DCS</b>	<b>Bobbie Salter, Executive Director</b> Mid-Delta Community Services, Inc. Post Office Drawer 745 Helena, Arkansas 72342 Telephone: (870) 338-6406 FAX: (870) 338-3629 E-Mail: <a href="mailto:bsalter@m-dcs.com">bsalter@m-dcs.com</a>	Lee Monroe Phillips Prairie
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<b>NADC</b>	<b>Charlie Morris, Executive Director</b> Northcentral Arkansas Development Council, Inc. Post Office Box 3349 550 9 <sup>th</sup> Street Batesville, Arkansas 72503 Telephone: (870) 793-5765 FAX: (870) 793-2167 E-Mail: <a href="mailto:cmorris@nadcinc.org">cmorris@nadcinc.org</a>	Fulton Independence Izard Sharp Stone
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<b>OHC</b>	<b>Susan Moore, Executive Director</b> Office of Human Concern, Inc. Post Office Box 778 506 East Spruce Street Rogers, AR 72757 Telephone: (479) 636-7301 FAX: (479) 636-7312 E-Mail: <a href="mailto:smoore@eohc.org">smoore@eohc.org</a>	Benton Carroll Madison
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<b>OOI</b>	<b>Richard T. Atkinson, Executive Director</b> Ozark Opportunities, Inc. Post Office Box 1400 701 East Prospect Avenue Harrison, Arkansas 72601 Telephone: (870) 741-9406 FAX: (870) 741-0924 E-Mail: <a href="mailto:rtatkinson@ozarkopp.org">rtatkinson@ozarkopp.org</a>	Baxter Boone Marion Newton Searcy Van Buren
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**Note:**                      **Physical Address Zip Code is 72601**  
                                 **P.O. Box Address Zip Code is 72602**

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<b>PB-JCEOC</b>	<b>Anthony Powell, Interim Executive Director</b> Opportunities Commission, Inc., Post Office Box 7228 817 So. Cherry Pine Bluff, Arkansas 71611 Telephone: (870) 536-0046 FAX: (870) 535-7558 E-Mail: <a href="mailto:apowell@pbjceoc.com">apowell@pbjceoc.com</a>	Arkansas Cleveland Grant Jefferson Lincoln
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<b>SEACAC</b>	<b>Alethea Dallas, Interim Executive Director</b> Southeast Arkansas Community Action Corp. Post Office Box 312 1208 North Myrtle Street Warren, Arkansas 71671 Telephone: (870) 226-2668 FAX: (870) 226-5637 E-Mail: <a href="mailto:adallas@seacac.com">adallas@seacac.com</a>	Ashley Bradley Chicot Desha Drew
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<b>SWADC</b>	<b>James McPhaul, Executive Director</b> Southwest Arkansas Development Council, Inc. 3902 Sanderson Lane Texarkana, Arkansas 71854 Telephone: (870) 773-5504 FAX: (870) 772-2974 E-Mail: <a href="mailto:jimMcPhaul@SWADC.org">jimMcPhaul@SWADC.org</a>	Hempstead Howard Lafayette Little River Miller Nevada Sevier
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## Section 6: Organizational Standards for Eligible Entities

## **Organizational Standards for CSBG Eligible Entities – Background**

In 2012, OCS funded a cooperative agreement for the CSBG Organizational Standards Center of Excellence (COE). The two-year cooperative agreement coordinated – with input from local, State, and national partners – the development and dissemination of a set of organizational standards for eligible entities for the purpose of ensuring that all CSBG eligible entities have the capacity to provide high-quality services to low-income individuals and communities.

To begin the project, the COE expanded an existing CSBG Working Group from its original 20 members to over 50 individuals. The expanded working group included a balanced representation from eligible entities, State CSBG Lead Agencies, Community Action State Associations, national partners, technical assistance providers, and external content experts.

The working group's first task was a thorough environmental scan and analysis of existing organizational oversight tools and resources, internal and external to the CSBG Network. The group found that while there are many similarities across States in how State CSBG Lead Agencies monitor eligible entities, substantial differences also exist.

The project continued through a nine-month development process that provided numerous opportunities for input by the CSBG Network, including financial and legal experts, on draft organizational standards. All together, the network invested over 3,500 documented hours in Working Group and committee meetings and in national and regional listening sessions. The final phase included a pilot that engaged a subset of State CSBG Lead Agencies and eligible entities in a field test of draft organizational standards and tools.

In March, 2014, OCS published a draft information memorandum with the draft organizational standards. OCS received 29 sets of comments (approximately 160 individual comments) from a broad range of individuals and organizations, including six CAAs; 12 states; five state associations; and six national organizations and individuals, and integrated all of this feedback into the final set of organizational standards.

The final result of the COE and OCS efforts is a comprehensive set of organizational standards developed *by* the CSBG Network *for* the CSBG Network. The CSBG Network is to be commended for its commitment to ongoing performance improvement and strengthening accountability.

## **The COE-developed Organizational Standards**

The COE-developed standards are organized in three thematic groups comprising nine categories and totals of 58 standards for private, nonprofit eligible entities and 50 for public entities.

1. Maximum Feasible Participation
  - Consumer Input and Involvement
  - Community Engagement
  - Community Assessment

2. Vision and Direction
  - Organizational Leadership
  - Board Governance
  - Strategic Planning

3. Operations and Accountability
  - Human Resource Management
  - Financial Operations and Oversight
  - Data and Analysis

In order to be widely applicable across the CSBG Network, the standards are defined differently for private and public eligible entities. The complete description and list of private and public organizational standards are attached as Appendices 2 and 3, respectively.

All of the COE-developed organizational standards work together to characterize an effective and healthy organization. Some of the standards have direct links to the CSBG Act, such as the standards on the tripartite board structure and the democratic selection process. Some standards link with U.S. Office of Management and Budget (OMB) guidance, such as the standards on audits. As a whole, the standards reflect many of the requirements of the CSBG Act, applicable Federal laws and regulations, good management practices, and the values of Community Action. The purpose of the organizational standards is to ensure that all eligible entities have appropriate organizational capacity, not only in the critical financial and administrative areas important to all nonprofit and public human service agencies, but also in areas of unique importance for CSBG-funded eligible entities. To fulfill the promise of the standards, States must provide consistent and high-quality oversight and technical assistance related to organizational standards. In addition, based on information about organizational capacity, States must work with the eligible entities to make informed programmatic decisions about how the agencies can best meet the needs of local low-income families and communities.

## State Oversight

Section 678B of the CSBG Act (42 U.S.C. § 9914) requires State CSBG Lead Agencies to establish “performance goals, administrative standards, financial management requirements, and other requirements” that ensure an appropriate level of accountability and quality among the State’s eligible entities. The purpose of States using the organizational standards is to ensure each eligible entity has appropriate organizational capacity to fulfill the purposes of the CSBG Act. As noted below, States have discretion to determine how organizational standards will be implemented as part of their overall oversight strategy.

### *Assessment of Standards*

Once the expectations for organizational standards are established and communicated to the eligible entities across a State, the State CSBG Lead Agency is responsible for assessing the status of standards among all of the eligible entities annually and for reporting to OCS on the standards in the CSBG Annual Report. States may design an approach for assessing organizational standards that fits within the oversight framework in their State. Many States may integrate standards assessment into their regular CSBG monitoring procedures, while other States may choose different oversight approaches, such as peer-review, assessment by a consultant or third party, or self-assessment. Some States may also choose a hybrid approach involving two or more strategies. Regardless of the approach, States must ensure the assessment of standards is independently verified by the State or a third party.

