



Department of State

Community Services Block Grant
**Program and Fiscal
Monitoring Process
And Guidelines**

Effective Date: January 1, 2016

REVISED TO COMPLY WITH NEW STATE ACCOUNTABILITY MEASURES

One Commerce Plaza
99 Washington Avenue, Suite 1020
Albany, NY 12231
Telephone: 518-474-5741
Fax: 518-486-4663
Website: www.dos.state.ny.us

Revised January 2016

Table of Contents

| | |
|--|----|
| Overview..... | 4 |
| Program and Fiscal Monitoring..... | 4 |
| General Responsibilities | 4 |
| Program and Fiscal Monitoring Processes..... | 5 |
| Pre-Visit Meeting | 5 |
| Joint Site Visit Protocol..... | 5 |
| Program Monitoring | 5 |
| Individual Monitoring Plans..... | 5 |
| Quarterly On-site Program Visits..... | 6 |
| Preparing for the On-site Review | 6 |
| Board Review..... | 7 |
| Board Member Tracking..... | 7 |
| Board and Committee Meetings | 7 |
| Program Review | 7 |
| Refunding Process | 7 |
| Regional Meetings | 8 |
| Specialized Technical Assistance and Support | 8 |
| Attendance at Grantee Functions | 9 |
| Documenting the On-site Review..... | 9 |
| Grantee Services Contact Report (GSCR) | 9 |
| Monitoring Reports (Program) | 9 |
| Board Related Attachments – | 10 |
| Preparing and Processing the GSCR | 10 |
| Fiscal Monitoring | 11 |
| Fiscal Monitoring Frequency Assessment (FMFA) tool | 11 |
| Fiscal Individual Monitoring Plan (IMP)..... | 11 |
| Preparing for the On-site Review | 11 |
| General Responsibilities | 11 |
| Performance Standards for Monitoring Activities | 11 |
| Scope of Monitoring | 12 |
| On-site Visits..... | 12 |
| CSBG Grantee Services Contact Report – Fiscal (GSCR-F)..... | 12 |
| Monitoring Reports (Fiscal) | 12 |
| Content of the GSCR –F: | 12 |
| Processing the GSCR-F:..... | 13 |
| Grantee Services Contact Report – Fiscal – Site Visit Attendance Record (GSCR-FA):..... | 13 |
| Identifying and Reporting Significant Issues Involving CSBG Eligible Entities: | 13 |
| Process for Program Analyst or Fiscal Representative Identifying and Reporting an Area of Concern/Finding or Area of | |

| | |
|--|-------------------------------------|
| Non-Compliance | 13 |
| Areas of Concern/Finding..... | 13 |
| Areas of Non-Compliance..... | 14 |
| Preparing a Notice of Deficiency (NOD) | 14 |
| Additional Steps to Consider When Identifying and Reporting an Area of Concern or Area of Non- Compliance ..15 | |
| Annual Compliance Review of Organizational Standards..... | 15 |
| Triennial Review for Accountability and Compliance with Standards | 15 |
| PURPOSE..... | 15 |
| PROCESS | 16 |
| Attachments | 18 |
| Individual Monitoring Plans-Program | 19 |
| Program IMP | 19 |
| Grantee Services Contact Reports (GSCR)..... | 22 |
| GSCR (generic) | Error! Bookmark not defined. |
| Documentation-Board Certification and Compliance with Grantee | 27 |
| Board Member Tracking Sheet | 30 |
| Fiscal Monitoring Frequency Assessment Worksheet - Tool | 30 |
| Individual Monitoring Plans-Fiscal..... | 35 |
| Fiscal IMP..... | 35 |
| Grantee Services Contact Report - Fiscal (GSCR-F) | 37 |
| Grantee Services Contact Report - Fiscal – Site Visit Attendance Record (GSCR-FA) | 42 |
| CSBG IM 138: Establishment of Organizational Standards for Eligible Entities | 43 |
| Appendices: | 52 |
| Appendix 1: Measuring the Success of Community Action and CSBG | 53 |
| Appendix 2: COE-developed Organizational Standards for Private, Nonprofit CSBG Eligible Entities | 54 |
| ORGANIZATIONAL STANDARDS FOR PRIVATE, NONPROFIT CSBG ELIGIBLE ENTITIES..... | 54 |
| Appendix 3: COE-developed Organizational Standards for Public CSBG Eligible Entities | 61 |
| ORGANIZATIONAL STANDARDS FOR PUBLIC CSBG ELIGIBLE ENTITIES | 61 |
| Appendix 4: State Implementation of Organizational Standards – Key Considerations | 68 |
| Annual Compliance Review of Organizational Standards (ACROS) (cover page, general information and first organizational standard) | 70 |
| General Information and Instructions | 74 |
| CSBG IM 116: Corrective Action, Termination, or Reduction of Funding | 77 |

Overview

The CSBG program was created to address the causes and conditions of poverty in communities. Through a network of 49 Community Action Agencies and 3 Indian Tribes, a range of services is provided to meet the needs of low-income New Yorkers in all of New York's 62 counties. Department of State, Division of Community Services (DOS-DCS) provides direction and support to local agencies to ensure that comprehensive services are provided.

As the CSBG administering agency, DOS-DCS establishes goals and objectives which guide program evaluation, monitoring, and oversight. DOS-DCS ensures compliance with Federal and State statutes, laws, policies, and procedures. DOS-DCS is the primary liaison with grantees, monitoring the programs as well as offering training and technical assistance in areas such as governance, management, and program operations.

Program and Fiscal Monitoring

In FFY 2015 DOS-DCS revised its monitoring procedures to address new accountability measures established by HHS through Information Memorandum #138. These changes will be implemented beginning in FFY 2016 (October 1, 2015).

DOS-DCS implements a three-pronged approach to monitoring. The first prong consists of routine, periodic on-site visits. The second prong is the federally mandated comprehensive assessment process conducted tri-annually. The third is an annual compliance review of the grantee organizational standards. Routine monitoring and the triennial assessment process utilize a comprehensive approach to reviewing, assessing, and evaluating CSBG grantees with the goal of improving the quality of services provided to individuals, children, families, and communities. Monitoring is proactive, result-oriented, and conducted to provide assistance to grantees to improve their capacity to achieve measurable results, and to meet the requirements of Federal and State authorizing legislation, the CSBG Management Plan, and the CSBG contract. The compliance review for the organizational standards involves an annual self-assessment to be done by the grantee followed by a desk review by DOS-DCS staff.

In accordance with *42 U.S.C. 9901, et seq., Section 678B, as amended*, monitoring activities will be conducted to determine whether eligible entities meet performance goals, administrative standards, financial management standards, and other requirements set by the State.

General Responsibilities

Monitoring, comprehensive assessment and organizational compliance reviews are conducted by community services program analysts and fiscal representatives assigned to individual grantees. DOS-DCS staff assigned to conduct program and fiscal monitoring must possess and demonstrate adequate professional proficiency, including knowledge of:

- assigned agencies, programs, activities, functions, service areas, organizational structure, and board composition;
- applicable statutes, rules, regulations, policies and procedures governing programs and organizations; and,
- CSBG National Goals and National Performance Indicators and their applicability to assigned agencies.

Staff must also:

- comply with applicable Executive Orders and DOS-DCS Policies and Procedures;
- communicate clearly and effectively both verbally and in writing;
- exercise professional care in conducting monitoring activities;
- base findings and conclusions on objective evaluations of pertinent information;
- recognize, honor and respect human diversity;
- preserve the dignity of customers and clients; and,
- up-hold confidentiality for all information obtained in the course of monitoring.

Staff assigned to monitoring:

- serve as representatives of the State of New York, Department of State and must actively participate in the administration of CSBG and related programs;

- ❑ assist in implementation of goals and activities outlined in the most recent CSBG Management Plan; and,
- ❑ provide or obtain technical assistance for grantees administering CSBG funds.

Program and Fiscal Monitoring Processes

Pre-Visit Meeting

In order to provide a coordinated, informed and consistent approach to DOS/DCS monitoring of DOS/DCS grantees, assigned staff (fiscal representative and program analyst) shall conduct a pre-site visit meeting prior to all scheduled visits to grantees. The pre-site visit meeting should take place 1-2 weeks prior to any scheduled program or fiscal monitoring visit. It is recommended that when possible these pre-visit meetings be in person however realizing the logistics of staff stationed in regional offices, visits by phone are permissible (**communication by email should not be a substitute for personal communication**).

In preparing for the pre-site visit meeting, involved staffs are responsible for reviewing consolidated monitoring files of prior reports and documentation containing observations, findings, and recommendations made by DOS, other grantee's funding sources, or prior audits. At a minimum, the visits will focus on the following: grantee's response to the quarterly Fiscal and Program Attestation form, fiscal indicators and questions as reported by the program analyst, QIP status, findings and recommendations from previous program and fiscal visits, and information identified in the board meeting packages or through other means.

If there are items of concern, the supervisors should be invited to participate in the discussion. Supervisors should attend pre-site visit meetings of high risk grantees.

Joint Site Visit Protocol

The goal is to develop a coordinated approach to contract monitoring through the implementation of joint site visits by program and fiscal field staff. Joint site visits should occur at least once annually, preferably during the second, third or fourth quarter of each contract year (January – Sept) and should be scheduled based on a mutually acceptable time frame for both program and fiscal field staff. The assigned fiscal representative will join the assigned program analyst on their required quarterly visit. The scope of the visit is to review grantee fiscal data together and meet with grantee staff to gather information related to fiscal areas of concern and issues that pose a threat to the grantee's fiscal health. This will be done by reviewing GSCR fiscal indicators and related documentation together and by meeting with grantee leadership to investigate areas of concern. Staff should also review issues identified on the fiscal and program attestation forms submitted prior to the scheduled visit. This may also include investigation of other areas of concern that may have an impact on CSBG programmatic and fiscal areas. Examples include, but are not limited to, changes in key personnel, information identified in the board meeting packages, or through other means. These areas should be discussed prior to the site visit at the "pre-site visit" meeting to insure that agenda items for the mutual portion of the site visit are understood by both program and fiscal field staff. Each staff person will record the results of the joint and separate visits in their respective field report. Triennial Review for Accountability and Compliance with Standards (TRACS) will serve as the joint visit for the fiscal year it was conducted.

Program Monitoring

Individual Monitoring Plans

An Individual Monitoring Plan (IMP) is developed for each grantee prior to the start of the new program year (during the 4th quarter visit). The purpose of the IMP is to establish and define the partnership between the program analyst and the grantee during a given program year. The IMP will identify the nature and frequency of the program analyst's monitoring and support in response to individual agency needs relating to:

- continuous improvement goals;
- technical assistance requests;
- recommendations from Annual Compliance Review of Organizational Standards (ACROS) or Triennial Review for Accountability and Compliance with Standards (TRACS); and,
- monitor the Work Plan and other contractual obligations.

The Program IMP must identify at least four quarterly on-site visits with the estimated date of the visit, purposes of the visit, and the expected result of each visit. A copy of the IMP must be placed in the agency's DCS contract file. **(See pages 18 – 20)**

The actual date of the visit must be scheduled and confirmed with written communication (e-mail) provided to the executive director at least two weeks before. A copy of the correspondence must be placed in the grantee's contract file (in Albany). In the event of a change or cancellation, the grantee must be provided with adequate written notice of the change and the new date. Program analysts must provide their supervisor with a complete list of scheduled visits for each quarter no later than the end of the first week of each quarter.

Quarterly On-site Program Visits

Every visit includes a meeting with the executive director to go over agency operations as well as specific focus areas. Analysts should plan on reviewing and observing all programs funded primarily with CSBG throughout the course of the year and other funded programs as time allows.

Quarterly on-site visits are conducted according to the following schedule:

- I. October – December: Focuses on governance and setting the framework for the year
 - Review board file/member documentation
 - Observe board function (If schedule does not allow, this can be done during another site visit.)
 - Verify the work plan and budget are still relevant based on original contract
 - Discuss variances based on desk review and analysis of planned outcomes from the previous year compared to 4th Quarter PPR. This may result in the need for technical assistance or amendment to the current work plan or contract
 - Observe at least one CSBG-funded program. Include a review of compliance with income eligibility guidelines (125% of poverty)

- II. January – March: **Desk review of the documentation submitted with the Grantee Annual Self-Assessment for compliance with the Organizational Standards. Also conduct desk review and follow up communication associated with data collection and reporting systems.**
 - Contact grantee staff to share information on the reporting tools to address contract requirements pertaining to the APR and PPRs. Verify the agency has sufficient means to collect and report on outcomes, and that data is used for planning purposes. Agency will begin the contract with a clear understanding of the information to be collected and reported throughout the year in order to complete the annual program report
 - Contact the grantee to verify the Work Plan and Budget are still relevant based on original contract. Verification that the work plan and budget submitted with the contract will be carried out (amendment may be needed if a carry-over funds exist).
 - Provide technical assistance with the budget amendment for the revised allocation or carry-over (if applicable). Amendment will be submitted in a timely manner and display prudent use of CSBG resources

(NOTE: grantees scheduled for a triennial review/TRACS in the current federal fiscal year, will not be required to complete the ACROS process and will instead have a regular quarterly site visit focusing on data collection and reporting “systems”)

- III. April – June: Focuses on planning efforts and preparation for CSBG refunding process
 - Verify the status of strategic plan, needs assessment and partnerships
 - Ensure the planned use of CSBG for the coming year is based on Strategic Planning and Needs Assessment
 - Review 2nd Quarter PPR to see if planned outcomes for next year are valid estimates based on six months of experience
 - Conduct agency eligibility review for CSBG funding and obtain updated documents (incorporation papers, bylaws, board list personnel policies and procedures, travel policies, indirect cost rate letter). Confirm grantee maintains eligibility for CSBG funding.
 - Observe at least one CSBG-funded program. Include a review of compliance with income eligibility guidelines (125% of poverty)

- IV. July – September: Focuses on reconciling and closing out current contract and setting monitoring plan for next year
 - Remind agency that this is their last chance to modify budget and work plan based on 3rd Quarter PPR
 - Verify agency received all payments due to them
 - Review final reporting responsibilities and provide technical assistance, if needed, to complete APR
 - Create an IMP for next year based on required monitoring, specific needs for training and technical assistance and CORE
 - Observe at least one CSBG- funded program. Include a review of compliance with income eligibility guidelines (125% of poverty)

Preparing for the On-site Review

Prior to each on-site visit, the program analyst must review the scope of the visit set forth in the IMP. The program analyst should review a variety of materials in order to be aware of current operations and issues facing the agency. These include, but are not limited to, board meeting minutes and reports sent to the board, PPRs, agency newsletters, reports prepared by the DOS fiscal rep, and the agency website.