For example, a State on a triennial monitoring cycle may decide to assess the standards as part of their full onsite financial, administrative, and programmatic monitoring protocol. In the years between monitoring visits, the State may require entities to do self-assessments that are independently verified by a third party. In another example, a State may develop a process that includes peer review assessment that is then verified annually during regular State monitoring visits or a State desk review process.

States are responsible for ensuring that the eligible entities meet all State-established organizational standards. Some standards (i.e., strategic planning, developing an agency-wide budget, etc.) may take several years for eligible entities to meet, but every entity must make steady progress toward the goal of meeting all standards.

### *Corrective Action*

During the assessment process, if a State finds an eligible entity is not meeting a standard or set of standards, the State’s response will depend on the circumstances. In cases where the eligible entity may be able to meet the standard in a reasonable time frame contingent on some targeted technical assistance, the State and entity may develop a technical assistance plan to target training and technical assistance resources and outline a time frame for the entity to meet the standard(s). If appropriate in other situations, the State may initiate action in accordance with section 678C of the CSBG Act (42 U.S.C. § 9915), including the establishment of a Quality Improvement Plan (QIP) with clear timelines and benchmarks for progress.



## Section 7: State Use of Funds

## State Use of Funds

The State of Arkansas is required to make available to eligible entities a, no less than 90 percent of the funds received through the Community Services Block Grant to accomplish the goals set forth in the programmatic assurances. No more than 5 percent may be utilized for administrative costs.

The State Lead Agency is required to make available to eligible entities, no less than 90 percent of the funds received through the Community Services Block Grant to accomplish the goals set forth in the programmatic assurances. No more than 5 percent may be utilized for administrative costs.

90% Eligible Entity - Funds appropriated for the purpose of the Community Services Block Grant shall be allocated annually to the eligible entities. Arkansas has in place a historical allocation formula that was based on poverty, population and a “hold-harmless” indicator number. The formula will stay in place for the period of FY2018.

During FY 2018, The State Lead Agency will research funding formula from other states, will identify (in accordance with CSBG IM 116) and adopt the funding formula that will best support the work of the Arkansas CSBG network. This new formula will be implemented in the year following its adoption.

5% Administrative - U.S.C. Section 675C (b)(2) states, “No State may spend more than the greater of \$55,000 , or 5 percent, of the grant received under section 675A or State allotment received under Section 675B for administrative expenses, including monitoring activities. Funds to be spent for such expenses shall be taken from the portion of the grant under section 675A or State allotment that remains after the State makes grants to eligible entities under subsection (a)”.

5% Discretionary – The remaining funds will be allocated in accordance with U.S.C. Section 675(b) (2) states, the remaining 5% of the funds can be used for a variety of CSBG-related purposes. Examples of these purposes include awarding funds to CSBG-network organizations to provide training and technical assistance to CAAs and awarding funds on a competitive basis to organizations conducting community economic development activities, rural community development activities, case management, fatherhood initiatives, disaster relief and neighborhood innovation projects. Arkansas will also use these funds to provide for the identification, adoption, purchase and implementation of a state-wide data collection system for the eligible entities.



# **COMMUNITY SERVICES BLOCK GRANT DISCRETIONARY GRANT APPLICATION**

CSBG Discretionary Application

The Community Services Block Grant (CSBG) Program is funded by the U.S. Department of Health and Human Services and is administered by the Arkansas Department of Human Services, Division of County Operations, and Office of Community Services. Per 42 U.S.C. 106 (the CSBG Act) the Secretary of the Department of Health and Human Services received authority to make grants to the States with the intent to ameliorate the causes of poverty in communities. Under the CSBG Act, the state may utilize five (5) percent of the federal allocation as discretionary funding to support a wide range of activities and programs conducted by community action agencies or other non-profit organizations to eliminate poverty, promote self-sufficiency, and promote community revitalization. Additionally, the funds may be used to provide training and technical assistance for and support coordination and communication among community action agencies.

**Community Services Block Grant  
Discretionary Grant Application**

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**Eligible Applicants:**

Entities eligible to apply include Community Action Agencies, nonprofit organizations that serve or target individuals and families that have incomes at or below 125% of poverty, and nonprofit organizations who support and serve the Arkansas Community Action Agencies. The applicant's proposed program must display measurable outcomes which help families and individuals move toward self-sufficiency or the role that a request for technology upgrades will play in achieving those outcomes.

**Eligible Projects and Activities:**

**Eligible projects include:**

- Training and Technical Assistance Programs that provide Arkansas' Community Action Agencies with quality training, technical assistance, best practices, and tools to build capacity and strengthen the role of Community Action Agencies in the provision of anti-poverty initiatives.
- Asset Building/Volunteer Income Tax Preparation Program (local or statewide) targeting innovative programs that provide asset building services as well as expanding the awareness and utilization of the EITC and other tax credits among working families.
- Jobs Initiatives, including green jobs and other targeted employment training.
- Innovative Programs to address poverty on a community level.
- Technology upgrades to assist in achieving agency outcomes to move families and individual toward self-sufficiency.
- Educational Scholarships
- State-wide Data Collection System

**Eligible Activities include:**

- Case management
- Promotional outreach costs
- Disaster Assistance

**Funding**

Approved applicants will receive a grant award with purchase order information and grant assurances and guidelines. **Please note that these grants will be monitored the same as the regular CSBG grant awards.**

Community Services Block Grant  
Discretionary Grant Application

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## PART 1 - Applicant Information

Agency Name
Federal ID and Duns #
Agency Address
City and State
Phone #
<b>SUB-GRANTEE CONTACT INFORMATION</b>
Contact Person
Contact Address (if different from above)
City and State (if different from above)
Phone # (if different from above)
Email Address:

PART 2 - EXECUTIVE SUMMARY

In the chart below, indicate the category for which funding is being requested. On a separate sheet provide a brief, program (project) narrative describing the project and an overview of expected outcomes.

Project/Activity	Executive Summary
	<input type="checkbox"/>
	<input type="checkbox"/>
	<input type="checkbox"/>
	<input type="checkbox"/>
	<input type="checkbox"/>
	<input type="checkbox"/>
	<input type="checkbox"/>

## PART 3 – PROPOSAL INFORMATION

Keep responses for each question to 2500 words or less.

1. Describe the history and mission of your organization.
2. Describe the goals of the project and scope of work. Be specific, including identifying target population or organizations. (CAA Network, low-income youth, homeless population, etc.). Provide specific deliverables related to the project.
3. Provide project timeline with key dates for deliverables.
4. Describe how the requested grant would enhance the mission the requesting organization and the organizations' efforts to assist Arkansans to eliminate poverty, increase self-sufficiency, and promote community revitalization.
5. What key outcomes will be expected from the project? Include a narrative along with the chart(only indicate outcomes that are applicable to your request)

Project/Activity	Estimate Total # of Participants

6. Describe key partnerships and how they will support the proposed project or activity.



## PART 4 – PROPOSAL BUDGET

Please provide a budget for the requested project. Include any additional sources of income to support the project.

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### *Application Format and Submission Information*

*Please provide two (2) copies of the Discretionary Grant Application.*

*Applications should be mailed or delivered to:*

*The Arkansas Department of Human Services  
DCO/OCS*

*ATTN: Lorie Williams, Assistant Director*

*PO Box 1437, Slot S330*

*Little Rock, AR 72203-1437*

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## Section 8: State Training and Technical Assistance

## Section 9: State Linkages and Communications

## State Linkages and Coordination

The Arkansas Department of Human Services, DCO/Office of Community Services administers the CSBG grant along with the Low-Income Home Energy Assistance Program (LIHEAP). DHS/DCO/OCS also administers the State's Emergency Solutions Grant. The DCO/Office of Community Services is in contact with regional Head Start Offices and share information during the monitoring process. DCO/Office of Community Services plans to become involved in improving coordination between CSBG and WIOA programs to provide better services to the eligible entity clients.

CSBG Law requires CSBG eligible entities to coordinate funds at the local level. The annual community action plan has to describe how the entities coordination efforts with city, county, schools, non-profits, and other organizations. Eligible entities coordinate services and work to avoid duplication of services with other providers. The eligible entities also participate in local social service and homeless coalitions whose goal is to coordinate services.

## Section 10: Monitoring, Corrective Action, and Fiscal Controls

# Arkansas Community Services Block Grant Policy and Procedures Manual

## **Monitoring**

### **Desk and Field Reviews**

The CSBG Act SEC. 678B

In order to determine whether eligible entities meet the performance goals, administrative standards, financial management requirements, and other requirements of a State, the State shall conduct the following reviews of eligible entities:

- ❖ A full onsite review of each such entity at least once during each three-year period.
- ❖ An onsite review of each newly designated entity immediately after the completion of the first year in which such entity receives funds through the CSBG.

The State Lead Agency will, at a minimum, conduct an on-site review of each eligible entity at least once annually.

Reviews may be conducted as a combination of desk reviews and field reviews, and may be specialized or general in nature.

Entities will be notified in writing with a letter to the Executive Director. The timing of the notification, and areas to be reviewed, will be in accordance with the policies of the Community Services Block Grant.

Both an entrance and an exit conference will be conducted for onsite reviews with the executive director and other designated staff.

The monitoring process will address prior review findings, agency eligibility, governance, planning process, fiscal, audit reports, program administration, personnel, ROMA implementation, data collection, and reported performance.

Monitoring may include, but is not limited to a review of:

- ❖ Program policies and procedures.
- ❖ Income guidelines and verification procedures.
- ❖ Intake forms and procedures.
- ❖ Program work plans and activities.
- ❖ CSBG administrative files.
- ❖ Personnel policies, files and job descriptions.
- ❖ Inventory and procurement procedures.
- ❖ Cooperative agreements and contracts, including consultant contracts.
- ❖ Organizational structure and lines of authority.
- ❖ Board member files, bylaws and meeting documentation.
- ❖ Adherence to Federal and State guidelines and requirements.
- ❖ Fiscal policies and practices.
- ❖ Service activity reports, data tracking and reporting systems and supporting documentation.
- ❖ Compliance with the CSBG Organizational Standards

# Arkansas Community Services Block Grant Policy and Procedures Manual

Monitoring may also include:

- ❖ Interviews with program staff regarding program operations and job functions.
- ❖ Interviews with administrative and fiscal staff.
- ❖ Interviews with members of the governing/administering board.

A letter will be issued to the executive director, by the State Lead Agency stating the results of the review. It will include comments on all areas reviewed and detail any concerns and/or findings.

All findings will cite the law, rule, regulation or policy for which noncompliance has been determined.

The letter will set a deadline for a response to the concerns/findings in accordance with the division/program policies utilized for the review.

Responses must include appropriate documentation.

After receipt and review of responses by the State Lead Agency, if findings are not resolved, then corrective actions will be determined in accordance with CSBG regulations.

On a monthly basis, CSBG program monitors will perform a desk audit of each agency.

This review consists of examining budgets and expenditure reports, quarterly ROMA reports, board rosters and board meeting minutes.

An on-site review of a newly designated entity will be conducted immediately after the completion of the first six months in which such entity receives funds through the CSBG program.

A subsequent visit will be conducted at the end of the first twelve months of operation.

Additional on-site reviews will be conducted when specific concerns are identified that require attention beyond the Corrective Action Plan.

## **Monitoring Corrective Action Plan**

In those instances when findings cannot be resolved through additional information or supporting documentation, a corrective action plan must be implemented in a manner that is consistent and fair.

Resolution of minor, first time findings, shall be through certification from the board chairman and executive director stating that the correction was made through whatever means that were used. The certification should also state that the finding will not reoccur because of the actions taken to preclude it.

# Arkansas Community Services Block Grant Policy and Procedures Manual

If requested, the State Lead Agency will provide technical assistance to the entity so as to address any weakness the agency has identified as needing clarification or training. Requests for technical assistance should be made in writing.

## **Actions (Items) that require additional monitoring**

The State Lead Agency may perform additional on-site monitoring and/or technical assistance if determined appropriate based on prior monitoring, that the eligible entity is not financially stable, has a management system which does not meet management standards, or has not conformed to terms and conditions of previous awards.

Examples of indicators that may lead to additional monitoring or technical assistance include but are not limited to:

- ❖ Entity is unresponsive to and noncompliant with requests and requirements to correct compliance findings.
- ❖ Management systems do not contain data driven strategic plans and work plans.
- ❖ The entity's adherence to its approved operating documents (including bylaws, personnel policy and fiscal policy) is inconsistent.
- ❖ Record keeping related to board and committee activity is not systematic. The corporate record is, as a result, incomplete.
- ❖ Abrupt departure of the executive director and/or the fiscal officer.
- ❖ The audit conducted in accordance with the requirements of the applicable OMB Circular contains one or more significant findings relevant to the entity's capacity to successfully administer its programs.
- ❖ Failure without cause to meet performance targets defined within the entity's approved Community Action Plan.
- ❖ CSBG percent of revenue exceeds one-third of the entity's total revenue.
- ❖ Entity lacks connection and a demonstrated commitment to the broader community action network.

Eligible entities will be notified in writing as to the specific findings or deficiencies and shall be required to remedy the situation within a specific timeline or to develop and implement a technical assistance plan and/or quality improvement plan.

Technical assistance and training will be provided by the State Lead Agency with the goal of preventing any reoccurrences.

The designation will remain in place for a specified time and will not be removed until a follow-up review, conducted by the State Lead Agency, clearly indicates that all weaknesses that resulted in the designation have been corrected.

Information Memorandum 116 (<http://www.acf.hhs.gov/programs/ocs/resource/no-116-corrective-action-termination-or-reduction-of-funding>) and revisions thereto will guide the designation and de-designation of CSBG-eligible entities.