Board Review

To maintain eligibility for CSBG funding, each eligible entity must comply with federal and state statutes regarding board composition and function. Grantees are required to have on file with DOS-DCS a list of current board members. The list must be updated as changes occur and certified annually by the program analyst. The GSCR will include an affirmation by the program analyst that the list of board of director members appears to be valid and the "Certification of Board List and Board File Review" form must be prepared and submitted with the GSCR (see the attached form, "Certification of Board List and Board File Review" on pages 27-28. Certification of the board list occurs as a result of the program analyst's review of individual board member files to determine how they were elected/ selected and length of term on the board; and by tracking appointments/resignations and removals through review of board meeting minutes. If a program analyst is unable to verify this information, it must be documented in the GSCR along with a specific timeframe by which the required information is to be provided. If the information is not provided by the specified time, it is possible that a letter of deficiency could be issued requiring a plan of correction. ***This monitoring requirement applies only to CAAs, not Indian Tribes or CBOs receiving discretionary funding.***

Board Member Tracking

At the beginning of the contract year and as part of the board file review, log each member and sector on the board of directors. Identify each source of documentation provided for the appointment. Verify whether the documentation is sufficient per DOS guidelines for each listed board member. Each quarter, a follow-up/update is conducted to verify the members still active on the board, strike out the members no longer on the board (**DO NOT DELETE**) and add new members seated since the last review. As new members are seated, ensure there is proper documentation on file. A new Board Member Tracking form should be started for each new Federal Fiscal Year. **(See page 28)**

Board and Committee Meetings

Program analysts are required to attend a minimum of one board meeting each federal fiscal year for each assigned agency to observe board function and to share information. Additional visits with board or board committees may be scheduled as determined by the IMP or as needed. Program analysts should receive and read board meeting minutes for all meetings for each assigned agency. Information contained in the board packages should be discussed with the executive director during the grantee update portion of the field visit or more immediately (by telephone) if the information dictates. The "Board Meeting Observations" form that documents observations of the meeting must be prepared and submitted with the GSCR. This monitoring requirement applies only to CAAs, not Indian Tribes or CBOs receiving discretionary funding. **(See page 27)**

Program Review

(Includes all contracts with CSBG funds - Entitlement, Discretionary, Special Project, Disaster Relief, And Technical Assistance)

This is accomplished by reviewing the data provided in the four program progress reports and through on-site observation of the programs in operation. The program analyst should identify the program(s) monitored during the site visit and the progress or challenges faced in meeting the planned outcomes. For programs that are not meeting expected outcomes, the program analyst should identify the cause and document the steps being taken by the grantee to address the under-performance. Programs that are exceeding planned projections should also be noted as to changing conditions that increased demand for the program.

Refunding Process

The Refunding Application package contains all required federal and state forms and documents. The refunding package is sent to the grantee and technical assistance is provided in the third quarter of the program cycle (April-June) so that a complete and correct package is submitted by the due date (approximately June 20th).

Upon submission by the grantee the fiscal representative will review the budget workbook, profile, and work plan summary of financial resources while the program analyst reviews the work plan workbook. Both the program analyst and fiscal representative should review for reasonableness as well as completeness. Special attention must be given to the grantee's planning efforts (Needs Assessment and Strategic Plan), use of CSBG dollars for administration (15% maximum is a target level) and for the grantee's ability to achieve the levels of performance indicated in the Work Plan. The contract review unit (CRU) will review the other documents contained in the refunding package (signatures, MWBE, VRQ, and other contractual documents).

After the Refunding Application package is reviewed by CRU, the assigned program analyst and fiscal representative, the program analyst is responsible for communicating in writing (email) to the agency executive director whether the application was acceptable, or, if not acceptable, listing corrections needed. The assigned program analyst has the primary responsibility for obtaining all necessary corrections prior to sending the Refunding Application package on for the contract review and approval process.

In order for the grantee to receive their first payment, the program analyst and fiscal representative must provide notification that

the refunding package was reviewed, approved and complies with funding requirements. This notification is comprised of a GSCR cover page, any e-mail correspondence between the program analyst, grantee and fiscal representative, and the IMP. (This is a contractual requirement described in Appendix C of the contract document).

The Individual Monitoring Plan (IMP) that corresponds to the refunding period must be completed during the 4th Quarter visit. If the 4th quarter visit has taken place before the refunding package is ready for processing, a copy of the IMP should be attached to the refunding documents and GSCR. If the 4th visit is after the refunding package is ready for processing, a separate GSCR will be needed for the IMP.

Regional Meetings

Regional meetings with assigned agencies are allowed and may be held to share information, provide training and technical assistance, determine joint priorities and activities, enhance collaboration and obtain input on state administration. Depending on the nature of these meetings, they may be counted as one of the required on-site visits (e.g. to share information and provide technical assistance on completing the Refunding Application package).

Specialized Technical Assistance and Support

1. To enhance the network's ability to respond to community needs, the Department of State offers all CSBG funded agencies a list of opportunities for training and technical assistance. Technical assistance needs may be identified during the refunding process, after a CORE, or during on-site monitoring. The program analyst is responsible for providing assistance or arranging for outside assistance through NYSCAA or other sources. Special attention will be given for training and technical assistance on the CSBG National Goals and National Performance Indicators, Results Oriented Management and Accountability (ROMA), Organizational Standards or any other requirements as directed by federal or state government.
 - A. Training and technical assistance is made continuously available Statewide to CSBG eligible entities through DOS funding to NYSCAA. NYSCAA is under contract with DOS to provide professional development, training and technical assistance to enhance the capacity of agencies to serve as effective and responsive resources for their communities. NYSCAA offers training and technical assistance statewide in the area of human resources, fiscal management, developing and evaluating community partnerships, program evaluation, understanding ROMA and using Logic Models and other issues important to CAAs. Agencies can self-refer or request assistance through their program/fiscal analyst. In certain cases, the Division of Community Services will initiate contact with NYSCAA on behalf of a grantee or with a request that NYSCAA contact a grantee and offer its assistance.
 - B. On-site fiscal and programmatic training and assistance are made available and provided directly by the DOS staff to CSBG eligible entities on an as needed basis. Agencies can request program and fiscal training and technical assistance directly from their assigned program and fiscal representatives. Analysts are available to review important Information Memorandums, discuss issues of compliance, and review areas of agency concern. In addition, analysts and fiscal representatives may provide assistance and training while at a grantee's offices during a site visit in instances where grantee issues are noted and immediate onsite training or assistance is practicable.
 - C. Additional discretionary funding for training/technical assistance may be available for CSBG eligible entities when deemed appropriate and reasonable by the Department of State. CSBG eligible entities may request discretionary funds to support reasonable training or other assistance costs targeted at bringing the grantee into compliance or preventing non-compliance with the terms and requirements of the CSBG Act. While these funds are limited, requests can be made directly to the Division of Community Services by any CSBG eligible entity at any time. Once a request is received, it is reviewed by a team of fiscal, program and legal staff at the Department of State to determine whether the request is reasonable and appropriate under the circumstances presented.
2. Specialized services and support are provided during and after a disaster or crisis. Agencies are encouraged to become active members of their local emergency management teams. Emergency telephone numbers are maintained by the DOS program analyst for each agency and are routinely updated. Agencies in areas affected by a disaster are contacted by the assigned program analyst and are made aware of the process to access CSBG funds set aside for disaster relief activities.
3. A program analyst may also conduct and/or participate in other reviews, as appropriate, including, but not limited to active participation in Head Start pre-PRISM joint governance reviews at the request of the agency.

Attendance at Grantee Functions

Attendance at grantees' functions as a representative of DOS is encouraged, but must have the approval of the division director. All staff must comply with DOS Policies and Procedures and the Governor's Executive Order. Staff cannot accept complimentary meal tickets. If there is a charge for the event and reimbursement will be requested, staff must obtain approval through a Travel and Training Request form (TTR). The TTR must be submitted for approval well in advance of attending the event. If attendance will result in overtime, prior approval must be obtained.

Documenting the On-site Review

Every visit (at least quarterly) to a grantee is documented by a Grantee Services Contact Report (GSCR). A GSCR is to be completed for every contract the grantee has with DOS-DCS (including discretionary, special project, technical assistance, and disaster relief contracts). The report is used to document the current operating status, as well as to verify that substantial progress is being made toward achieving the results as stated in the approved Work Plan and, if applicable, the CORE Quality Improvement Plan.

Each quarterly visit for a **CSBG entitlement contract** must include a grantee update with the executive director (or designee) to review the grantee's status in all functional areas (fiscal, governance, planning, human resources, information technology, facilities, and service delivery).

Grantee Services Contact Report (GSCR)

Monitoring Reports (Program)

The GSCR is used to record and document significant contacts with grantees, including on-site visits, telephone calls (to address highly important issues), in-office visits, board meetings, and regional meetings. The GSCR is a public document which is shared with grantees (Executive Director and Board Chair) and is maintained in the agency's DCS contract files in Albany for review by auditors. The GSCR must contain adequate information to document compliance with federal legislation, status of each functional area, and significant progress toward achieving the goals and indicators stated in the CSBG Work Plan. The GSCR may also document the assistance provided by the program analyst and must be stated in terms of outcomes or results achieved. The GSCR forms may be revised as needed in order to address changes in monitoring requirements, (for example recording grantee compliance with new organizational standards or new monitoring requirements for State's), as well as to seek improvements in the information being reported. The forms attached on pages 22-24 were revised in 2015 and are intended to continue the improvements initiated by earlier versions of the forms by increasing efficiency in report writing without sacrificing the quality of monitoring. When forms are modified, the Monitoring Guidelines will also be modified to include the most current version of the reporting tools.

Page 1 of the GSCR is a cover page to be used for any type of contact, but particularly for site visits. Page 1 asks for general and identifying information, such as grantee name, date of contact, contract type, federal fiscal year, contract number, duration of visit, and personnel or board members contacted. This page provides a variety of check boxes to identify the purposes of the visit and the documents attached to the report. (Check all that apply). The program analyst must sign and date this page once the report is completed and other pages/documents are attached.

Pages 2, 3 & 4 of the GSCR are a summary of information obtained as a result of the contact. All sections require clear and objective information.

- Documents Reviewed – program analysts are required to review progress reports, board packages, newsletters, and other documents submitted by the grantee in preparation for the on-site visit. Note important information contained in these documents on the GSCR and follow up as needed when conducting the site visit. Attach copies of updated eligibility documents if applicable (bylaws, personnel policies, needs assessment, strategic plan, fiscal/travel policies)
- Grantee Update with Executive Director or designee – Note which staff provided information on each section (Fiscal, Governance, Administrative, Program Planning, other). Address the template of questions created by DCS Program Supervisor each quarter. Additional questions should be added to address information gleaned from documents noted above.
- Training and Technical Assistance Provided or Obtained – provide a brief description of how the need for T&TA was determined, a description of the T&TA provided or obtained, and the outcomes expected as a result of T&TA.
- Programs Monitored – a description of the service(s) provided and outcomes achieved by the program. It should include specific information on sources of funding, staffing, locations and times program/service is offered and other information that provides clarity to the reader. Progress or challenges should be explained.
- Analyst's Summary of Review and Observations – cite instance(s) of compliance and noncompliance, and areas that may require improvement; reference specific documents that support the observation or finding.
- Recommendations and/or Follow-up Activities, including the Timeframe and Expected Results – should contain recommendations for corrective actions as well as support offered to facilitate compliance; recommendations should be

appropriate, feasible, reasonable, and include a time frame for implementation.

- ❑ Date and Purpose/Expected Results of Next Visit – describe briefly. The visit should correspond to the IMP.

Board Related Attachments –

- ❑ Certification of Board List and Board File Review Form – This form is designed to report on the documentation reviewed to certify that the board complies with the federal legislation with regard to member composition and selection. It is also designed to report on the board’s compliance with its own bylaws regarding the actual selection process for members, meeting frequency, member attendance requirements, and quorum. **(See pages 25-26)**
- ❑ Board Meeting Observations Form – This form is designed to report on the actual function of the board. By addressing the questions contained on this form, the reader should have a clear understanding of the board meeting process, meeting documents, issues under discussion, and level of participation by board members. **(See page 27)**
- ❑ Board Member Tracking Form- This form is designed to identify the source of documentation provided for each board member’s appointment and verify whether the documentation is sufficient per DOS guidelines. As a follow-up, each quarter the form logs members leaving and joining the board. As new members are seated, documentation on file is verified. A new form is started for each new Federal Fiscal Year. **(See page 28)**

Preparing and Processing the GSCR

The GSCR should be complete, accurate, objective, and concise. Reports should give readers adequate and correct understanding of the extent and significance of reported findings and observations. These reports are public documents. Information obtained during a site visit or other contact that is deemed confidential should not be included in this report format.

The GSCR is completed by the program analyst **within 10 calendar days of the visit***. The report and any attachments are submitted to the supervisor for review and sign off. The program analyst completes the required GSCR in MS Word and includes individual attachments in PDF. All are forwarded to the supervisor via e-mail.

The supervisor reviews the GSCR and attachments carefully for content and accuracy. The supervisor and program analyst collaborate to edit the report, if needed.

Upon completion of a satisfactory GSCR, the supervisor forwards the e-mail to the bureau manager. The bureau manager reviews and approves the GSCR and attachments and forwards the e-mail to administrative staff (Kathy and Lelia) and back to the assigned program analyst and supervisor.

Administrative staff (Lelia) is responsible for sending a PDF version of the GSCR to the grantee executive director, board chair and fiscal representative.

The completed GSCRs must be sent to the grantee within 30 calendar days of the site visit.

Administrative staff (Kathy) adds data to the DCS Tracking Spreadsheet and saves the GSCR to the “G” drive, (DCS\Grantees\((listed alphabetically))\FFY 2015\Monitoring Reports – Plans\Program (GSCRs-P) + Attachments).

The administrative staff (Kathy) prints hard copies of the GSCR and attachments and files the copies in the Albany grantee files. [The e-mail is also printed as proof of date received, instead of date stamping the documents.]

It is the responsibility of the program analyst to ensure that: a) all required visits are made each contract year b) supervisors, grantees, and fiscal representatives receive a copy of each report; c) a file for each assigned agency is maintained; and, d) a record of all contacts is available. The supervisor will verify that all required reports are finalized.

***GSCRs for grantees with Notices of Deficiencies, Letters of Concern or those requiring enhanced monitoring /technical assistance may require additional time to ensure comprehensive documentation of follow up.**

Fiscal Monitoring

Fiscal Monitoring Frequency Assessment (FMFA) tool

- ❑ A FMFA will be prepared for each grantee prior to the start of the new program year (during the prior year 4th quarter). The purpose of the FMFA is to identify previously noted areas of concern and items of potential risk that may require increased fiscal monitoring. The recommended minimum number of fiscal visits per year is two. Based upon the scoring of the FMFA, this number may be increased to 3, 4 or more. **(See pages 29-33)**

Fiscal Individual Monitoring Plan (IMP)

An Individual Monitoring Plan (IMP) is developed for each grantee prior to the start of the new program year (during the 4th quarter). The purpose of the IMP is to establish and define the partnership between the fiscal representative and the grantee during a given program year. The Fiscal IMP should identify at least the recommended minimum number of visits identified in the FMFA. It should include information regarding the report which will trigger the visit, purposes of the visit, and the expected result of each visit. A copy of the IMP must be placed in the agency's DCS contact file. **(See pages 34 – 35)**

Preparing for the On-site Review

Fiscal representatives conduct on-site visits for the primary purpose of monitoring expenditure and accountability of CSBG and local share funds. Monitoring includes a general review of the overall fiscal integrity of the grantee, as well as an in-depth review of selected fiscal activities. Samples of grantee expenditures are tested for compliance with the contract and with Generally Accepted Accounting Principles. Fiscal representatives review financial reports submitted to grantee boards of directors. Staff determine adequacy of systems and controls in place to safeguard CSBG funds and determine if these funds are being used according to the approved budget.

In addition to on-site reviews, fiscal representatives provide fiscal technical assistance, as well as review and approval of the annual audits of each CSBG grantee. As a condition of the contract, each recipient must comply with requirements of OMB Circular A-133.

General Responsibilities

1. Follow up on the Grantee Comprehensive Assessment Protocol OR CORE findings (Fiscal Functions section).
2. Make on-site visits and prepare a GSCR-F for distribution to the Executive Director, Finance Director, Board Chair and appropriate DOS staff.
3. Conduct a comprehensive financial assessment.
4. Follow-up on concerns noted in the quarterly Attestation.
5. Provide technical assistance to grantee fiscal staff and finance committee/board members, as needed.
6. Participate in refunding conferences.
7. Collect and review refunding applications, contracts, amendments, financial reports, unaudited financial statements, and OMB required reports.
8. Maintain telephone and/or e-mail contact with grantees.