## Section 11: Eligible Entity Tripartite Board

# **Policies of Governing Boards**

## **Legislative Mandate**

CSBG Act (42 U.S.C. 9901 et seq.) as amended in 1998, requires the State Lead Agency to provide assurance that each community action agency or non-profit organization administering the Community Services Block Grant Program have a tripartite board which will be constituted as follows:

- (A) One-third of the members of the board are elected public officials, currently holding office, or their representatives, except if the number of elected officials reasonably available and willing to serve is less than one-third of the membership of the board, membership on the board of appointed public officials may be counted in meeting such one-third requirement;
- (B) At least one-third of the members are persons chosen in accordance with democratic selection procedures adequate to assure that they are representative of the low income in the area served; and
- (C) The remainder of the members is composed of representatives of business, industry, labor, religious, welfare, education, or other major groups and interests in the community. Strict adherence to these requirements is necessary to be eligible for receipt of Community Services Block Grant funding and for continued designation as an eligible entity.

The bylaws of the organization must set forth the process and procedures for compliance with the Federal and State statutory mandates for the composition of the board of directors. A copy of the bylaws must be on file with the Arkansas Department of Human Services, Division of County Operations, and Office of Community Services. The eligible entities are required to comply with the process and procedures set forth in its bylaws.

These guidelines are provided to assist the agency in developing the process and procedures for compliance with boards of directors.

## **Board Composition**

A "Community Action Agency" board of directors shall have not less than 15 members and not more than 51 members. The board composition shall be as follows (CSBG Information Memorandum 82):

- a) Elected public officials currently holding office, or their properly designated representatives, must comprise one-third of the board. Appointed public officials may be counted in meeting this one-third requirement only if the number of elected officials reasonably available and willing to serve is less than one-third of the membership of the board.
- b) The persons chosen to represent the low-income population must comprise at least one-third of the board; and
- c) Representatives of business, industry, labor, religious, welfare or other private groups and interests shall comprise the remainder of the board.

**Where the administering agency serves more than one county, the composition of the board shall include representatives of all counties served.**

## **Residence Requirements**

Each member of the board selected to represent a specific geographic area within the community must reside in the area which he/she represents.

### **Conflict of Interest**

A person who serves on the board as an officer or an employee of an organization that wants to perform a component of the work program funded by the Community Services Block Grant must publicly disclose the intent to bid for the component. They must also recuse themselves from all discussion and any selection determinations regarding award of the component. Generally, public officials serving on the agency's boards will not be in conflict if the agency should contract with his/her jurisdiction to perform a component to the work program funded by CSBG. In most cases, a person may not serve on the board if an immediate family member is employed by the agency. An immediate family member is defined as mother; father, brother, sister, brother-in-law, sister-in-law, or spouse.

### **Limitations on Board Service**

Public officials serve as long as the public official is currently holding office. Representatives of the low-income and of the private sector may serve as required by the corporation bylaws. "In the absence of a provision fixing the term of office, the term of office of a director shall be one year."

No board member may serve more than ten years at any one community action agency. Public officials or their representatives, serve 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.

### **Governing Power of the Board of Directors**

The board members or governing board acting as one has the legal powers and responsibilities granted under its state charter as the board of directors of a private, not-for-profit corporation. For example, the board must have the power to enter into legally binding agreements with any Federal, State or local agency or with any private funding organization for the purpose of operating programs or providing services to low-income recipients.

### **Bylaws Requirements**

In accordance with CSBG Information Memorandum 82 the eligible entities Bylaws must address at least the following:

1. **Composition of the Board:** The bylaws shall set the number of seats on the board and the allotment of seats to public officials, representatives of the low income and representatives of the private sector.
2. **Selection Procedures:** The bylaws shall include procedures for selecting all sectors of the board.
  - a. **Public Officials-** The bylaws of the board may authorize each public official serving on such board to appoint a representative who will then serve as the board member. These representatives need not be public officials themselves, but they shall have full authority to act on behalf of the public officials whom they represent at meetings of the board regarding the business of the board.
  - b. **Low-Income-** Representatives of the low-income population shall be selected/ elected in accordance with democratic selection procedures adequate to assure representation of low-income persons residing in the area served.

Representatives of the low-income population may be democratically selected either to represent a specific area or community served by the agency, or at large to represent the entire area served by the agency. The following democratic selection procedures may be used, either separately or in combination:

    - i. Nominations and elections, either within the community, specific areas, or the entire area served by the agency;
    - ii. Election at a meeting or conference of low-income persons where date, time and place have been adequately publicized;
    - iii. Selection/election of representatives of a community-wide board by members of a neighborhood organization who are themselves selected by a low-income neighborhood of area residents;

- iv. Democratic selection of representatives by existing organizations designated by the board whose membership is predominantly composed of low-income persons or their representatives. This is not meant to limit the variety of selection procedures which may be used. Any democratic selection procedure which assures adequate representation of the low-income where date, time and place have been adequately publicized in advance of the selection is acceptable.

The entity will have these procedures documented in its bylaws or in a separate board approved document that must accompany the bylaws.

The defined boundaries for the democratic selection of representatives of low income will be maintained in documented form in the entities files for review by the State Lead Agency.

Low income representatives are truly representative of *current* residents of the geographic area to be served, including racial and ethnic composition, as determined by periodic selection or reselection by the community. Being *current* should be based on the recent or annual demographics changes as documented in the needs/ community assessment. This does not preclude extended service of low-income community representatives on boards, but does suggest that continued board participation of longer term members be revalidated from and kept current through some form of democratic process and the assessment of community changes.

Agencies must maintain documentation of the selection/election process.

- c. **Private Sector-** Private sector members shall be selected in such a manner as to assure that the board will benefit from broad community involvement. Such representation shall come from members of business, social service agencies, industry, labor, religious and educational institutions or other major groups or constituencies of the low-income population concerned with specific problems of the community. Once an organization is selected, it shall nominate its own representative on the board in accordance with the bylaws. Each representative shall be empowered to speak and act on behalf of the organization which he/she represents regarding the business of the board.
3. **Petition by Other Groups for Adequate Representation on the Board:** The community action agencies shall establish and include in their bylaws procedures allowing community agencies and representative groups of the low income who feel themselves inadequately represented on the board to petition for adequate representation. The bylaws shall specify in these procedures the channel of communication to be used, the number of signatures required for a valid petition and the action required of the board in response to a petition for more adequate representation. The board bylaws shall include provisions for adjusting its composition in cases where a petition is granted, in order to maintain the proper percentage of public officials and of representatives of the low income.
4. **Removal of a Board Member:** The bylaws must include a description of the grounds for removal of a board member and the procedures to be followed for removing that member.
5. **Alternates:** The Arkansas Non-profit Corporation does not address the use of alternates to represent board members in their absence; therefore, alternates are prohibited.
6. **Vacancies:** A vacancy on the board exists when: (1) a member has been notified of his/her official removal by action of the board for cause; (2) a member notifies the board of his/her resignation; (3) a member dies; or (4) a public official leaves office. When the seat of a public official is vacant, the board shall ask the designating officials to select another public official to fill the seat. When the seat of a representative of a private sector is vacant, the board shall ask that organization to name another representative to finish out the term. When the seat of a representative of the low income is vacant, the board may include in its bylaws either of two options: (1) it may repeat the democratic selection procedures; or (2) it may allow the remaining representatives of the low-income population to select a person to finish out the term, with the condition that the person selected represents the same constituency as the original representative.