Performance Standards for Monitoring Activities

1. Assessments are conducted based on agreed upon schedules and according to the processes and procedures stated in the Monitoring Guide. All reports are prepared and submitted in a timely manner. On-going monitoring is conducted to ensure that findings are corrected through the implementation of recommendations made in the reports. When necessary, fiscal support is provided.
2. On-site visits are scheduled based upon submission of CSBG Financial Reports and the needs of the agency as identified in the FMFA. On-site visits should ensure that the expenditures charged to CSBG are in compliance with the contract budget, grant award legislation and OMB Circulars regarding the expenditure of federal grant funds.
3. GSCR-Fs are prepared according to the processes and procedures stated in the Monitoring Guide. Follow-up is conducted as needed to ensure that any findings noted are corrected by implementation of the recommendations made.
4. Technical assistance needs are identified and assistance is provided or training is arranged.

5. The refunding conferences scheduled by DCS are attended by fiscal representatives and information and technical assistance is provided as needed.
6. All documents are collected from grantees and are reviewed in a timely manner. Information provided by grantees is evaluated to determine that expenditures are made in accordance with the CSBG legislation and OMB Circulars.

Scope of Monitoring

On-site Visits

Fiscal representatives will contact assigned grantees to schedule on-site visits. This will be done by telephone or e-mail. The number of visits will vary depending upon the results of the FMFA review and the needs of the grantee.

During the course of the fiscal year, the fiscal representative will conduct a review of the agency's accounting records to ensure that the agency is in compliance with applicable laws and federal regulations. Documents reviewed will include, but not be limited to:

- revenue and expenditure reports
- general ledger transactions detail
- payroll registers and allocation reports
- contract budgets
- bank reconciliations
- indirect cost/cost allocation proposals
- invoices, cancelled checks and other disbursement documentation
- time sheets
- local share documentation (if applicable)
- audit
- balance sheets

Technical assistance will be provided as needed or training opportunities will be brought to the attention of the fiscal officer.

Follow-up on any findings as a result of prior visits or comprehensive assessment will be conducted to verify that corrective actions have been taken.

CSBG Grantee Services Contact Report – Fiscal (GSCR-F)

Monitoring Reports (Fiscal)

The GSCR-F is used to record and document significant contacts with grantees, including on-site visits, telephone calls (to address highly important issues), in-office visits, board meetings, and regional meetings. The GSCR-F is a public document which is shared with grantees (Executive Director, Finance Director and Board Chair) and is maintained in the contract files for review by auditors. The GSCR-F must contain adequate information to document compliance with federal legislation and contractual requirements. The GSCR-F may also document the assistance provided by the fiscal field representative. **(See pages 37-40)**

Content of the GSCR –F:

Page 1 of the GSCR-F is used for general and identifying information, such as grantee name, date of contact, contract type, federal fiscal year, contract number, duration of visit, and personnel or board members contacted. This page provides a variety of check boxes to identify the purposes of the visit (Check all that apply). The first informational box should be completed to indicate if there were any findings noted during the visit, and if so, if non-compliance was noted.

Page 2 of the GSCR-F is used to report all documents reviewed by area of functionality.

Page 3 of the GSCR-F is used to identify and comment on any findings noted. The appropriate check boxes should be selected and "N/R" should be inserted in areas not reviewed during the visit. There is an area for Summary of Communications with Grantee Personnel. This should be used to include information of importance obtained during conversation. The name and title of the grantee personnel should be included.

Page 4 of the GSCR-F begins the summary of review, findings and observations. Recommendations should be made to address any findings noted. If specific follow-up activities are known, they should be listed here. Any training or technical assistance provided or obtained should be described here. The anticipated timeframe and purpose and expected results of the next visit should be listed. A list of documents collected should be included.

Processing the GSCR-F:

The GSCR-F should be complete, accurate, objective, and concise. Reports should give readers adequate and correct understanding of the extent and significance of reported findings and observations. These reports are public documents. Information obtained during a site visit or other contact that is deemed confidential should not be included in this report format.

The GSCR-F is completed by the fiscal field representative in a timely manner. The report and any attachments are submitted to the supervisor for review and sign off via e-mail. The supervisor reviews the GSCR-F and attachments carefully for content and accuracy. If there are no findings noted or findings that do not indicate Non-Compliance, the supervisor requests revisions or signs off and returns to fiscal field representative via email. If a Non-Compliance finding has been noted, the GSCR-F must be forwarded to the CAU Supervisor for review and sign off. Once appropriate approvals have been received, fiscal supervisor forwards the report to the fiscal field representative and DCS administrative staff (Kathy and Lelia). Administrative staff (Lelia) is responsible for sending a PDF version of the GSCR to the following:

- Grantee Finance Director
- Grantee Executive Director
- Grantee Board Chair
- Assigned DCS Program Analyst
- DCS Supervisor
- DCS Bureau Manager
- DCS Director
- Legal (Non-Compliance Finding)

Administrative staff (Kathy) extracts data from the GSCR-F to add to the DCS Tracking Spreadsheet and it is saved to the "G" drive, (DCS\Grantees\(\listed alphabetically)\FFY 2015\Monitoring Reports – Plans\Fiscal (GSCRs-F) + Attachments).

The administrative staff (Kathy) prints hard copies of the GSCR and attachments and files the copies in the Albany grantee files.

Grantee Services Contact Report – Fiscal – Site Visit Attendance Record (GSCR-FA):

The GSCR-FA must be completed during each visit. The grantee name, date of contact, time of contact and site of contact should be completed. Any grantee personnel or board member that contributes relevant information to the GSCR-F should be asked to sign the attendance sheet. The Fiscal Field Representative will sign the certification portion of the form. The GSCR-FA will be appended to the final GSCR-F. **(See page 41)**

Identifying and Reporting Significant Issues Involving CSBG Eligible Entities:

Process for Program Analyst or Fiscal Representative Identifying and Reporting an Area of Concern/Finding or Area of Non-Compliance

There are 2 classifications for issues that may require special attention/further action that are identified during a monitoring visit or through other means: **area of concern** and **area of non-compliance**. To determine proper classification and response, consultation may be needed with Program and/or Fiscal Supervisors and DOS legal counsel. Keep in mind that supervisors and legal counsel should be consulted as a matter of course any time non-compliance is found and a Notice of Deficiency (NOD) is contemplated.

Areas of Concern/Finding

These are issues that are **not** attributable to a failure to comply with the terms of a specific applicable law, regulation, rule, cost principle, or contract. They are not violations. Areas of concern are matters of degree, quality, or measure. These issues do not rise to the higher level of non-compliance but require attention because they may be symptoms of a larger problem or may lead to a non-compliance issue in the future.

In the event a matter of concern/finding is raised, DOS will develop recommendations for improvement where appropriate. A letter of concern may be issued to the grantee memorializing the matter, but the matter may also be dealt with through regular monitoring of the grantee and discussions with grantee management. If appropriate, the program analyst or fiscal representative may provide or arrange for technical assistance to address the concern. Follow up will be conducted to monitor progress on the recommendation.

Areas of Non-Compliance

These pertain to issues that can be cited as a failure to comply with a specific applicable law, regulation, term in the contract, OMB cost principle, etc. In addition to noting the non-compliance issue in site visit reports, these issues will generally require a written Notice of Deficiency (NOD) from the State informing the grantee of the non-compliance and the need to correct the issue. The NOD should also discuss whether technical assistance is appropriate under the specific circumstances presented to help the grantee correct the noted deficiencies, and whether a Corrective Action Plan/Quality Improvement Plan will be required.

Technical assistance may be offered concurrently with the notification of a deficiency or deficiencies and should focus on the specific issues of the eligible entity to the extent possible. The State must follow the guidance set forth in the CSBG Act Sect 678C (42 USC § 9915) and HHS/CSBG Information Memo 116. **(See page 76-81)**

When a potential matter of concern or matter of non-compliance is identified by the program analyst or fiscal representative, it should be discussed with the supervisor as soon as possible and prior to the monitoring report being completed and submitted. In such an instance, a memo (to be emailed) should be prepared by the program analyst/fiscal representative to his/her supervisor (with co-analysts copied) stating the issue, identifying whether it appears to be a matter of concern or matter of non-compliance, and providing a recommendation for future DOS action to address the issue. The supervisor shall share the memo with the bureau/fiscal manager and respond to the program analyst or fiscal representative to facilitate completion of the pending draft GSCR. The bureau/fiscal manager may, upon initial notification and as deemed necessary, raise the matter to the attention of the division director. Any matters that may require Executive-level involvement must be raised to the Division Director (who will be responsible for informing the DOS Executive Office).

Once the supervisor responds to the program analyst or fiscal representative, a discussion of the issue, the related factual findings, and any recommendations for future action should be included in the draft GSCR. The draft GSCR will then be reviewed by the applicable supervisor, manager, and division director. As deemed necessary, the supervisor, manager or director may request assistance from Legal in reviewing a matter.

Preparing a Notice of Deficiency (NOD)

Once identified by a program analyst or fiscal representative, and confirmed by the analyst's or representative's supervisor, issues of non-compliance should be discussed with Legal. If a NOD is issued, it must be either drafted or reviewed and edited by Legal. The NOD should include a clear description of the specific area of non-compliance, the specific statute, regulation, contract term, or cost principle deemed violated, instructions for the improvement or corrective action required, a timeline for implementation and correction, and a discussion of whether DOS intends to offer or arrange for technical assistance or require the grantee to provide a Corrective Action Plan/Quality Improvement Plan. The underlying GSCR and supporting documentation should be provided to Legal in order to facilitate the drafting and/or review of the pending NOD.

Follow up to the NOD will be conducted by the program analyst/fiscal representative based on the timeline specified in the NOD. Follow-up activities include monitoring the grantee's progress on the remediation of the non-compliance, facilitating requests for training and/or technical assistance, and assessing compliance with any applicable approved corrective action or quality improvement plan. When the non-compliance has been fully corrected by the grantee, a

Notice of Satisfaction of Corrective Action should be issued. Like the NOD, this notice should be drafted by or reviewed and edited by Legal prior to issuance.

Additional Steps to Consider When Identifying and Reporting an Area of Concern/Finding or Area of Non- Compliance

In instances where areas of concern/finding or areas of noncompliance are discovered by a program analyst or fiscal representative, the analyst/representative and their supervisor should consider whether the issues identified warrant a potential adjustment of a grantee rating (such as a Risk Assessment rating or “At-Risk” designation) or established monitoring schedule. If such an adjustment is discussed and deemed appropriate, program and fiscal supervisors should be consulted; as deemed necessary, Legal should be consulted.

Annual Compliance Review of Organizational Standards

All eligible entities are required to comply with the 58 Organizational Standards identified in HHS Information Memorandum #138 (January 26, 2015). The State is required to verify compliance annually. In guidance to the States, HHS permits the States to verify compliance based on a desk review of a self-assessment conducted by the grantee. For the purpose of creating a uniform process for the grantee self-assessment, DOS-DCS is requiring all eligible entities to use the Organizational Standard Self-Assessment Tool created by the Community Action Partnership.

http://www.communityactionpartnership.com/storage/cap/documents/OSCOE/Feb%202015/oscoe_self_assessment_private_caas.pdf

http://www.communityactionpartnership.com/storage/cap/documents/OSCOE/Feb%202015/oscoe_self_assessment_public_caas.pdf

Documentation submitted to substantiate compliance will be desk reviewed by the assigned program analyst and fiscal representative. Areas of non-compliance will be identified and training and technical assistance arranged as needed. For standards requiring a longer timeframe to address, a quality improvement plan will be created to monitor progress. The grantee self-assessment will be due January 31st and the desk review will take the place of the 2nd quarter visit. (See pages 69-72)

Triennial Review for Accountability and Compliance with Standards

Only the cover page, general information and first standard are included for this 89 page document. **(See pages 73-76)**

PURPOSE

The Triennial Review for Accountability and Compliance with Standards (TRACS) was designed by the State of New York Department of State, Division of Community Services (DOS-DCS) to comply with 42 U.S.C. 9901 et seq., §678B, as amended, which requires each state to conduct a full on-site review of each eligible entity at least once during each 3-year period as well as to assess compliance with the organizational standards put forth by the United States Department of Health and Human Services (HHS) in Community Services Block Grant (CSBG) Information Memorandum (IM) No. 138 (as published on January 26, 2015).

Triennial Review for Accountability and Compliance with Standards was created in consultation with representatives from the NYS Community Action Association, CSBG Advisory Council, and several Community Action Agencies (CAA). Triennial Review for Accountability and Compliance with Standards was sent to every eligible entity in New York State (NYS) in March 2015 for review and comment. Grantees are encouraged to use this tool as part of an annual self-assessment process.

The purpose of this assessment is two-fold. First to assess for compliance with the Organizational Standards set forth by HHS, Office of Community Services (Information Memorandum 138, Dated January 26, 2015) and second to fulfill the State’s requirement under the CSBG Act for a comprehensive on-site assessment of each eligible entity at least once every three years (42 USC § 9914).

PROCESS

Sixty calendar days prior to an on-site assessment, DOS will formally send Triennial Review for Accountability and Compliance with Standards to the CEO and board chair of the eligible entity. The eligible entity is responsible for gathering sufficient documentation to support each standard and its corresponding indicators. Within each standard there are suggested documents that may assist in demonstrating compliance. Grantees may wish to and are able to provide other forms of documentation than those listed in order to demonstrate compliance. Once on site, staff from the Department of State will review the documents submitted for each standard and its associated indicators to verify whether the indicators have been met.

IT IS THE RESPONSIBILITY OF THE ELIGIBLE ENTITY TO PROVIDE SPECIFIC DOCUMENTATION TO SUPPORT EACH STANDARD AND CORRESPONDING INDICATORS.

RATING

Two scores will be assigned to each assessment. One for compliance with the organizational standards and the other for compliance with the indicators. Both ratings are based on the percentage of compliance compared to the total number of applicable standards and total number of applicable indicators which were determined to be “met”.

REPORTS

A discussion draft, including findings, observations, and recommendations, will be provided to the CEO and board chair of the eligible entity electronically within 60 calendar days of the conclusion of the on-site review. The eligible entity will have the opportunity to comment on the content of the draft report. Comments must be received from the grantee within 30 business days upon receipt of the draft report.

If there are serious findings or deficiencies, these must be reported to HHS, Office of Community Services. These include non-compliance with Federal or State laws, non-compliance with eligible entity bylaws, the eligible entity has committed fraud, the eligible entity is in serious financial difficulty or is not able to provide services. A meeting will be held with the grantee prior to preparation of the discussion draft. The discussion draft is not a public document. The draft will not be circulated except to the extent required under the Freedom of Information Law (FOIL).

Final Report: Upon receipt of comments, a final report will be prepared and issued to all members of the board of directors and the CEO. The final report will re-state relevant information from the discussion draft, and will include comments received from the grantee. The final report will be available to the public upon written request.

FOLLOW UP

Following the triennial assessment process, if the State finds an eligible entity is not meeting an indicator, standard or set of indicators or standards, the State’s response will depend on the circumstances.

In cases where the eligible entity may be able to meet an unmet indicator in a reasonable timeframe, DOS will prepare a Continuous Improvement Plan listing recommendations for the unmet indicators. The DOS Program Analyst and Fiscal Representative will verify progress made by the agency in carrying out the recommendations in the plan during regularly scheduled on-site visits.

In cases where the eligible entity may be able to meet an unmet 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, the State may initiate action in accordance with section 678C of the CSBG Act (42 U.S.C. § 9915), including issuance of a Notice of Deficiency and the establishment of a Quality Improvement Plan (QIP) with clear timelines and benchmarks for progress.

In the event that, based on its assessments of the eligible entity, the State is confident that the eligible entity is moving toward meeting standards, under a technical assistance plan, QIP, or other oversight mechanism, and no ongoing significant deficiencies or material weaknesses have been noted, the State will make its best effort to continue to constructively engage the eligible entity.

The failure of an eligible entity to meet multiple standards, or in cases where one or more serious deficiencies (including but not limited to, contractual non-compliance, financial irresponsibility, failure to adequately provide services, conversion, fraud, corruption or abuse) may reflect deeper organizational challenges and risk. In those cases, a State must determine whether it may be necessary to take additional actions, including initiating action to reduce or terminate funding, in accordance with section 678C of the CSBG Act (42 U.S.C. § 9915; see also, CSBG IM 116, "Corrective Action, Termination, or Reduction of Funding," issued May 1, 2012).