7. **The board must fill all vacancies within 90 days after the vacancy occurs.**
8. **Quorum:** A quorum for a meeting of the board shall be over fifty (50) percent of the board total as established in the agency's bylaws.
9. **Schedule and Notice of Meeting:**
  1. The board shall have not less than four (4) regular meetings per program year with a quorum. The annual meeting may count as one of these meetings. The schedule shall be defined in the agency's bylaws.
  2. The board shall provide notice of the agenda in writing to all of its members for any meeting as specified in its bylaws.
  3. All board of directors' meetings shall be posted in places in the community frequented by the public to ensure the public is informed of the time and date of each meeting in accordance with the Arkansas Open Meetings Act. If a preliminary agenda is not available, the posted notice shall include a general description of the nature and purpose of the meeting." Agencies should identify in the posted notices whether the meeting to be conducted is a full board or committee meeting.
10. **Minutes:** The agency shall maintain a roster of attendance and written minutes for board and committee meetings including a record of votes on all motions. The members making and seconding motions must be identified in the minutes. If motions are not unanimous, there must be a record of each member's vote. A record of attendance or sign-in sheet must be maintained along with the minutes  
A signed copy of the minutes, roster of attendance, and any written material distributed at the meeting must be submitted to the State Lead Agency within 30 days after the next meeting has occurred and the minutes have been approved by the board.
11. **Committees on the Board:** The board may establish any committee it considers necessary for conducting its business. The composition of these committees shall fully reflect the composition of the full board. Public notices and quorums for committee meetings are required to be the same as those for full board meetings. Notices are in accordance with The Arkansas Open Meetings Act and a quorum is over fifty (50) percent of the established membership of the committee.
12. **Compensation:** Regular compensation to members for their services on the board is not permitted. However, travel reimbursement to all members of the board for expenses to attend the meetings is permitted. Reimbursement for a meal is allowed if no meal is provided during the board meeting.
13. **Officials of the Board:** Define the responsibilities of the officers of the board, e.g., the chairperson, vice chairperson, secretary, and treasurer.
14. **Evaluation of Executive Director:** Define the responsibility and authority of the board in regard to the hiring and firing of the Executive Director, and the responsibility of the performance of the Executive Director. All timesheets and travel requests for the Executive Director must be approved and signed by the Board Chair or his/her designee.

## Section 12: Individual and Community Eligibility Requirements

#### **D. Income Eligibility**

To be eligible for CSBG services or benefits, clients must be at or below 125% of the federal poverty line as determined by the federal Office of Management and Budget (OMB) based on the most recent federal Census data and as revised annually by the U.S. Department of Health and Human Services. The guidelines are calculated on a sliding scale based on the number of persons in a client's family. To calculate 125% of the federal poverty line, use the amount stated in the poverty guidelines relating to the number of persons in the client's household and multiply that number by 1.25.

The community action agencies may adopt its own written procedures for determining client eligibility for CSBG services. These procedures may, based on the eligible entity's community needs assessment, give priority to certain populations within the applicable income limit such as: people with disabilities; people who are homeless; the elderly; people who are unemployed; and people with children under age 18.

The State Lead Agency recognizes that neither the HHS poverty guidelines, the federal CSBG Act, nor applicable HHS regulations define the term "family." Following are two examples of how the term family might be defined. Other reasonable definitions are also acceptable.

The income of all members of each family unit must be included in determining the income eligibility. A family unit may be either: (1) related individuals; or (2) an unrelated individual.

The term "related individuals" means two or more persons related by birth, marriage, and/or adoption who reside together.

The term "unrelated individual" means an individual who is not an inmate of an institution: (1) who resides alone or (2) who resides with one or more persons who are not related to him/her by birth, marriage, and/or adoption. (Examples of unrelated individuals residing with others include a lodger, a foster child, a ward, or an employee.)

If a household includes more than one family unit, the poverty guidelines shall be applied separately to each family unit, and not to the household as a whole.

For purposes of determining income eligibility, the term "persons in family" in the HHS poverty guidelines means persons in a household. A household includes any individual or group of individuals who are living together as one economic unit. The income of each individual in the household who is 18 years old or older must be included in determining income eligibility. In determining whether an individual is part of a household, the eligible entity may consider factors such as whether the individual pays for his/her own food and occupancy.

Neither the HHS poverty guidelines nor the federal CSBG Act nor applicable HHS regulations define the term "income." Following is one example of how the term income might be defined. Other reasonable definitions are also acceptable.

Income includes total annual cash receipts before taxes from all sources, with the exceptions noted below.

Specifically, income includes:

- Wages and salaries before any deductions;
- Net receipts from nonfarm self-employment (receipts from a person's own unincorporated business, professional enterprise, or partnership, after deductions for business expenses);
- Net receipts from farm self-employment (receipts from a farm which one operates as an owner, renter, or sharecropper, after deductions for farm operating expenses);
- Regular payments from Social Security, railroad retirement, unemployment compensation, strike benefits from union funds, workers' compensation, veterans' payments, public assistance (including Temporary Assistance for Needy Families, Supplemental Security Income, and non-federally-funded General Assistance or General Relief money payments), and training stipends;
- Alimony, child support, and military family allotments or other regular support from an absent family member or someone not living in the household;
- Private pensions, government employee pensions (including military retirement pay) and regular insurance or annuity payments;
- College or university scholarships, grants, fellowships, and assistantships;
- Dividends, interest, net rental income, net royalties;
- Periodic receipts from estates or trusts, and
- Net gambling or lottery winnings.

Income does not include:

- Tax refunds;
- Assets drawn down as withdrawals from a bank or the sale of property (such as a house or a car);
- Capital gains;
- Gifts, loans, lump-sum inheritances, one-time insurance payments, or compensation for injury;
- Employer-paid or union-paid portion of health insurance or other employee fringe benefits;
- Food or housing received in lieu of wages;
- Federal or state noncash benefit programs as Medicare, Medicaid, food stamps, school lunches, and housing assistance; or
- Payments required under federal or state law to be excluded from the definition of income for calculating eligibility for federal or state public benefit programs, such as cost reimbursements under the federal Foster Grandparent program (see 45 C.F.R. § 2552.47).



Neither the HHS poverty guidelines, the federal CSBG Act, nor applicable HHS regulations specify the period to be used when determining a client's income. For the purpose of consistency, the State Lead Agency recommends the following methods:

- The period for determining the annual income must not be more than 12 months nor less than 90 days preceding the request for assistance.
- Total monthly or annualized gross household income should be used to determine eligibility. The monthly income should be calculated for the 30-day period preceding and including the date of application.

There is no prescribed look-back period for income assessment. Depending on an individual client's circumstances and the documentation available, it may be reasonable to calculate client income based upon the household's gross income in the past 30 days (multiplied by 12) or based upon a review of the past year. (For example, if a client has become unemployed or was the victim of domestic violence and has left the abusive household within the past year, it may be inaccurate to use the data of the past year to assess income, and the use of a shorter period of time—perhaps several months—may be a more appropriate and accurate assessment of the client's income. In addition, case-by-case circumstances such as seasonal employment or an isolated and temporary spike or decline in earnings may require an eligible entity to exercise reasonable discretion to determine on a case-by-case basis the most appropriate time period to review to most appropriately and accurately assess income). It is recommended that no time period shorter than the past 30 days or longer than the past year should be used, however. In exercising this reasonable discretion, the eligible entity's goal in each case should be to most accurately determine a client's actual financial position at the time of assessment.