Attachments

- Individual Monitoring Plans
 - Program IMP – pages 18 - 20
- Grantee Services Contact Reports (GSCR) – pages 21 - 28
 - GSCR (generic)
 - Documentation–Board Certification and Compliance with Grantee
 - Documentation–Board Meeting
 - Board Member Tracking Sheet
- Fiscal Monitoring Frequency Assessment tool – pages 29 - 33
- Individual Monitoring Plans
 - Fiscal IMP – pages 34 - 35
- Grantee Services Contact Report – Fiscal (GSCR-F) – pages 36 - 40
- Grantee Services Contact Report – Fiscal – Site Visit Attendance Record (GSCR-FA): page 41
- CSBG IM 138: Establishment of Organizational Standards for Eligible Entities - pages 42 – 68
- Annual Compliance Review of Organizational Standards (ACROS) –pages 69 -72
- Triennial Review for Accountability and Compliance with Standards (cover page and table of contents only) – pages 73- 75
- CSBG IM 116: Corrective Action, Termination, or Reduction of Funding- pages 76 - 81

Individual Monitoring Plans-Program

Program IMP

Instructions: The assigned program analyst and fiscal representative will create a monitoring plan for each grantee prior to the start of the fiscal year. The plan will address the grantee’s needs for technical assistance as well as the required scope of monitoring required by the DOS Monitoring Guide. TRACS will count as a joint visit in the federal fiscal year it is conducted. **The IMP is not part to be made part of the GSCR, it is a document to be used for internal purposes.**

Grantee Name:

Individual Monitoring Plan by the Program Analyst

Contract year: 20??

| DATE & TIME | • Scope of Monitoring and Intended Outcomes |
|---|--|
| <p>First Quarter October –December (based on Board Meeting date)</p> | <ul style="list-style-type: none"> • Program Analyst will focus on “governance” and setting the framework for the year • Conduct a review of board appointment documents to verify compliance with legislative requirement. Conduct a review of bylaws and minutes to verify that the board complies with its own operating procedures (meeting frequency, attendance, quorum, committee work, etc.) Verification of board composition, function and compliance with bylaws • Observe Board Function (If schedule does not allow, this can be done during another site visit.) Verify that the board function includes active participation by all members, there is ample discussion prior to voting, and members appear prepared for the meeting. May be required to impart information to the board on CSBG issues as directed. • Verify the Work Plan and Budget are still relevant based on original contract. Verification that the work plan and budget submitted with the contract will be carried out (amendment may be needed if a carry-over exists). • Meet with staff to share information on the reporting tools to address contract requirements pertaining to the APR and PPRs. Verify the agency has sufficient means to collect and report on outcomes, and that data is used for planning purposes. Agency will begin the contract with a clear understanding of the information to be collected and reported throughout the year in order to complete the annual program report. • Routine Items for Program Analyst Review (To be done each quarter) • Agency update with executive director or designee- Learn about changes, challenges, and improvements in functional areas (governance, fiscal, management, human resources, program planning & development, funding, facilities, info technology, etc.) • Observe at least one CSBG funded program - Verify sound operation of and progress of one program funded primarily with CSBG entitlement funds. Verify internal controls to ensure income eligibility and outcome reporting. • Monitor Discretionary funded program (If applicable) Verify progress on Discretionary project/PPR (If applicable) Verify sound operation of and progress of one program funded primarily with CSBG entitlement funds. Verify internal controls to ensure income eligibility and outcome reporting. • Follow up on CORE or TRACS Continuous Improvement Plan (If applicable). - Document progress/challenges in addressing the recommendations • Provide technical assistance as requested/required in the area of _____(If applicable) - Document assistance provided and outcome for the grantee. |

| DATE & TIME | <ul style="list-style-type: none"> • Scope of Monitoring and Intended Outcomes |
|---|---|
| <p>Second Quarter January – March DESK REVIEW unless the grantee is having a TRACS in this fiscal year</p> | <p>Desk review of the documentation submitted with the Grantee Annual Self-Assessment for compliance with the Organizational Standards (ACROS). Also conduct desk review and follow up communication associated with data collection and reporting systems. (THIS IS FOR GRANTEES WHO DO NOT HAVE A TRACS IN THIS FISCAL YEAR)</p> <ul style="list-style-type: none"> • Contact grantee staff to share information on the reporting tools to address contract requirements pertaining to the APR and PPRs. Verify the agency has sufficient means to collect and report on outcomes, and that data is used for planning purposes. Agency will begin the contract with a clear understanding of the information to be collected and reported throughout the year in order to complete the annual program report • Contact the grantee to verify the Work Plan and Budget are still relevant based on original contract. Verification that the work plan and budget submitted with the contract will be carried out (amendment may be needed if a carry-over funds exist). • Provide technical assistance with the budget amendment for the revised allocation or carry-over (if applicable). Amendment will be submitted in a timely manner and display prudent use of CSBG resources • Routine Items for Program Analyst Review by telephone and email (See Scope listed in Q1 above) <p>A quarterly monitoring visit is required for grantees that are not required to complete the Annual Comprehensive Review of Organizational Standards (ACROS)</p> <ul style="list-style-type: none"> • Program Analyst will focus on data collection and reporting “systems” • Meet with staff to share information on the reporting tools to address contract requirements pertaining to the APR and PPRs. Verify the agency has sufficient means to collect and report on outcomes, and that data is used for planning purposes. Agency will begin the contract with a clear understanding of the information to be collected and reported throughout the year in order to complete the annual program report • Monitor quality of reporting systems and provide technical assistance if necessary - Ensure grantee can collect information on client demographics, services provided and customer outcomes and be able to accurately report on these. Verify the accuracy of 1st Quarter PPR by testing the internal controls for reporting to ensure grantee’s data collection system worked. Verify that the PPR is correctly reporting the information needed to complete the annual report. • Verify the Work Plan and Budget are still relevant based on original contract. Verification that the work plan and budget submitted with the contract will be carried out (amendment may be needed if a carry-over funds exist). • Provide technical assistance with the budget amendment for the revised allocation or carry-over (if applicable). Amendment will be submitted in a timely manner and display prudent use of CSBG resources • Routine Items for Program Analyst Review (See Scope listed in Q1 above) • Joint Visit by Program Analyst and Fiscal Rep - The scope of the visit is to review grantee fiscal data together and meet with grantee staff to gather information related to fiscal areas of concern and issues that pose a threat to the grantee’s fiscal health. This will be done by reviewing GSCR fiscal indicators and related documentation together and by meeting with grantee leadership to investigate areas of concern. Staff should also review issues identified on the Attestation Sheet submitted prior to the scheduled visit. This may also include investigation of other areas of concern that may have an impact on CSBG programmatic and fiscal areas. Examples include, but are not limited to, changes in key personnel, information identified in the board meeting packages, or through other means. |

| DATE & TIME | <ul style="list-style-type: none"> • Scope of Monitoring and Intended Outcomes |
|--|--|
| <p>Third Quarter April - June</p> | <ul style="list-style-type: none"> • Program Analyst will focus on planning efforts and preparation for CSBG refunding • Discuss planned use of CSBG funding for coming year based on Strategic Planning and Needs Assessment. Review strategic plan and needs assessment to ensure they are current or revisions are under way to inform program development and agency operations. • Review 2nd Quarter PPR to see if planned outcomes for next year are valid estimates based on six months of experience. Verify that the PPR is correctly reporting the information needed to complete the annual report. Address any questions and provide technical assistance in updating Work Plan if planned outcomes need to be amended. • Ensure grantee can collect information on client demographics, services provided and customer outcomes and be able to accurately report on these. Verify the accuracy of 1st and 2nd quarter PPRs by testing the internal controls for reporting to ensure grantee's data collection system worked. Verify that the PPR is correctly reporting the information needed to complete the annual report. • Conduct eligibility review and obtain updated agency documents. Obtain a copy of agency policies and procedures as related to eligibility requirements. Confirm grantee maintains eligibility for CSBG funding. Verify that the grantee is still a viable organization (VRQ certification as part of refunding process) and maintains compliance with tripartite board composition. Update Albany and analyst's files with revisions to any of grantees operating documents (PPP, fiscal manual, bylaws, Incorporation Papers, needs assessment, etc.) • Routine Items for Program Analyst Review (See Scope listed in Q1 above) • Joint Visit by Program Analyst and Fiscal Rep (if not conducted in Q2) |

| DATE & TIME | <ul style="list-style-type: none"> • Scope of Monitoring and Intended Outcomes |
|--|--|
| <p>Fourth Quarter- July – September</p> | <ul style="list-style-type: none"> • Program Analyst will focus on reconciling and closing out current contract and setting monitoring plan for next year • Verify that all program and financial reports were submitted to guarantee full payment on the contract before 9/30. Verify agency received all payments due to them • Discuss need for amendment with CFO and executive director based on outcomes reported in 3rd Quarter PPR and line items expended in 70% financial report. Determine if amendments are needed to accurately reflect program operations and use of funds • Provide technical assistance regarding reporting requirements -Grantee will submit a 4th PPR as well as APR as part of the final reporting requirement as stated in the contract. Verify that the agency is continuing to collect the information on client characteristics and program outcomes needed to complete the annual report • Create an Individual Monitoring Plan for next year based on required purposes as well as specific needs for training and technical assistance and CORE. The plan will be created to addresses the needs of the agency as well as meeting the contractual monitoring requirements (program and fiscal) • Routine Items for Program Analyst Review (See Scope listed in Q1 above) • Joint Visit by Program Analyst and Fiscal Rep (if not conducted in Q2 or 3rd) |

Instruction for Completing the Grantee Services Contact Report (GSCR)

The GSCR is used to record and document significant contacts with grantees, including on-site visits, telephone calls (to address highly important issues), in-office visits, board meetings, and regional meetings. The GSCR is a public document which is shared with grantees and is maintained in the contract files for review by auditors. The GSCR must contain adequate information to document compliance with federal legislation, status of each functional area, and significant progress toward achieving the goals and indicators stated in the CSBG Work Plan. The GSCR may also document the assistance provided by the program analyst and must be stated in terms of outcomes or results achieved.

Page 1 of the GSCR is a cover page to be used for any type of contact, but particularly for site visits. Page 1 asks for general and identifying information, such as grantee name, date of contact, contract type, federal fiscal year, contract number, duration of visit, and personnel or board members contacted. The first informational box should be completed to indicate if there were any findings noted during the visit, and if so, if they noted Non-Compliance.

This page provides a variety of check boxes to identify the purposes of the visit and the documents attached to the report. (Check all that apply). The program analyst must sign and date this page once the report is completed and other pages/documents are attached.

Pages 2, 3 & 4 of the GSCR are a summary of information obtained as a result of the contact. All sections require clear and objective information. **REVISED FOR NEW GSCR -DRAFT**

- Documents Reviewed – program analysts are required to review progress reports, board packages, newsletters, and other documents submitted by the grantee in preparation for the on-site visit. Note important information contained in these documents on the GSCR and follow up as needed when conducting the site visit. Attach copies of updated eligibility documents if applicable (bylaws, personnel policies, needs assessment, strategic plan, fiscal/travel policies)
- The GSCR is organized by functional area (Governance, administration, fiscal, data collection, and program). For each area, identify the information reviewed prior to the site visit.
- Grantee Update with Executive Director or designee -Based on the information reviewed under each functional area include the follow up discussion. Note which staff provided information on each section. Address the template of questions created by DCS Program Supervisor each quarter.
- Training and Technical Assistance Provided or Obtained – provide a brief description of how the need for T&TA was determined, a description of the T&TA provided or obtained, and the outcomes expected as a result of T&TA.
- Programs Monitored – a description of the service(s) provided and outcomes achieved by the program. It should include specific information on sources of funding, staffing, locations and times program/service is offered and other information that provides clarity to the reader. Progress or challenges should be explained.
- Analyst’s Summary of Review and Observations – cite instance(s) of compliance and noncompliance, and areas that may require improvement; reference specific documents that support the observation or finding.
- Recommendations and/or Follow-up Activities, including the Timeframe and Expected Results – should contain recommendations for corrective actions as well as support offered to facilitate compliance; recommendations should be appropriate, feasible, reasonable, and include a time frame for implementation.
- Date and Purpose/Expected Results of Next Visit – describe briefly. The visit should correspond to the IMP.

Grantee: _____

Date(s) of Contact: _____ FFY: 2016 Contract Type: Entitlement Contract #: C1000

Time of Contact (Start): _____ to _____ (end)

| | |
|---|--|
| <input type="checkbox"/> FINDING(S) NOTED | <input type="checkbox"/> NO FINDING(S) NOTED |
| <input type="checkbox"/> NON-COMPLIANCE FINDING(S) NOTED (COPY LEGAL) | <input type="checkbox"/> REQUIRES FISCAL FOLLOW-UP |

Type: Main Office On-Site Telephone Regional Meeting
 Satellite Office On-Site E-Mail/Fax Desk Review (files/documents)
 Other _____

Grantee Personnel or Board Members Contacted (include Names and Titles):

Purpose of Contact: (check all that apply)

- | | |
|---|--|
| <input type="checkbox"/> On-site visit Quarter 1 | <input type="checkbox"/> Provide Technical Assistance (<i>Topic</i>) |
| <input type="checkbox"/> On-site visit Quarter 2 | <input type="checkbox"/> Follow up on CORE/TRACS/ACROS |
| <input type="checkbox"/> On-site visit Quarter 3 | <input type="checkbox"/> Review Eligibility Documents |
| <input type="checkbox"/> On-site visit Quarter 4 | <input type="checkbox"/> Review Refunding Documents |
| <input type="checkbox"/> Attend Board Meeting | <input type="checkbox"/> Conduct Board File Review |
| <input type="checkbox"/> Joint Site Visit with DOS Fiscal Rep | |
| <input type="checkbox"/> Other: _____ | |

Documents Attached: (check all that apply) –

- | | | |
|--|--|--|
| <input type="checkbox"/> Amendment Documents | <input type="checkbox"/> Board Bylaws | <input type="checkbox"/> Personnel Policies |
| <input type="checkbox"/> Board List Certification Form | <input type="checkbox"/> MWBE Forms | <input type="checkbox"/> Fiscal Policies |
| <input type="checkbox"/> Board List | <input type="checkbox"/> Fiscal & Program Attestation Form | <input type="checkbox"/> Email Communications |
| <input type="checkbox"/> Board Meeting Agenda | <input type="checkbox"/> Program Progress Report (PPR) | <input type="checkbox"/> Fiscal Communications |
| <input type="checkbox"/> Board Meeting Observations Form | <input type="checkbox"/> Refunding Documents | <input type="checkbox"/> TDS/PARS |
| <input type="checkbox"/> Board Minutes | <input type="checkbox"/> Strategic Plan (Outcome Report) | <input type="checkbox"/> Staffing/Turnover Reports |
| <input type="checkbox"/> Board Member Tracking Sheet | <input type="checkbox"/> Needs Assessment | <input type="checkbox"/> Misc. Program Reports |
| <input type="checkbox"/> Board Financial Reports | <input type="checkbox"/> CORE/TRACS/ACROS Follow Up | <input type="checkbox"/> Cost Allocation Plan/ICR |
| <input type="checkbox"/> Other: _____ | | |

Certification

By my signature below, I certify that I have reviewed this document and find it to be complete and in final form.

1) _____ 2) _____
Program Analyst **Date** **Supervisor** **Date**

3) _____
Program Director or Bureau Manager **Date**

Submitted electronically for review and approval

Grantee: _____

Date(s) of Contact: _____ FFY: 2016 Contract Type: Entitlement Contract #: C1000

| |
|--|
| Governance factual findings based on documents reviewed and discussion |
| <input type="checkbox"/> Board Meeting Minutes Summary (Identify the dates of the meetings held since the last site visit and describe the major topics of discussion at each meeting): |
| <input type="checkbox"/> Attestation Governance responses if necessary |
| <input type="checkbox"/> Board Tracking Form Summary of Findings: (Attach an updated board tracking form. Identify findings as a result of documents reviewed and identify documents needed for board member compliance). |
| <input type="checkbox"/> Changes to the bylaws (attach current versions). |
| <input type="checkbox"/> Other: |
| Discussion with XYZ: |
| <ul style="list-style-type: none"> • Have corrections been made as a result of the last quarter’s board file review? Any unresolved issues? • Follow up on governance issues identified on Attestation form if applicable • Are there any major issues in the board minutes that require follow up with the CEO |

| |
|---|
| Administrative and other factual findings based on documents reviewed and discussion |
| <input type="checkbox"/> Attestation Admin responses if necessary |
| <input type="checkbox"/> Other: Changes to incorporation papers or other key organizational documents (attach current versions). |
| Discussion with XYZ: |
| <ul style="list-style-type: none"> • Are there any facility issues of note? • Other questions/issues that were identified in board materials that should be discussed • Follow up on admin issues identified on Attestation form if applicable • Have any other funders or government entities conducted an audit or review of any program since the last site visit? If so, what were the results? Request a copy of the final report when it is received • Are there any long standing issues from the CORE or TRACS that require follow up with the CEO? • Follow up on letter of concern or notice of deficiency if applicable. |

| |
|--|
| Program/Planning factual findings based on documents reviewed and discussion |
| <input type="checkbox"/> Attestation Program/Planning responses if necessary |
| <input type="checkbox"/> PPR Reviewed with grantee: Most outcomes are on track, not on track, identify anomalies that are not included in the PPR (attach PPR). |
| Discussion with XYZ: |
| <ul style="list-style-type: none"> • Is progress on all outcomes reasonable and occurring at a rate that is expected and will lead to outcome targets being fully met? If not, who did you discuss this with? What is the result of the discussion (Ex. amendment to work plan, will catch up in following quarters, etc.) • Follow up on planning issues identified on Attestation form if applicable • Are there community issues affecting the agency (plant closings, new businesses, changes in municipal government officials, area designation such as Promise Zone, etc.) |

Grantee: _____

Date(s) of Contact: _____ FFY: 2016 Contract Type: Entitlement Contract #: C1000

| |
|--|
| Data Collection/Income Eligibility factual findings based on documents reviewed and discussion |
| <input type="checkbox"/> Data collection system/process description (Identify the data collection software or process used. Update quarterly if needed) |
| <input type="checkbox"/> Describe the process/documentation used for ensuring customers assisted with CSBG funds are checked for income eligibility and update if changed: |
| <input type="checkbox"/> Other: |
| Discussion with XYZ: |
| <ul style="list-style-type: none"> Follow up on reporting or other issues identified on Attestation form if applicable |

| |
|---|
| Fiscal findings based on documents reviewed and discussion |
| <input type="checkbox"/> Attestation form was completed by the grantee and is attached for review by the DOS Fiscal Representative |
| <input type="checkbox"/> Informed grantee that information provided on the Attestation Form will be verified by the DOS Fiscal Rep. |
| <input type="checkbox"/> Reviewed sampling of: <input type="checkbox"/> PARS/TDS <input type="checkbox"/> Specify the positions funded by CSBG are consistent with approved B-2. Results of the above review conducted: Review of Timesheet for Pay periods (1) [date] to [date] and (2) [date] to [date] Name of staff: Title: ???? (same or different than title on B-2) Hours charged to: Pay period 1: CSBG -# or % , other funder # or %, other funder # or %, other funder # or % Pay period 2: CSBG -# or % , other funder # or %, other funder # or %, other funder # or % Name of staff: Title: ???? same or different than title on B-2) Hours charged to: Pay period 1: CSBG -# or % , other funder # or %, other funder # or %, other funder # or % Pay period 2: CSBG -# or % , other funder # or %, other funder # or %, other funder # or % Are hours assigned to CSBG and other funders based on actual hours worked or do they appear to be based on a budgeted formula? <input type="checkbox"/> Other: |
| Discussion with XYZ: |
| <ul style="list-style-type: none"> What was the last financial report submitted? Were there issues identified on the last report prepared by the DOS fiscal representative? Follow up on fiscal issues identified on Attestation form if applicable |

| |
|---|
| Training or Technical Assistance Provided or Offered (Describe): |
| TRACS, ACROS, other areas, etc. |

Grantee: _____

Date(s) of Contact: _____ FFY: 2016 Contract Type: Entitlement Contract #: C1000

| |
|--|
| Program Monitoring (Analyst's review of a program each quarter): |
| Met with Title, from ABC Program, fully/partially funded by CSBG..... |
| <input type="checkbox"/> Tested outcomes reported on the PPR for ABC Program... |
| <input type="checkbox"/> Tested client eligibility documentation for ABC Program... |

| Summary of Findings/No Findings | |
|--|----------------------------------|
| FINDING (s) NOTED | NO FINDING (s) NOTED |
| • | |
| NON-COMPLIANCE FINDING(S) NOTED (COPY TO LEGAL) | REQUIRES FISCAL FOLLOW-UP |
| • | |

| |
|---|
| Recommendation(s) on Finding(s) and/or follow-up activities (including the time frame and expected results): |
| • |

| |
|---|
| Anticipated date of next site visit: |
| • |

Grantee: _____

Contract #: _____ FFY: _____ Contract Type: _____

Documentation-Board Certification and Compliance with Grantee

CERTIFICATION OF BOARD LIST AND BOARD FILE REVIEW

Bylaws used for this review were dated: _____

The board list used for review is dated: _____

Membership Information as stated in the Grantee Bylaws:

| | | |
|--------------------------------|--|------------------|
| Size of board: _____ | | |
| Number by sector: Public _____ | Number of vacancies by sector: | Public _____ |
| Low Income _____ | | Low Income _____ |
| Private _____ | Terms: _____ | Private _____ |
| _____ Term Limit/years of | | |
| service (if any): _____ | | |
| | Number of members that have exceeded | |
| | the maximum number of years of service | |
| | (as indicated by appointment | |
| | documentation) : _____ | |

Bylaws contain a procedure under which low income individuals or organizations can petition for adequate representation (yes/no)

Board Member File Review:

| |
|--|
| Findings/Observations (See attached Board Tracking Sheet): |
|--|

Attached: Board list certified as part of review, current Bylaws, and any additional democratic selection procedure/policy for the selection of low income sector representative board members.

Upon review of member files, bylaws, and procedures for democratic selection of low income sector representatives it is determined that the selection procedures are in accordance with the requirements of the federal CSBG Act. **(yes / no)**

| | |
|---|--|
| Meeting Information as stated in the Grantee Bylaws: | Meeting Information based on actual: |
| Number/frequency of meetings to be held: _____ | Number/frequency of meetings that were held: _____ |
| Month when annual meeting is held: _____ | Month annual meeting was held: _____ |
| Number needed for quorum: _____ | Number of meetings that had quorum: _____ |

Board Meeting Minutes Reviewed

A review of the meeting minutes for a one year period was conducted for the period of _____ (dd/mm/yy) through _____ (dd/mm/yy).

Check the Topics Reported in the Minutes:

- | | |
|--|---|
| <input type="checkbox"/> Program Planning & Evaluation | <input type="checkbox"/> Strategic Planning |
| <input type="checkbox"/> Board Self-Assessment | <input type="checkbox"/> Succession/Business Contingency Planning |
| <input type="checkbox"/> Orientation or Training for Board Members | <input type="checkbox"/> Evaluation of Executive Director |
| <input type="checkbox"/> Training (ROMA or Other) | <input type="checkbox"/> Petition for Representation |

Grantee: _____

Contract #: _____ FFY: _____ Contract Type: _____

Documentation-Board Meeting

BOARD MEETING OBSERVATIONS

Meeting Called to Order: _____(time) Meeting Adjourned: _____(time)

Meeting Chaired By: _____ (name/title)

Total Number of Seated Board Members: _____ Total Number Needed for Quorum: _____

Total Number Present: _____ Quorum was met (yes or no): _____

1. Was meeting notice, agenda, and minutes distributed prior to the meeting? Yes No
How far in advance? _____

2. Was attendance taken? Yes | | No

Title of person responsible for keeping attendance records: _____

3. Were the minutes of the previous meeting reviewed and approved? Yes No
Were corrections needed to previous minutes? | | Yes | | No

4. Executive Director Report
Presentation of Report: Written Oral | | Report Attached

5. Financial Report
Presentation of Report: Written Oral Report(s) Attached

Who presented report: _____

Was a financial report prepared and distributed? Yes No

Information provided to the board: Line of Credit Revenue & Expenditures Agency-wide budget

6. Committee Reports – List of reports presented: Report(s) attached

7. Program Reports – List of reports presented: Report(s) attached

8. Summary of Discussions and/or Actions Taken: (e.g. highlight of reports presented, discussion of CSBG related issues, board member appointments, election of officers, special presentation, operational changes, changes or loss in funding, etc.)

9. Staff present/Others present:

10. Comments (Program Analyst’s impression of level of discussion, meeting documents, meeting procedures followed, etc.)

11. Recommendation(s):

Grantee: _____

Date(s) of Contact: _____ FFY: 2016 Contract Type: Entitlement Contract #: C1000

Board Member Tracking Sheet

Instructions: As part of the board file review, identify each member and sector on the board of directors. Identify each source of documentation provided for the appointment. Verify whether the documentation was sufficient per DOS guidelines for each listed board member. As a follow-up/update each quarter, check the members still on the board and strike out the members no longer on the board but **DO NOT DELETE** (extra lines may be added to the document by the analyst, as needed, during the year). As new members are seated, ensure there is proper documentation on file. **A new form should be started and used for each new Federal Fiscal Year.**

Size of Board (per Bylaws): _____ # Seated Members: _____ # of Vacant Seats: _____

Public Sector Members

| # | NAME | Start date of Current Term | Date Term Ends | Documents | | | | Verified Y/N | Comments (If unable to verify, please explain) |
|---|------|----------------------------|----------------|----------------------------|-------------|----------------------------|------------------------------------|--------------|---|
| | | | | Appt. in Mtg. Minutes? Y/N | Rep Letter? | In Office at time of Appt? | Conflict of Interest (date signed) | | |
| 1 | | | | | | | | | |
| 2 | | | | | | | | | |
| 3 | | | | | | | | | |
| 4 | | | | | | | | | |
| 5 | | | | | | | | | |
| 6 | | | | | | | | | |

Private Sector Members

| # | NAME | Start date of Current Term | Date Term Ends | Documents | | | Verified Y/N | Comments (If unable to verify, please explain) |
|---|------|----------------------------|----------------|----------------------------|-----------------------|------------------------------------|--------------|---|
| | | | | Appt. in Mtg. Minutes? Y/N | Category Representing | Conflict of Interest (date signed) | | |
| 1 | | | | | | | | |
| 2 | | | | | | | | |
| 3 | | | | | | | | |
| 4 | | | | | | | | |
| 5 | | | | | | | | |
| 6 | | | | | | | | |

Low-Income Sector Members

| # | NAME | Start date of Current Term | Date Term Ends | Documents | | | Verified Y/N | Comments (If unable to verify, please explain) |
|---|------|----------------------------|----------------|----------------------------|------------------------------------|------------------------------------|--------------|---|
| | | | | Appt. in Mtg. Minutes? Y/N | Democratic Selection docs Verified | Conflict of Interest (date signed) | | |
| 1 | | | | | | | | |
| 2 | | | | | | | | |
| 3 | | | | | | | | |
| 4 | | | | | | | | |
| 5 | | | | | | | | |
| 6 | | | | | | | | |

Analyst findings – Verified # of members: Public _____ Private _____ Low Income _____

Findings, recommendations and follow-up are included on the GSCR form.

Department of State
CSBG Fiscal Monitoring Frequency Assessment Worksheet

| |
|--------------------------------|
| Grantee Name: |
| Assessment Date: |
| Assessment Prepared By: |

General Instructions:

- 1) If the risk rating is anything other than "Low", a narrative explanation is required in the comments section. For some sections, information is required in the comment section for all risk ratings. If this is the case, it is stated in the instructions for that indicator.
- 2) Place an X in the box next to the applicable Guidance and the corresponding rating will automatically fill. This rating will automatically carry to the assessment form.

| | Indicator | Documents to Review | Instructions/Required Comments | Guidance | Rating | |
|--------------------------|------------------------------|---|--|---|--------|---------------|
| Agency Management | | | | | | |
| | Previous CORE Outcome | <ul style="list-style-type: none"> - QIP - Most recent CORE review - Other | Include the number of recommendations addressed, progressing and not addressed. Provide detail for compliance issues not addressed | - No Recommendations | - | Low |
| | | | | - Recommendations fully addressed | - | Low-Medium |
| | | | | - Recommendations in progress | - | Medium |
| | | | | - Recommendations not addressed | - | Medium - High |
| | | | | - Compliance Recommendations not addressed | - | High |
| | | | | - Other | | |
| | NOD | - NOD | If a Notice of Deficiency has been issued review | - No NOD issued | - | Low |
| | | | | - NOD issued within past 12 months, fully rectified | - | Low-Medium |
| | | | | - NOD issued within past 12 months, corrective action in progress | - | Medium |
| | | | | - NOD issued within past 12 months, corrective action not started | - | Medium - High |
| | | | | - NOD issued within the past 12 months, grantee has no ability to address | - | High |
| | | | | - Other | | |
| | Other Funding Source Reviews | <ul style="list-style-type: none"> - Fiscal & Program Attestation form - Other | Review the most recent audit findings and the last quarterly Fiscal & Program Attestation form. | - All clean - no findings or disallowed costs | - | Low |
| | | | | - Minor findings or disallowed costs | - | Low-Medium |
| | | | | - Major findings or disallowed costs | - | Medium |
| | | | | - Notice of deficiency issued by another funder | - | Medium - High |
| | | | | - Funding terminated by another funder | - | High |
| | | | | - Other | | |

| Accounting Office Functions: | | | | | | | |
|---------------------------------|--------------------------------|---|--|---|---|---|---------------|
| | Bank statement reconciliation | - Bank statements with reconciliation - Fiscal & Program Attestation | Review the bank statements and corresponding reconciliations for all accounts in which CSBG funds are held. | - | Within 5 days of receipt, fully reconciled | - | Low |
| | | | | - | Within 30 days of receipt, fully reconciled | - | Low-Medium |
| | | | | - | More than 30 days after receipt or not fully reconciled | - | Medium |
| | | | | - | More than 1 month not reconciled | - | Medium - High |
| | | | | - | More than 3 months not reconciled | - | High |
| | | | | - | Other | | |
| | Valid time distribution system | - Sample of PAR's - Other | Review a sample of PAR's for CSBG employees for two consecutive pay periods | - | PAR's in accordance with A-122 for all CSBG staff not in indirect cost pool | - | Low |
| | | | | - | PAR's for more than 66% of CSBG staff not in indirect cost pool | - | Low-Medium |
| | | | | - | PAR's for 33% to 66% of CSBG staff not in indirect cost pool | - | Medium |
| | | | | - | PAR's for less than 33% of CSBG staff not in indirect cost pool | - | Medium - High |
| | | | | - | No PAR's | - | High |
| | | | | - | Other | | |
| Financial Stability Indicators: | | | | | | | |
| | Current Ratio | - Current Ratio - Balance Sheet - Other | Include the ratio and date in the comments. The most recent, reliable ratio should be used. If the ratio is below 1, perform a 3 year trend analysis | - | >1 | - | Low |
| | | | | - | 1 | - | Low-Medium |
| | | | | - | .99-.90 | - | Medium |
| | | | | - | .89-.80 | - | Medium - High |
| | | | | - | <.80 | - | High |
| | | | | - | Other | | |
| | Line of Credit Usage | - Line of credit activity from bank statements - Other | review the line of credit activity from a financial institution document (statement, internet printout,...) Do not use information the grantee generates | - | Do not use | - | Low |
| | | | | - | Use for short term, paid within 30 days | - | Low-Medium |
| | | | | - | Long term usage, covering operating costs | - | Medium |
| | | | | - | Outstanding over 1 year, repayment plan identified | - | Medium - High |
| | | | | - | Outstanding over 1 year, no ability to repay | - | High |
| | | | | - | Other | | |
| | Aged Accounts Payable | - Current A/P schedule - Other | Include the aging schedule in the comments. If the grantee does not age, it must be done by the FFR and reported here, as such. | - | All current | - | Low |
| | | | | - | 75% - 99% current | - | Low-Medium |
| | | | | - | 50% - 74% current or between 25% and 50% over 60 days | - | Medium |
| | | | | - | less than 50% current or more than 50% over 60 days | - | Medium - High |
| | | | | - | more than 50% over 90 days | - | High |
| | | | | - | Other | | |