Neither the CSBG Act nor applicable HHS regulations specify how often a client's income should be re-determined. Following is one example of a possible re-determination policy:

After initial determination, the income level of a client receiving ongoing services should be re-determined at least annually, and should be reviewed any time the eligible entity becomes aware of a significant income changing event or circumstance. An eligible entity retains the right to review a client's income level at any time while the client is receiving CSBG-funded benefits/services for the purpose of determining continued program eligibility.

Neither the CSBG Act nor applicable HHS regulations specify the type of income documentation that eligible entities should review in determining an applicant's income eligibility. Following are two possible examples of documentation an eligible entity could review in determining a client's income:

Applicants must provide documentation of their household's source(s) of income. Some examples of acceptable documentation include: pay stubs; a current tax return; IRS Form W-2 and/or 1099; a letter from an employer; a Social Security check or benefits statement; retirement income statement; unemployment insurance benefit statement; child-support payments documentation (copies of checks, history of payments or court papers); or self-employed accounting records. Documentation of current participation in public benefits programs with income eligibility standards at or below 125% of the HHS federal poverty guidelines may also be used.

Applicants who claim no household income must sign a form attesting to that fact and to the accuracy of the information provided to the eligible entity. This form must also be signed by a staff member indicating that the staff member has, in good faith, attempted to verify this condition, and that the information on eligibility in the file is accurate to the best of the staff member's knowledge.

Before an applicant is determined to be eligible on the basis of family income, the applicant must submit information to the program concerning the family's income. Verification must include examination of documents such as individual income tax forms, W-2 forms, pay stubs, pay envelopes, or written statements from employers (if individual income tax forms, W-2 forms, pay stubs, or pay envelopes are not available).

When appropriate, in cases in which no documentation regarding the income eligibility of the applicant has been received by the eligible entity, or when it is either more efficient or reliable to do so rather than to search for eligibility documentation, eligible entities may seek information from third parties who have first-hand knowledge about the applicant's eligibility, and document each such third party's name, title, organizational affiliation (if any) and relationship to the applicant in the applicant's record. Eligible entities also may seek third party information in cases where documents are not submitted to prove a claim that an applicant has no income.

If eligible entities plan to seek third party verification from one or more parties regarding an applicant's eligibility, staff must inform the applicant about each party that they intend to contact. In addition, the applicant must sign a consent form permitting the eligible entity to contact specified third parties; this provides applicants the opportunity to withhold their consent for third party verification from one or **more** parties. An applicant must be given the opportunity to withhold consent related to each party the eligible entity would like to contact. If applicants do not sign the consent form, the eligible entity may not contact that party and the applicant remains responsible for providing appropriate documentation.

Neither the CSBG Act nor applicable HHS regulations specify the records an eligible entity should keep regarding the determination of an applicant's eligibility for CSBG benefits/services. At a minimum, an eligible entity should retain documentation sufficient to demonstrate that, where an individualized determination of income was required, staff screened applicants for income eligibility. Following are two possible examples of the records that could be kept to document the fact that an eligible entity reviewed a client's income and determined the client to be eligible for CSBG services/benefits:

An eligible entity maintains a statement that identifies which documents staff examined and states that the applicant is eligible for CSBG services/benefits. The statement is signed by an employee who reviewed the documentation and determined the applicant to be eligible for CSBG services/benefits.

Where an applicant claims no household income, the eligible entity maintains the form attesting to that fact signed by the applicant and the staff member who attempted to verify the applicant's household income.

An eligible entity keeps an eligibility determination record for each applicant for CSBG services/benefits, which includes:

1. Copies of all documents submitted by the applicant relating to the applicant's eligibility for services and any staff member's notes recording any other information related to eligibility received from any source;
2. A signed and dated statement by the applicant certifying that the documents and information that the applicant provided concerning eligibility are accurate to the best of the applicant's knowledge;
3. Documentation establishing that a staff member has sought to verify the accuracy of the information on eligibility provided to the eligible entity by:
  - (a) Conducting an in-person interview with the applicant; and
  - (b) Seeking information from third parties who have first-hand knowledge about the applicant's eligibility in cases in which no documentation regarding the income eligibility of the applicant has been received by the eligible entity, or when it is either more efficient or reliable to do so rather than to search for eligibility documentation. The record should include the names, titles, and affiliations of the third parties, and the applicant's signed consent form permitting the program to contact each particular third party; and
  - (c) A signed and dated statement by the staff person who made the eligibility determination certifying that the information on eligibility in the file is accurate to the best of the person's knowledge, and based on that information, the person has determined the applicant to be eligible for services.

There are certain circumstances where individualized determination of income eligibility may not be required.

- Services are provided on a group, rather than individual, basis and circumstances indicate that those benefiting are likely to meet the CSBG income eligibility requirements. For example, a financial literacy class provided to parents of children in the eligible entity's Head Start program, or a job skills class provided to residents of a homeless shelter.
- Services are provided on an individual basis but circumstances make it impossible or impracticable to obtain income documentation and indicate that those benefiting are likely to meet the CSBG income eligibility requirements and/or that the services facilitate linkages and coordination of services to low-income people in the community. For example, a community resource hotline that provides referrals to local health and human services providers; general information and referrals regarding benefits and services available to low-income people in the community; and disaster response and relief (such as emergency shelters or provision of food and clothing during or immediately following a disaster).
- Services are intended to increase community awareness of or involvement in poverty issues. For example, an eligible entity sponsors a community forum on improving health care access for low-income people, convenes a meeting of organizations in the community serving homeless clients to discuss coordinating service delivery, or holds an open house to publicize the availability of its programs to members of the low-income community.

When CSBG funds are used to support another program that does not have eligibility requirements, that has higher income eligibility requirements than the CSBG program, or that does not limit services to the CAA's CSBG service area, clients should be screened for CSBG eligibility and identified as CSBG-eligible or not CSBG-eligible.

The eligible entity should have a reasonable, documented basis for allocating the program costs between CSBG and the other funding source(s) based on the relative benefit each funding source receives. This can be done, for example, by demonstrating that either:

- the proportion of program clients who are CSBG-eligible is equal to or greater than the proportion of program costs paid with CSBG funds (e.g., if 70% of program costs are paid from CSBG funds and 30% are paid from another source, at least 70% of the clients served must meet CSBG eligibility requirements); or
- the proportion of program staff time devoted to serving CSBG-eligible clients is equal to or greater than the proportion of program costs paid with CSBG funds (e.g., if 70% of program costs are paid from CSBG funds and 30% are paid from another source, at least 70% of staff time must be allocated to serving CSBG-eligible clients).

An eligible entity must require documentation that applicants for CSBG services/benefits live in the eligible entity's CSBG service area.

Applicants provide documentation of their current residential address. Examples of acceptable documentation include: copy of utility bill; lease or rental agreement; receipt from landlord of rent received; copy of mortgage statement; written statement from landlord affirming residency; or a letter from homeless shelter. Applicants who live with someone else and do not receive mail at that address may provide a signed, notarized letter from that person and documentation of that person's current residential address.

Self-certification is permitted in the case of applicants who are homeless and have no current residential address.

Other than people who do not meet the CSBG income eligibility requirements, no one is categorically ineligible for CSBG services.