| Independent Audit: | | | | | | | |
|--------------------------------------|-------------------------------|--|--|---|--|---|---------------|
| | Findings and questioned costs | - Annual Audit - Other | Include the fiscal year end in the comments. If there are findings, questioned costs, material weaknesses or significant deficiencies, indicate the number of each. If any of the above are in two consecutive audits, note it here. Note if there is an qualified or modified opinion | - | No findings or questioned costs | - | Low |
| | | | | - | Findings, no questioned costs | - | Low-Medium |
| | | | | - | Questioned costs | - | Medium |
| | | | | - | Qualified/Modified opinion w/no CSBG impact | - | Medium - High |
| | | | | - | Qualified/Modified opinion with CSBG impact | - | High |
| | | | | - | Other | | |
| | Audit submission | - Annual Audit - Other | Include the due date and submission date in the comments. If it was late, review two previous audits for a trend. | - | Submitted in 6 months | - | Low |
| | | | | - | Submitted by due date | - | Low-Medium |
| | | | | - | Submitted within 5 days of due date | - | Medium |
| | | | | - | Submitted more than 5 days late | - | Medium - High |
| | | | | - | Not submitted | - | High |
| | | | | - | Other | | |
| Fiscal Representatives Determination | | | | | | | |
| | Fiscal Rep concerns | - Personal knowledge by assigned fiscal field rep - Other | This should be based on the assigned FFR's personal experiences with the grantee | - | No items of concern noted | - | Low |
| | | | | - | Items of concern noted within last 12 months, fully addressed | - | Low-Medium |
| | | | | - | Items of concern noted within last 12 months, corrective action in progress | - | Medium |
| | | | | - | Items of concern noted within last 12 months, no corrective action implemented | - | Medium - High |
| | | | | - | Items of concern noted within last 12 months, grantee unable to address | - | High |
| | | | | - | Other | | |

The information and analysis herein is for the purpose of providing non-binding advice to the Department of State Bureau of Fiscal Management. The Department of State Bureau of Fiscal Management reserves the right to increase or decrease the number of fiscal site visits conducted during the course of any year, in its discretion, in response to circumstances presented and based upon the availability of administrative resources. This document is intended solely for intra-agency deliberative purposes, and should not be used for any other purpose.

Department of State
CSBG Fiscal Monitoring Frequency Assessment

| |
|--------------------------------|
| Grantee Name: |
| Assessment Date: |
| Assessment Prepared By: |

| Indicator | Comments | | Rating | Value | Score |
|--|----------|---|---------------|-------|-------|
| Agency Management: | | | | | |
| Previous CORE Outcome | | - | Low | 0 | #N/A |
| | | - | Low-Medium | 1 | |
| | | - | Medium | 2 | |
| | | - | Medium - High | 3 | |
| | | - | High | 4 | |
| | | | | | |
| NOD | | - | Low | 0 | #N/A |
| | | - | Low-Medium | 1 | |
| | | - | Medium | 2 | |
| | | - | Medium - High | 3 | |
| | | - | High | 4 | |
| | | | | | |
| Other Funding Source Reviews | | - | Low | 0 | #N/A |
| | | - | Low-Medium | 1 | |
| | | - | Medium | 2 | |
| | | - | Medium - High | 3 | |
| | | - | High | 4 | |
| | | | | | |
| Accounting Office Functions: | | | | | |
| Bank statement reconciliation | | - | Low | 0 | #N/A |
| | | - | Low-Medium | 1 | |
| | | - | Medium | 2 | |
| | | - | Medium - High | 3 | |
| | | - | High | 4 | |
| | | | | | |
| Valid time distribution system | | - | Low | 0 | #N/A |
| | | - | Low-Medium | 1 | |
| | | - | Medium | 2 | |
| | | - | Medium - High | 3 | |
| | | - | High | 4 | |
| | | | | | |
| Financial Stability Indicators: | | | | | |
| Current Ratio | | - | Low | 0 | #N/A |
| | | - | Low-Medium | 1 | |
| | | - | Medium | 2 | |
| | | - | Medium - High | 3 | |
| | | - | High | 4 | |
| | | | | | |

| | | | |
|---|-----------------|---|------|
| Line of Credit Usage | - Low | 0 | #N/A |
| | - Low-Medium | 1 | |
| | - Medium | 2 | |
| | - Medium - High | 3 | |
| | - High | 4 | |
| | | | |
| Aged Accounts Payable | - Low | 0 | #N/A |
| | - Low-Medium | 1 | |
| | - Medium | 2 | |
| | - Medium - High | 3 | |
| | - High | 4 | |
| | | | |
| Independent Audit: | | | |
| Findings and questioned costs | - Low | 0 | #N/A |
| | - Low-Medium | 1 | |
| | - Medium | 2 | |
| | - Medium - High | 3 | |
| | - High | 4 | |
| | | | |
| Audit submission | - Low | 0 | #N/A |
| | - Low-Medium | 1 | |
| | - Medium | 2 | |
| | - Medium - High | 3 | |
| | - High | 4 | |
| | | | |
| Fiscal Representatives Determination | | | |
| Fiscal Rep concerns | - Low | 0 | #N/A |
| | - Low-Medium | 1 | |
| | - Medium | 2 | |
| | - Medium - High | 3 | |
| | - High | 4 | |
| | | | |
| | | | #N/A |

Recommended minimum number of fiscal visits per year:

#N/A
of Visits

| | |
|------------------------|---|
| Total score is 0-5 | 2 |
| Total score is 6-15 | 3 |
| Total score is over 15 | 4 |

The information and analysis herein is for the purpose of providing non-binding advice to the Department of State Bureau of Fiscal Management. The Department of State Bureau of Fiscal Management reserves the right to increase or decrease the number of fiscal site visits conducted during the course of any year, in its discretion, in response to circumstances presented and based upon the availability of administrative resources. This document is intended solely for intra-agency deliberative purposes, and should not be used for any other purpose.

Individual Monitoring Plan by the Fiscal Field Representative

| Timeframe | Scope of Monitoring and Intended Outcomes |
|--|--|
| <p>After receipt of 20%, 45% or 70% Periodic Financial Report</p> | <p>Fiscal Field Representative will conduct desk review for each periodic financial report to determine compliance with contractual requirements:</p> <ul style="list-style-type: none"> • Review the periodic financial report for accuracy, completeness, and compliance with the executed contract. • Complete the “Financial Report Review” Sheet. <p>Fiscal Field Representative may conduct a site visit based on receipt of any or all of the reports and will focus on compliance with contractual and statutory requirements, and review of reported expenditures and supporting records. Specific information to be reviewed is determined at the time of the visit. Site visits may include the following activities:</p> <ul style="list-style-type: none"> • Agency Update: Meet with the agency’s finance director to learn about changes, challenges, and improvements in fiscal functions. • Expenditure Review: Trace expenditures per grantees records to expenditures reported on Periodic Financial Report and follow-up on discrepancies to verify that the accounting system satisfies the 2 CFR Part 200.302 requirements (Standards for Financial and Program Management, Financial Management) and that expenditures were properly reported based on the accounting records of the agency. • Personal Service Review: <ul style="list-style-type: none"> ○ Test a sampling of activity reports for staff to verify that the records satisfy the 2 CFR Part 200.430 Requirements for “Standards for Documentation of Personnel Expenses.” ○ Review payroll payments and corresponding tax liability payments to verify that employees and corresponding tax liabilities are being paid in full pursuant to New York State and IRS requirements. • Review bank account statements and corresponding reconciliation(s) for all accounts holding CSBG funds to verify that the bank accounts are fully reconciled in a timely manner to satisfy the 2 CFR Part 200.302(b) (4) requirements (Effective Control and Accountability of Funds). • Conduct internal control reviews or expenditure samplings to verify compliance with various contractual and statutory requirements. Reviews can include, but are not limited to, any of the following: Fiscal Policy and Procedures manuals, Revenue and Expenditure Reports, General Ledger transaction detail, balance sheet, payroll register and time distribution reports, time sheets, indirect cost agreement, indirect cost pool, paid invoices, cancelled checks, disbursement documentation, third party verifications, local share documentation, line of credit activity, purchase orders, employee expense (travel) reports, procurement documentation, insurance policies, state and federal filings, finance committee minutes, board packets and any additional items deemed necessary by the fiscal field representative or requested by the program analyst. • Follow-up on CORE or TRACS Quality Improvement Plan to document progress/challenges in addressing recommendations (if applicable). • Provide technical assistance as requested/required. Document assistance provided and outcome for the grantee (if applicable). Joint visit(s) with the assigned program analyst can be combined with any of the above reviews. Target dates for joint visits will be from January through June; scheduling to be based on mutually acceptable timeframes. Joint site visit scheduling does not take priority over at-risk agency monitoring. |

| Timeframe | Scope of Monitoring and Intended Outcomes |
|---|---|
| <p>Upon receipt of the UFS/FFR</p> | <p>Fiscal Field Representative will conduct desk review to determine compliance with contractual requirements:</p> <ul style="list-style-type: none"> • Review Unaudited Financial Statement (UFS) for accuracy and completeness and determine carryover/refund amount, if any is warranted. • Complete the “Review of UFS” sheet and the “Unaudited Financial Statement Review Letter” <p>Fiscal Field Representative will conduct on-site review (after desk review), as follows:</p> <ul style="list-style-type: none"> • Trace amounts reported on UFS to expenditures per grantee reports to verify that the accounting system satisfies the 2 CFR Part 200.302 requirements for “Financial Management” and that expenditures were properly reported based on the accounting records of the agency. • Review expenditure detail reports to spot check expenditure dates and verify they are within the annual contract period. • Review paid invoices for Accounts Payable listed in Exhibit 3 to verify all obligations have been properly liquidated pursuant to 2 CFR Part 200.343 (b)(Closeout Procedures). • Review procurement records for any asset listed on Exhibit 4 to ensure compliance with 2 CFR Part 200 (Procurement Standards). |

| Timeframe | Scope of Monitoring and Intended Outcomes |
|---|---|
| <p>Upon Receipt of Independent Audit (A-133)</p> | <p>Fiscal Field Representative will conduct desk review within six months of receipt of A-133 audit:</p> <ul style="list-style-type: none"> • Review the Independent Audit in conjunction with the corresponding management letter. Prepare the audit closeout letter and select the appropriate course of action. • Verify the correct Catalog of Federal Domestic Assistance (CFDA) and contract numbers are shown in the Schedule of Expenditures of Federal Awards (SEFA). • Reconcile expenditures reported on the SEFA to expenditures reported to DOS for the period. If necessary, follow-up with the grantee for assistance with the reconciliation pursuant to OMB Circular A-133 Subpart C (Auditee Responsibilities). Prepare the contract/grant closeout letter and review sheet for each applicable contract/grant • Follow-up with the grantee on any deficiencies, weaknesses or questioned costs within 6 months of receipt of audit. Continue follow-up throughout the contract period regarding audit findings. |

Instruction for Completing the Grantee Services Contact Report – Fiscal (GSCR-F)

Page 1 of the GSCR-F is used for general and identifying information, such as grantee name, date of contact, contract type, federal fiscal year, contract number, duration of visit, and personnel or board members contacted. This page provides a variety of check boxes to identify the purposes of the visit (Check all that apply). The first informational box should be completed to indicate if there were any findings noted during the visit, and if so, if they noted Non-Compliance.

Page 2 of the GSCR-F is used to report all documents reviewed by area of functionality. The name of the document and applicable filing date and filing period should be noted. The code will indicate which contract the document pertains to. This code will correspond to the codes on page 1.

Page 3 of the GSCR-F is used to identify and comment on any findings noted. The appropriate check boxes should be selected and “N/R” should be inserted in areas not reviewed during the visit. A brief statement should be made to describe the finding noted. If a Non-Compliance finding has been noted, a citation of the regulation should be included in the box. A more detailed explanation of the finding(s) should be provided in the Summary of Review, Findings and Observations. The Summary of Communications with Grantee Personnel should be used to include information of importance obtained during conversation. The name and title of the grantee personnel should be included.

Page 4 of the GSCR-F begins the summary of review, findings and observations. Detailed information regarding the review conducted should be included in this section. More detail regarding findings noted should be included. Recommendations should be made to address any findings noted. If specific follow-up activities are known, they should be listed here. Any training or technical assistance provided or obtained should be described here. The anticipated timeframe and purpose and expected results of the next visit should be listed. A list of documents collected should be included.

The GSCR-F is completed by the fiscal field representative in a timely manner. The report and any attachments are submitted to the supervisor for review and sign off via e-mail. The supervisor reviews the GSCR-F and attachments carefully for content and accuracy. If there are no findings noted or findings that do not indicate Non-Compliance, the supervisor requests revisions or signs off to indicate approval and returns to fiscal field representative via email. If a Non-Compliance finding has been noted, the GSCR-F must be forwarded to the CAU Supervisor for review and sign off. Once appropriate approvals have been received, the fiscal field representative converts the documents to PDF and emails to the following:

- Grantee Finance Director
- Grantee Executive Director
- Grantee Board Chair
- Assigned DCS Program Analyst
- DCS Administrative Staff DCS Supervisor
- DCS Bureau Manager
- Legal (Non- Compliance Finding)

Grantee: _____

FFR: _____

Date of Contact: _____ **Time:** _____ **to** _____

| | |
|---|--|
| <input type="checkbox"/> Finding(s) noted <input type="checkbox"/> No Finding(s) Noted | <input type="checkbox"/> Non-Compliance Finding(s) Noted (copy Legal) |
|---|--|

Site Visit Location:

- Main Office Address: _____
- Satellite Office Address: _____
- Other _____

Grantee Personnel or Board Members Present (include Names and Titles):

| | Contract Type | Contract Number | Code |
|--|-----------------------|-----------------|-------|
| | 2014 CSBG Entitlement | | 14 CE |
| | 2013 CSBG Entitlement | | 13 CE |
| | 2012 CSBG Entitlement | | 12 CE |
| | 2014 CSBG WDG | | 14 CW |
| | 2013 CSBG WDG | | 13 CW |
| | 2014 ONA | | 14 O |
| | 2013 ONA | | 13 O |
| | 2014 ONA Legal | | 14 OL |
| | 2013 ONA Legal | | 13 OL |
| | | | |
| | | | |

Purpose of Contact: (check all that apply)

- | | |
|---|---|
| <input type="checkbox"/> Routine Fiscal Visit <input type="checkbox"/> CORE Follow-up <input type="checkbox"/> DOS Notice of Deficiency (NOD) Follow-up <input type="checkbox"/> Fiscal Follow-up/Findings Review Previous Visit | <input type="checkbox"/> Fiscal Technical Assistance <input type="checkbox"/> Unaudited Financial Review <input type="checkbox"/> Audit Reconciliation <input type="checkbox"/> Last Fiscal Report Submitted: Funding Level: % |
|---|---|