Staff, Board Members and Members of their Families: There is no prohibition against an eligible entity providing CSBG-funded services/benefits to members of its tripartite board, its staff or members of their families who apply for those services/benefits, provided that:

- (1) the applicant meets all applicable eligibility criteria for the services/benefits;
- (2) the applicant does not receive preferential treatment in receiving the services/benefits due to his or her connection with the eligible entity; and
- (3) the services/benefits are provided on terms similar to those provided to individuals who are not so connected to the entity.

Neither the applicant nor a member of his/her family should make the determination of whether the applicant is eligible for the CSBG-funded services/benefits.

Non-Citizens: OCS Information Memorandum 30 (September 30, 1998) states that non-citizens should not be banned from CSBG programs based solely on their alien status unless the exclusion is authorized by another statute.

Substance Abusers: There is no prohibition on the use of CSBG funds to provide services/benefits to substance abusers. A number of eligible entities use CSBG funds to provide substance abuse treatment or to provide additional services to clients in their substance abuse treatment programs.

Convicted Felons: Convicted felons are eligible for CSBG services. Indeed, a number of eligible entities use CSBG funds to provide prisoner re-entry services.

CSBG funds may be used to provide general information on services/benefits available in the community to low-income people and referrals to other providers of those services/benefits without an intake and eligibility screening process.

CSBG funds may be used to provide information and referrals, assuming the services are targeted to those who are CSBG-eligible. The very purpose of information and referral services is to connect people quickly and effectively to community, health and disaster services. Requiring individuals seeking general information and referrals to complete a detailed eligibility application would likely result in their turning elsewhere, thus defeating the purpose of providing information and referral services.

An eligible entity may use CSBG funds for initial intake and eligibility screening for general CAA services. If an applicant is determined not to meet the CSBG eligibility requirements, but is eligible for other services/benefits provided by the eligible entity or by other organizations or entities that have less restrictive eligibility requirements (such as higher income), CSBG funds may be spent on staff time and related expenses for the intake staff to inform the applicant about the availability of those services/benefits and to refer the applicant to a staff person whose time is paid out of the funding sources for those services/benefits for more information about and intake for those services/benefits.

Eligible entities must conduct CSBG eligibility determinations in a manner that does not discriminate against applicants on the basis of race, color, national origin, age or disability. In addition, eligible entities that are religious organizations are prohibited from discriminating against applicants on the basis of religion.

It is not recommended that eligible entities deny CSBG services/benefits to applicants because they may be receiving similar services/benefits from another organization.

Eligible entities should gather information that will permit them to coordinate services/benefits with those provided by other entities. If an eligible entity determines that the client has less need for services/benefits than other clients due to receiving similar services elsewhere, the eligible entity could use this factor in determining the priority of that client. In addition, an eligible entity must take steps (including denying CSBG-funded services or benefits) to ensure that clients are not receiving duplicated CSBG-funded services or benefits from the eligible entity (for example, receiving the same services or benefits at multiple sites).

An eligible entity could include questions on its intake form about whether applicants for services/benefits have recently received or are currently receiving services/benefits that are similar to those for which they are applying from the eligible entity and, if so, what organization(s) or entity(ies) provided those services. These questions would be asked of all applicants for services/benefits. Answers provided by applicants could then be used to determine whether there are specific organizations with which the eligible entity should coordinate in providing services/benefits and whether additional releases are needed from applicants or clients to enable the eligible entity to contact those organizations to coordinate the provision of services/benefits to those particular applicants or clients.

## Section 13: Results Oriented Management and Accountability (ROMA) System

## ROMA

The Department has incorporated ROMA principles in the areas of reporting, community action plans, strategic planning, community needs assessment, goal and target setting, case management, and board trainings. Eligible entities report quarterly on outcomes for family, agency and community goals. This report format will be updated to include the new national performance goals implemented in January, 2017 under ROMA Next Generation.

The State CSBG Manager is a Nationally Certified ROMA Trainer and the three (3) CSBG Grants Analysts (2 program and 1 fiscal) are positioned to enter the Fall, 2017 class for NCRI certification.

The Arkansas Community Action Agency Association has one ( 1) Master NCRT on staff and there are fourteen (14 )NCRTs who are on staff at the eligible entity level. Arkansas also is preparing for the certification over the next two years of an additional twenty (20) NCRI candidates at the eligible entity level.

There will be multiple state-wide ROMA focused trainings over the next twenty-four months as the State prepares to fully implement the changes from ROMA I to ROMA Next Gen. All of the state eligible entities have access to a ROMA trainer through this network of NCRTs and NCRIIs that will be coordinated by the State Association in collaboration with the State Lead Agency.

In year two of this State Plan, the State will assign entities a goal for the number of persons to transition out of poverty each year. This will be defined as the household achieving an income above the 125% threshold for CSBG eligibility through use of agency wide bundling of case management services and programs.

All of the eligible entities can request training and technical assistance at any time in addition to the regular planned trainings.



## Section 14: CSBG Programmatic Assurances and Information Narrative

# CSBG Programmatic Assurances and Information Narrative

## **FEDERAL AND CSBG STATUTORY ASSURANCES**

As required by Section 676 of the Community Services Block Grant, as amended (42 U.S.C. 9901 et seq.), the Arkansas Department of Human Services, Division of County Operations, Office of Community Services, as the designated State Lead Agency, hereby agrees to the Assurances in Section 676 of the Act, which includes the following:

### **A. Programmatic Assurances**

#### Assurance 1 – “Use of Funds” - Section 676(b) (1)

An assurance that funds made available to the State Lead Agency will be used to support activities designed to assist low-income families and individuals, including families and individuals receiving assistance under part A of Title IV of the Social Security Act (42 U.S.C. 601 et seq.), homeless families and individuals, migrant or seasonal farm workers, and elderly low-income individuals and families; and a description of how such activities will enable the families and individuals to:

- ❖ 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);
- ❖ secure and retain meaningful employment;
- ❖ attain an adequate education, with particular attention toward improving literacy skills of low-income families in the communities involved, which may include carrying out family literacy initiatives;
- ❖ make better use of available income;
- ❖ obtain and maintain adequate housing and a suitable living environment;
- ❖ obtain emergency assistance through loans, grants, or other means to meet immediate and urgent family and individual needs; other means to meet immediate and urgent family and individual needs;
- ❖ 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:
  1. document best practices based on successful grassroots intervention in urban areas, to develop methodologies for widespread replication; and
  2. strengthen and improve relationships with local law enforcement agencies, which may include participation in activities such as neighborhood or community policing efforts.

## CSBG Programmatic Assurances and Information Narrative

### Section 676(b) (1) (B)

An assurance that funds are used to 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, promote increased community coordination and collaboration in meeting the needs of youth, and support development and expansion of innovative community-based youth development programs that have demonstrated success in preventing or reducing youth crime, such as programs for the establishment of violence-free zones that involve youth development, and intervention models, as well as after-school child care programs.

### Section 676(b) (1) (C)

An assurance that funds will be used to make more effective use of, and to coordinate with, other programs related to the purposes of this subtitle (including State Welfare Reform efforts).