Other _____

Comments:

| DOCUMENTS REVIEW | | | | |
|-------------------------|--------|-------------|---------------|------|
| DOS Filing Review | Filing | Filing Date | Filing Period | Code |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

| Revenue and Expenditure Reports | Report Name | Report Date | Report Period | Code |
|---------------------------------|-------------|-------------|---------------|------|
| | | | | |
| | | | | |
| | | | | |

| Payroll Reports | Report Name | Report Date | Report Period | Code |
|-----------------|-------------|-------------|---------------|------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

| Expenditure/Transaction Reports | Report Name | Report Date | Report Period | Code |
|---------------------------------|-------------|-------------|---------------|------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

| Internal Control Reviews | Document Name | Date | Period | Code |
|--------------------------|---------------|------|--------|------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

| Bank Statement Reviews | Institution Name, Last 4 of account # | Date | Period Covered | Code |
|------------------------|---------------------------------------|------|----------------|------|
| | | | | |
| | | | | |

| Other Documents | Description | Date | Period Covered | Code |
|-----------------|-------------|------|----------------|------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

| FINDINGS: (Note: Insert N/R (Not Reviewed) for any categories not reviewed at this site visit) | |
|---|---|
| <input type="checkbox"/> No Findings | |
| <input type="checkbox"/> Disallowance/Questioned Cost Transaction: Comments: | <input type="checkbox"/> Non-Compliance Finding |
| <input type="checkbox"/> Financial Reporting Finding: Comments: | <input type="checkbox"/> Non-Compliance Finding |
| <input type="checkbox"/> Disallowance/Questioned Cost Transaction: Comments: | <input type="checkbox"/> Non-Compliance Finding |
| <input type="checkbox"/> Program/Budget Compliance: Comments: | <input type="checkbox"/> Non-Compliance Finding |
| <input type="checkbox"/> Program Income Finding: Comments: | <input type="checkbox"/> Non-Compliance Finding |
| <input type="checkbox"/> Contract Compliance Finding: Comments: | <input type="checkbox"/> Non-Compliance Finding |
| <input type="checkbox"/> Local Share Finding: Comments: | <input type="checkbox"/> Non-Compliance Finding |
| <input type="checkbox"/> Bid Procedure Finding: Comments: | <input type="checkbox"/> Non-Compliance Finding |
| <input type="checkbox"/> Internal Control Weakness: Comments: | <input type="checkbox"/> Non-Compliance Finding |
| <input type="checkbox"/> Record Keeping Weakness: Comments: | <input type="checkbox"/> Non-Compliance Finding |
| <input type="checkbox"/> (Un) Audit Reconciliation: Comments: | <input type="checkbox"/> Non-Compliance Finding |
| <input type="checkbox"/> Other: Comments: | <input type="checkbox"/> Non-Compliance Finding |

Summary of Communication with Grantee Personnel (include name and title):

Summary of Review, Findings and Observations:

Recommendations and/or Follow-up Activities, including the Timeframe and Expected Results:

Training or Technical Assistance Provided or Obtained (Describe):

Anticipated Timeframe and Purpose/Expected Results of Next Visit:

List of Documents Collected:

CERTIFICATION

By my signature below, I certify that I have reviewed this document and find it to be complete and in final form. (as per items checked above)

1) Representative (FFR) Date 2) Supervisor Fiscal Field Date

3) CAU Supervisor (non-compliance issues) Date

Submitted electronically for review and approval

- CC: Grantee Finance Director
Grantee Executive Director
Grantee Board Chair CAU
Contract File Program
Contract File
DCS Supervisor
DCS Bureau Manager
Legal - Non-Compliance Finding

**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

Transmittal No. 138

Date: January 26, 2015

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.

OCS Responsibilities

| Responsibilities | Time Frame |
|--|---|
| <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

| Responsibilities | Time Frame |
|--|---|
| <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

| Responsibilities | Time Frame |
|---|-----------------------------------|
| <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.

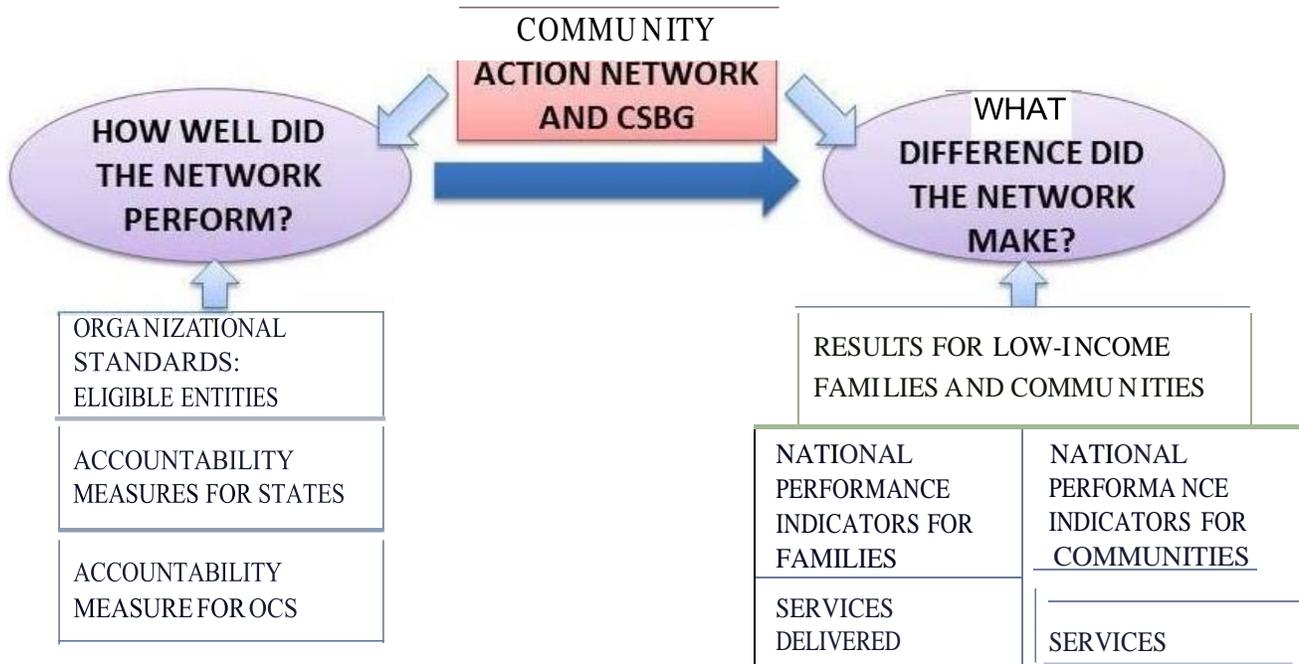
/s/

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

MEASURING THE SUCCESS OF COMMUNITY ACTION AND CSBG



ORGANIZATIONAL STANDARDS FOR PRIVATE, NONPROFIT CSBG ELIGIBLE ENTITIES

MAXIMUM FEASIBLE PARTICIPATION

Category one: Consumer Input and Involvement

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

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

- | | |
|-------------------------------|--|
| Standard 1.1 • private | The organization demonstrates low-income individuals' participation in its activities. |
| Standard 1.2 • private | The organization analyzes information collected directly from low-income individuals as part of the community assessment. |
| Standard 1.3 • private | The organization has a systematic approach for collecting, analyzing, and reporting customer satisfaction data to the governing board. |

Category two: Community Engagement

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

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

- | | |
|-------------------------------|---|
| Standard 2.1 • private | The organization has documented or demonstrated partnerships across the community, for specifically identified purposes; partnerships include other anti-poverty organizations in the area. |
| Standard 2.2 • private | The organization utilizes information gathered from key sectors of the community in assessing needs and resources, during the community |

assessment process or other times. These sectors would include at minimum: community-based organizations, faith-based organizations, private sector, public sector, and educational institutions.

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

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

Category three: Community Assessment

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

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

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

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

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

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

VISION AND DIRECTION

Category four: Organizational Leadership

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

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

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

1. The mission addresses poverty; and

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

Standard 4.2 • private

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

Standard 4.3 • private

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

Standard 4.4 • private

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

Standard 4.5 • private

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

Standard 4.6 • private

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

Category five: Board Governance

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

Standard 5.1 • private

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

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

Standard 5.2 • private

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

Standard 5.3 • private

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

Standard 5.4 • private

The organization documents that each governing board member

has received a copy of the bylaws within the past 2 years.

- Standard 5.5 • private** The organization’s governing board meets in accordance with the frequency and quorum requirements and fills board vacancies as set out in its bylaws.
- Standard 5.6 • private** Each governing board member has signed a conflict of interest policy within the past 2 years.
- Standard 5.7 • private** The organization has a process to provide a structured orientation for governing board members within 6 months of being seated.
- Standard 5.8 • private** Governing board members have been provided with training on their duties and responsibilities within the past 2 years.
- Standard 5.9 • private** The organization’s governing board receives programmatic reports at each regular board meeting.

Category six: Strategic Planning

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

- Standard 6.1 • private** The organization has an agency-wide strategic plan in place that has been approved by the governing board within the past 5 years.
- Standard 6.2 • private** The approved strategic plan addresses reduction of poverty, revitalization of low-income communities, and/or empowerment of people with low incomes to become more self-sufficient.
- Standard 6.3 • private** The approved strategic plan contains family, agency, and/or community goals.
- Standard 6.4 • private** Customer satisfaction data and customer input, collected as part of the community assessment, is included in the strategic planning process.
- Standard 6.5 • private** The governing board has received an update(s) on progress meeting the goals of the strategic plan within the past 12 months.

OPERATIONS AND ACCOUNTABILITY

Category seven: Human Resource Management

The human element of Community Action’s work is evident at all levels of the organization and the

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

- Standard 7.1 • private** The organization has written personnel policies that have been reviewed by an attorney and approved by the governing board within the past 5 years.
- Standard 7.2 • private** The organization makes available the employee handbook (or personnel policies in cases without a handbook) to all staff and notifies staff of any changes.
- Standard 7.3 • private** The organization has written job descriptions for all positions, which have been updated within the past 5 years.
- Standard 7.4 • private** The governing board conducts a performance appraisal of the CEO/executive director within each calendar year.
- Standard 7.5 • private** The governing board reviews and approves CEO/executive director compensation within every calendar year.
- Standard 7.6 • private** The organization has a policy in place for regular written evaluation of employees by their supervisors.
- Standard 7.7 • private** The organization has a whistleblower policy that has been approved by the governing board.
- Standard 7.8 • private** All staff participate in a new employee orientation within 60 days of hire.
- Standard 7.9 • private** The organization conducts or makes available staff development/training (including ROMA) on an ongoing basis.

Category eight: Financial Operations and Oversight

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

- Standard 8.1 • private** The organization's annual audit (or audited financial statements) is completed by a Certified Public Accountant on time in accordance with Title 2 of the Code of Federal Regulations, Uniform Administrative Requirements, Cost Principles, and Audit Requirement (if applicable) and/or State audit threshold requirements.
- Standard 8.2 • private** All findings from the prior year's annual audit have been assessed by the organization and addressed where the governing board has deemed it

appropriate.

Standard 8.3 • private

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

Standard 8.4 • private

The governing board formally receives and accepts the audit.

Standard 8.5 • private

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

Standard 8.6 • private

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

Standard 8.7 • private

The governing board receives financial reports at each regular meeting that include the following:

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

Standard 8.8 • private

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

Standard 8.9 • private

The governing board annually approves an organization-wide budget.

Standard 8.10 • private

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

Standard 8.11 • private

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

Standard 8.12 • private

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

Standard 8.13 • private

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

Category nine: Data and Analysis

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

Standard 9.1 • private

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

Standard 9.2 • private

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

Standard 9.3 • private

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

Standard 9.4 • private

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

ORGANIZATIONAL STANDARDS FOR PUBLIC CSBG ELIGIBLE ENTITIES

MAXIMUM FEASIBLE PARTICIPATION

Category one: Consumer Input and Involvement

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

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

Standard 1.1 • public The department demonstrates low-income individuals' participation in its activities.

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

Standard 1.3 • public The department has a systematic approach for collecting, analyzing, and reporting customer satisfaction data to the tripartite board/advisory body, which may be met through broader local government processes.

Category two: Community Engagement

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

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

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

- Standard 2.2 • public** The department utilizes information gathered from key sectors of the community in assessing needs and resources, during the community assessment process or other times. These sectors would include at minimum: community-based organizations, faith-based organizations, private sector, public sector, and educational institutions.
- Standard 2.3 • public** The department communicates its activities and its results to the community.
- Standard 2.4 • public** The department documents the number of volunteers and hours mobilized in support of its activities.

Category three: Community Assessment

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

- Standard 3.1 • public** The department conducted or was engaged in a community assessment and issued a report within the past 3 years, if no other report exists.
- Standard 3.2 • public** As part of the community assessment, the department collects and includes current data specific to poverty and its prevalence related to gender, age, and race/ethnicity for their service area(s).
- Standard 3.3 • public** The department collects and analyzes both qualitative and quantitative data on its geographic service area(s) in the community assessment.
- Standard 3.4 • public** The community assessment includes key findings on the causes and conditions of poverty and the needs of the communities assessed.
- Standard 3.5 • public** The tripartite board/advisory body formally accepts the completed community assessment.

VISION AND DIRECTION

Category four: Organizational Leadership

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

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

| | |
|------------------------------|--|
| Standard 4.1 • public | The tripartite board/advisory body has reviewed the department’s mission statement within the past 5 years and assured that: <ol style="list-style-type: none"> 1. The mission addresses poverty; and 2. The CSBG programs and services are in alignment with the mission. |
| Standard 4.2 • public | The department’s Community Action plan is outcome-based, anti-poverty focused, and ties directly to the community assessment. |
| Standard 4.3 • public | The department’s Community Action plan and strategic plan document the continuous use of the full Results Oriented Management and Accountability (ROMA) cycle or comparable system (assessment, planning, implementation, achievement of results, and evaluation). In addition, the department documents having used the services of a ROMA-certified trainer (or equivalent) to assist in implementation. |
| Standard 4.4 • public | The tripartite board/advisory body receives an annual update on the success of specific strategies included in the Community Action plan. |
| Standard 4.5 • public | The department adheres to its local government’s policies and procedures around interim appointments and processes for filling a permanent vacancy. |
| Standard 4.6 • public | The department complies with its local government’s risk assessment policies and procedures. |

Category five: Board Governance

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

| | |
|------------------------------|---|
| Standard 5.1 • public | The department’s tripartite board/advisory body is structured in compliance with the CSBG Act, by either: <ol style="list-style-type: none"> 1. Selecting the board members as follows: <ul style="list-style-type: none"> • At least one third are democratically-selected representatives of the low-income community; • One-third are local elected officials (or their representatives); and • The remaining members are from major groups and interests in the community; or 2. Selecting the board through another mechanism specified by the State to assure decision-making and participation by low-income individuals in the development, planning, implementation, and evaluation of programs. |
| Standard 5.2 • public | The department’s tripartite board/advisory body either has: <ol style="list-style-type: none"> 1. Written procedures that document a democratic selection process for low-income board members adequate to assure that they are representative of |

- the low-income community, or
- Another mechanism specified by the State to assure decision-making and participation by low-income individuals in the development, planning, implementation, and evaluation of programs.