### Assurance 2 – “Use of Discretionary Funds” - Section 676(b) (2)

An assurance that five percent of funds will be used in accordance with the Community Services Block Grant program, including innovative community and neighborhood-based initiatives related to the purposes of the Act such as:

- ❖ providing training and technical assistance to eligible entities in need of such training and assistance;
- ❖ coordinating State-operated programs and services, and at the option of the State, locally-operated programs and services targeted to low-income children and families, with services provided by eligible entities and other organizations funded under this subtitle, including detailing appropriate employees of State or local agencies to entities funded under this subtitle, to ensure increased access to services;
- ❖ supporting statewide coordination and communication among eligible entities;
- ❖ analyzing the distribution of funds made available under this subtitle within the State to determine if such funds have been targeted to the areas of greatest need;
- ❖ supporting asset-building programs for low-income individuals, such as programs supporting individual development accounts;
- ❖ supporting innovative programs and activities conducted by Community Action Agencies or other neighborhood-based organizations to eliminate poverty, promoting self-sufficiency, and promoting community revitalization;
- ❖ supporting State charity tax credits;
- ❖ supporting other activities, consistent with the purposes of this subtitle.

## CSBG Programmatic Assurances and Information Narrative

### Assurance 3 – “Secure Information From Eligible Entities” - Section 676(b) (3)

An assurance the State Lead Agency will provide the following information provided by eligible entities in the State, including:

- ❖ a description of the service delivery system, for services provided or coordinated with funds made available through grants made under 675C(a), targeted to low-income individuals and families in communities within the State;
- ❖ 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;
- ❖ a description of how funds made available through grants made under section 675(a) will be coordinated with other public and private resources; and
- ❖ a description of how local entities will use the funds to support innovative community and neighborhood-based initiatives related to the purposes of the Community Services Block Grant, which may include fatherhood initiatives and other initiatives with the goal of strengthening families and encouraging effective parenting.

### Assurance 4 – “Nutrition and Emergency Assistance” - Section 676(b) (4)

An assurance that eligible entities in the State will 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.

### Assurance 5 – “Coordination and Linkages” - Section 676 (b) (5)

An assurance that the State Lead Agency and eligible entities in the State 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;
- ❖ coordinate the provision of employment and training activities in the State and in communities with entities providing activities through statewide and local workforce investment systems under the Workforce Investment Act of 1998.

## CSBG Programmatic Assurances and Information Narrative

### Assurance 6 – “Coordination of Anti-Poverty Programs” - Section 676(b) (6)

An assurance that the State Lead Agency will ensure coordination between antipoverty programs in each community in the State, and ensure, where appropriate, that Emergency Energy Crisis Intervention Programs under Title XXVI (relating to low-income home energy assistance) are conducted in such community.

### Assurance 7 – “Cooperation With Federal Investigations- - Sections 676(b) (7)

An assurance that the State Lead Agency will permit and cooperate with Federal investigations undertaken in accordance with section 678D.

### Assurance 8 – “Termination of Funding- - Sections 676(b) (8)

An assurance that any eligible entity in the State that received funding in the previous fiscal year through a Community Services Block Grant under this subtitle, will not have its funding terminated under this subtitle, or reduced below the proportional share of funding the entity received in the previous fiscal year, unless, after providing notice and an opportunity for a hearing on the record, the State determines that cause exists for such termination or such reduction, subject to review by the Secretary as provided in section 678C (b).

### Assurance 9 – “Program Coordination and Partnerships” - Section 676(b) (9)

An assurance that the State Lead 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.

### Assurance 10 – “Petition for Board Representation” - Section 676(b) (10)

An assurance that the State will require each eligible entity in the State to establish procedures under which 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.

## CSBG Programmatic Assurances and Information Narrative

### Assurance 11 – “Community Action Plan” - Section 676(b) (11)

An assurance that as a condition to receive Community Services Block Grant funding, the State Lead Agency will secure a Community Action Plan from each eligible entity in the State (which shall be submitted to the Secretary, at the request of the Secretary, with the State Plan) that includes a Community Needs Assessment for the community served, which may be coordinated with community-needs assessments conducted for other programs.

### Assurance 12 – “Participation in ROMA” - Section 678E (b) of the Act.

An assurance that the State and all eligible entities in the State are participating in the Results Oriented Management and Accountability System as part of the Federal performance management system for the CSBG network.

### Assurance 13 – “Implementation of Assurances- - Sections 676(b) (13)

An assurance that the State Lead Agency will provide information in this plan describing how the State will carry out the assurances in the Act.

### Assurance 14 – “Child Support Referral”— Section 42 U.S.C. §9919(b)

An assurance that during each fiscal year for which an eligible entity receives a grant, such entity shall inform custodial parents in single-parent families that participate in CSBG-funded programs, activities, or services about the availability of child support services; and refer eligible parents to the child support offices of state and local governments

## 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.

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#### 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 and 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 any Federal department or agency.
- (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## Section 16: Appendices

# Appendix A

## [CAA] Child Support Referral Policy

To ensure that the CSBG statute regarding child support referral procedures is being implemented within all CSBG supported programs, [CAA] has included this procedure in its intake process. During the client's initial intake, the client is asked if he or she is the custodial parent in a single-parent family. If this status is confirmed, then the caseworker/intake worker will:

- ❖ Inform the custodial parent about the availability of child support services.
- ❖ Refer the custodial parent to the [state child support enforcement agency].
- ❖ Have available for all clients the [state child support enforcement agency]'s [child support intake form & application for full child support services].

*Staff should not act in a manner to be interpreted as giving legal advice but should assure that custodial parents in single-parent families are referred to the [state child support enforcement agency].*

# Appendix B

## [CAA] Child Support Referral Procedure

If a client is a single parent, who has custody of a child under the age of 18 the client may be eligible for help from the state child support enforcement agency with obtaining child support from the father or mother of their child.

### **Assessing Eligibility**

1. Your client indicated that they have custody of their child/children on the Intake Form:
2. Your client did NOT indicate that they are receiving child support as a source of income on the Income Verification Form
3. Provide the client with the following information about services provided by the state child support enforcement agency:
  - Locating a parent
  - Arranging for paternity testing
  - Establishing a support order
  - Enforcing a support order
4. Give the client a copy of the application for such services to be submitted to the [state child support enforcement agency]. [www.childsupport@arkansas.gov](mailto:www.childsupport@arkansas.gov)
5. Fill out the For Staff Use Only portion of the entity Intake Form indicating whether a referral to the state child support enforcement agency was made and information regarding available services including a contact number for the agency and a copy of the application was provided to the client.
6. Enter any applicable tracking codes for the services rendered into entity's tracking software.



# Appendix C

## [CAA] Child Support Referral Notice

### **Are you a single parent who has custody of a child under the age of 18?**

If you are, you may be eligible for help from the [state child support enforcement agency] with obtaining child support from the father or mother of your child.

### **What types of services would the [state child support enforcement agency] provide?**

Some of the services the [state child support enforcement agency] provides to eligible parents include:

- Locating a parent
- Arranging for paternity testing
- Establishing a support order
- Enforcing a support order

### **How do I find out more?**

We can provide you with information from the [state child support enforcement agency] which explains the services and eligibility requirements and includes a copy of the application to be submitted to the [state child support enforcement agency].

**Ask a member of the [CAA] staff for more information or contact the [state child support enforcement agency] directly at:**

**State child support enforcement agency contact information [www.childsupport@arkansas.gov](mailto:www.childsupport@arkansas.gov) .**