Please note under [IM 82](#) for Public Entities the law also requires that a minimum of 1/3 of tripartite board membership be comprised of representatives of low-income individuals and families who reside in areas served.

| | |
|------------------------------|--|
| Standard 5.3 • public | Not applicable: Review of bylaws by an attorney is outside of the purview of the department and the tripartite board/advisory body, therefore this standard does not apply to public entities. |
| Standard 5.4 • public | The department documents that each tripartite board/advisory body member has received a copy of the governing documents, within the past 2 years. |
| Standard 5.5 • public | The department’s tripartite board/advisory body meets in accordance with the frequency and quorum requirements and fills board vacancies as set out in its governing documents. |
| Standard 5.6 • public | Each tripartite board/advisory body member has signed a conflict of interest policy, or comparable local government document, within the past 2 years. |
| Standard 5.7 • public | The department has a process to provide a structured orientation for tripartite board/advisory body members within 6 months of being seated. |
| Standard 5.8 • public | Tripartite board/advisory body members have been provided with training on their duties and responsibilities within the past 2 years. |
| Standard 5.9 • public | The department’s tripartite board/advisory body receives programmatic reports at each regular board/advisory meeting. |

Category six: Strategic Planning

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

| | |
|------------------------------|---|
| Standard 6.1 • public | The department has a strategic plan, or comparable planning document, in place that has been reviewed and accepted by the tripartite board/advisory body within the past 5 years. If the department does not have a plan, the tripartite board/advisory body will develop the plan. |
| Standard 6.2 • public | The approved strategic plan, or comparable planning document, |

addresses reduction of poverty, revitalization of low-income communities, and/or empowerment of people with low incomes to become more self-sufficient.

Standard 6.3 • public

The approved strategic plan, or comparable planning document, contains family, agency, and/or community goals.

Standard 6.4 • public

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

Standard 6.5 • public

The tripartite board/advisory body has received an update(s) on progress meeting the goals of the strategic plan/comparable planning document within the past 12 months.

OPERATIONS AND ACCOUNTABILITY

Category seven: Human Resource Management

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

Standard 7.1 • public

Not applicable: Local governmental personnel policies are outside of the purview of the department and the tripartite board/advisory body, therefore this standard does not apply to public entities.

Standard 7.2 • public

The department follows local governmental policies in making available the employee handbook (or personnel policies in cases without a handbook) to all staff and in notifying staff of any changes.

Standard 7.3 • public

The department has written job descriptions for all positions. Updates may be outside of the purview of the department.

Standard 7.4 • public

The department follows local government procedures for performance appraisal of the department head.

Standard 7.5 • public

The compensation of the department head is made available according to local government procedure.

Standard 7.6 • public

The department follows local governmental policies for regular written evaluation of employees by their supervisors.

Standard 7.7 • public

The department provides a copy of any existing local government whistleblower policy to members of the tripartite board/advisory body at the time of orientation.

Standard 7.8 • public

The department follows local governmental policies for new employee orientation.

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

Category eight: Financial Operations and Oversight

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

Standard 8.1 • public The department's annual audit is completed through the local governmental process in accordance with Title 2 of the Code of Federal Regulations, Uniform Administrative Requirements, Cost Principles, and Audit Requirement (if applicable) and/or State audit threshold requirements. This may be included in the municipal entity's full audit.

Standard 8.2 • public The department follows local government procedures in addressing any audit findings related to CSBG funding.

Standard 8.3 • public The department's tripartite board/advisory body is notified of the availability of the local government audit.

Standard 8.4 • public The department's tripartite board/advisory body is notified of any findings related to CSBG funding.

Standard 8.5 • public Not applicable: The audit bid process is outside of the purview of tripartite board/advisory body therefore this standard does not apply to public entities.

Standard 8.6 • public Not applicable: The Federal tax reporting process for local governments is outside of the purview of tripartite board/advisory body therefore this standard does not apply to public entities.

Standard 8.7 • public The tripartite board/advisory body receives financial reports at each regular meeting, for those program(s) the body advises, as allowed by local government procedure.

Standard 8.8 • public Not applicable: The payroll withholding process for local governments is outside of the purview of the department, therefore this standard does not apply to public entities.

Standard 8.9 • public The tripartite board/advisory body has input as allowed by local governmental procedure into the CSBG budget process.

Standard 8.10 • public Not applicable: The fiscal policies for local governments are outside of the purview of the department and the tripartite board/advisory body, therefore this standard does not apply to public entities.

Standard 8.11 • public Not applicable: Local governmental procurement policies are

outside of the purview of the department and the tripartite board/advisory body, therefore this standard does not apply to public entities.

Standard 8.12 • public

Not applicable: A written cost allocation plan is outside of the purview of the department and the tripartite board/advisory body, therefore this standard does not apply to public entities.

Standard 8.13 • public

The department follows local governmental policies for document retention and destruction.

Category nine: Data and Analysis

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

Standard 9.1 • public

The department has a system or systems in place to track and report client demographics and services customers receive.

Standard 9.2 • public

The department has a system or systems in place to track family, agency, and/or community outcomes.

Standard 9.3 • public

The department has presented to the tripartite board/advisory body for review or action, at least within the past 12 months, an analysis of the agency's outcomes and any operational or strategic program adjustments and improvements identified as necessary.

Standard 9.4 • public

The department submits its annual CSBG Information Survey data report and it reflects client demographics and CSBG-funded outcomes.

| Critical Action Area | Description | Critical Partners and Available |
|---|---|--|
| Initial discussions with key partners in the State | <i>State convenes discussions with eligible entities, State CAA Association, and other partners to discuss process and timeline for adopting COE-developed organizational standards.</i> | State CSBG Lead Agency, eligible entities, State CAA Association |
| Assessment of State laws and rulemaking requirements | <i>State CSBG officials, legal counsel, and contracting officials review existing State laws, regulations, and contracting procedures for necessary actions or venues for communication of standards (e.g. State register).</i> | State procurement office, State agency counsel, National Association for State Community Services Programs (NASCSPP), Community Action Program Legal Services, Inc. |
| Development and public notification of State standards | <i>After review of current rules, standards and requirements, State CSBG officials identify and communicate anticipated organizational standards for CSBG eligible entities. Standards are communicated in writing through State register notice, website publication, or other public notice consistent with State procedures and rulemaking requirements.</i> | CSBG Organizational Standards Center of Excellence |
| Opportunities for input on timelines and procedures | <i>Through public meetings, consultations, hearings, and written input processes, States provide opportunities for input from CSBG eligible entities and other stakeholders on the timelines and procedures for implementation of organizational standards, including processes for incorporating into State monitoring procedures and organizational bylaws, as appropriate.</i> | CSBG Regional Performance and Innovation Consortia (RPIC), State CAA Association |
| Development and communication of technical assistance strategies | <i>In partnership with State and national technical assistance partners, the State establishes and communicates a technical assistance strategy to help assure that all CSBG eligible entities have access to technical assistance to meet required standards. Assistance in agency self- assessment may be provided. Technical assistance may be funded through State discretionary resources, may be sponsored federally, or may be paid for by affected organizations, as appropriate.</i> | CSBG Organizational Standards Center of Excellence, CSBG Learning Communities Resource Center, CSBG Risk Mitigation Training and Technical Assistance Center, CSBG RPIC, State CSBG Associations, Office of Community Services (OCS) State Liaison staff |

| Critical Action Area | Description | Critical Partners and Available |
|---|---|--|
| <i>Incorporation of standards in State CSBG Plan</i> | <i>State CSBG officials incorporate organizational standards and procedures for implementation into annual State CSBG Plans. These plans are made available for public inspection consistent with requirements in the CSBG Act and are submitted for Federal review as part of the application for CSBG funds.</i> | NASCSP, CSBG Organizational Standards Center of Excellence, OCS State Liaison staff |
| Incorporation of standards in local CSBG Plans and agency procedures | <i>Eligible entity boards and leadership incorporate organizational standards into agency procedures and practices, as appropriate, to assure compliance with all standards and procedures. Compliance with organizational standards is incorporated into board oversight and executive performance plans as appropriate.</i> | CSBG Organizational Standards of Excellence, Community Action Program Legal Services, Inc., State CAA Associations |
| Assessment and communication of results | <i>State organizational standards are incorporated into State oversight procedures. As required under the CSBG Act, a full onsite review is conducted at least once every three years and ad hoc monitoring is conducted as necessary.</i> | NASCSP, CSBG Organizational Standards Center of Excellence, OCS State Liaison staff |
| Corrective action cycle | <i>When State identifies non-compliance through State monitoring, it clearly communicates specific deficiencies and requirements for corrective action and offers technical assistance as appropriate. As necessary, States may initiate further procedures or funding actions consistent with the CSBG Act. In situations in which an eligible entity does not correct significant deficiencies within required deadlines, or in which widespread or systemic issues are identified that cannot feasibly be corrected in a reasonable timeframe, a State may initiate action to terminate eligible entity status consistent with the CSBG Act. Conversely, agencies that are identified as having best practices related to State standards may be identified as exemplars and assist in quality improvement efforts as appropriate.</i> | CSBG Learning Communities Resource Center, CSBG Risk Mitigation Training and Technical Assistance Center, State CSBG Associations, OCS State Liaison staff Note: For detailed guidance on CSBG requirements, see IM 116 . |



Department of State

Division of Community Services

Community Services Block Grant Program

Annual Compliance Review of Organizational Standards (ACROS) Grantee Self-Assessment

Grantee Name

Due January 31st

SELF-ASSESSMENT TOOL

FOR PRIVATE ELIGIBLE ENTITIES

Background

The CSBG organizational standards provide a standard foundation of organizational capacity for all Eligible Entities across the United States. The Federal Office of Community Services' Information Memorandum (IM) 138 provides direction to States and eligible entities on establishing organizational standards by FY 2016 and includes the final wording of the standards developed by the OCS-funded organizational standards Center of Excellence (COE).

The COE-developed organizational standards are comprehensive and were developed by and for the CSBG Network through the work of the CSBG Working Group. They work together to characterize an effective and healthy organization while reflecting the vision and values of Community Action and the requirements of the CSBG Act.

This tool has been updated with the final language for the organizational standards as issued in IM 138. The tool provides guidance regarding the intent of the CSBG Working Group as they developed the standards. Please note that the Center of Excellence may provide additional modifications to this guidance and may modify the tool as work of the CSBG Working Group and Center of Excellence work continues.

New York State Process

As part of IM138, New York State Department of State, Division of Community Services (DOS-DCS) is responsible for assessing the status of all eligible entities annually against the organizational standards. After discussion with DOS staff, grantees, the State Association and CSBG Advisory Council, it was determined that DOS-DCS would use this assessment tool to carry out the State's responsibility under IM 138.

DOS-DCS will require each eligible entity to complete this self-assessment each Federal Fiscal Year (FFY). The self- assessment and corresponding documentation must be submitted to the assigned program analyst for review and verification by January 31st. The information will be verified by the assigned program analyst and a report will be prepared identifying the unmet standards and timetable to come into compliance. Technical assistance needs will also be incorporated into the report.

Once every 3 years, the eligible entity will have an on-site review using a similar but more comprehensive tool known as the Triennial Review for Accountability with Compliance Standards (TRACS). For the FFY that the triennial review is conducted, the TRACS assessment process will replace this annual self-assessment.

Understanding the Self-Assessment Tool

First, there is brief guidance on each standard. It attempts to clarify issues that have been raised without unintentionally narrowing the standard.

Second, is the standard assessed as *Met* or *Not Met*?

Third, what document(s) were used to assess the standard? This is not intended to be an exhaustive list, nor should an agency need to have all of the sample documentation in place. This list is only meant to provide examples of ways to demonstrate how the standard is met.

There is a space on the tool to note documentation that was used but was not included on the pre-populated list. You are required to provide a hard copy of each document in support of the standard.

Gathering these document(s) will assist in providing documentation for the future Triennial Review for Accountability and Compliance with Standards (TRACS) which assesses compliance with the standards as well as state requirements.

Fourth, if the standard is not currently met, what is the progress has been done to date by the Organization to meet the standard.

Fifth, what action steps, if any, are planned by the Organization to meet or even exceed the standard.

Sixth, there are places following each standard to capture general notes and to outline next steps if needed or desired.

Submitting the Tool and Supporting Documentation

Organizing the documents is key to ensuring an efficient and thorough review. Eligible entities are required to create a binder large enough to hold each standard with the corresponding documentation behind it or attached to it. The documentation must be sufficient to support compliance with each standard. There are 58 standards in all.

When documentation for a standard is contained in a large document, provide the specific information being requested or a specific reference to the document. For example, many standards will reference the bylaws as a source for documentation. Rather than copying the full bylaws several times, the eligible entity should provide one copy of the entire bylaws for review. For the standard that require the bylaws as a source for documentation, provide a notation to the specific page or article in the bylaws associated with the standard to facilitate the reviewer's assessment of compliance.

Binders must be submitted to the assigned program analyst by January 31st.

Maximum Feasible Participation – Category 1: Consumer Input and Involvement

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

Guidance:

- This standard is meant to embody “maximum feasible participation”.
- The intent of this standard is to go beyond board membership; however, board participation may be counted toward meeting this standard if no other involvement is provided. The tripartite board is only one of many mechanisms through which CEEs engage people with low-incomes.
- Participation can include activities such as Head Start Policy Council, tenant or neighborhood councils, and volunteering, etc.
- Though not mandatory, many CEEs meet this standard by including advisory bodies to the board.

Organization Self-Assessment:

- Met
 Not Met

Documentation Attached to Support the Standard

(Check all that apply)

- Advisory group documents
 Advisory group minutes
 Activity participation lists
 Board minutes
 Board pre-meeting materials/packet
 Volunteer lists and documents

List Other Documentation attached:

If not met, progress to date on meeting the Standard:

Action steps to be taken to meet the Standard:

Notes:

There are 58 organizational standards included in the complete document



Division of Community Services

Community Services Block Grant Program

Report on the Triennial Review for Accountability and Compliance with Standards (TRACS)

Grantee Name: Grantee Name

On Site Dates: Start Date to End Date

Draft/Report Date: Date

General Information and Instructions

Background:

The Triennial Review for Accountability and Compliance with Standards (TRACS) was designed by the State of New York Department of State, Division of Community Services (DOS-DCS) to comply with 42 U.S.C. 9901 et seq., §678B, as amended, which requires each state to conduct a full on-site review of each eligible entity at least once during each 3-year period as well as to assess compliance with the organizational standards put forth by the United States Department of Health and Human Services (HHS) in Community Services Block Grant (CSBG) Information Memorandum (IM) No. 138 (as published on January 26, 2015).

Triennial Review for Accountability and Compliance with Standards was created in consultation with representatives from the NYS Community Action Association, CSBG Advisory Council, and several Community Action Agencies (CAA). Triennial Review for Accountability and Compliance with Standards was sent to every eligible entity in New York State (NYS) in March 2015 for review and comment. Grantees are encouraged to use this tool as part of an annual self-assessment process.

Purpose:

The purpose of this assessment is two-fold. First to assess for compliance with the Organizational Standards set forth by HHS, Office of Community Services (Information Memorandum 138, Dated January 26, 2015) and second to fulfill the State's requirement under the CSBG Act for a comprehensive on-site assessment of each eligible entity at least once every three years (42 USC § 9914).

Triennial Review for Accountability and Compliance with Standards is based in part on a similar tool created by the Community Action Partnership to assess compliance with the organizational standards. The tool was expanded to include indicators which will be used by reviewers to verify that the eligible entity has operationalized and complied with each standard. In most instances, additional indicators were included to expand on the organizational standard in order to review compliance with State requirements or higher level functions deemed appropriate by the State.

Process:

Sixty calendar days prior to an on-site assessment, DOS will formally send Triennial Review for Accountability and Compliance with Standards to the CEO and board chair of the eligible entity. The eligible entity is responsible for gathering sufficient documentation to support each standard and its corresponding indicators. Within each standard there are suggested documents that may assist in demonstrating compliance. Grantees may wish to and are able to provide other forms of documentation than those listed in order to demonstrate compliance. Once on site, staff from the Department of State will review the documents submitted for each standard and its associated indicators to verify whether the indicators have been met.

IT IS THE RESPONSIBILITY OF THE ELIGIBLE ENTITY TO PROVIDE SPECIFIC DOCUMENTATION TO SUPPORT EACH STANDARD AND CORRESPONDING INDICATORS.

Rating:

Two scores will be assigned to each assessment. One for compliance with the organizational standards and the other for compliance with the indicators. Both ratings are based on the percentage of compliance compared to the

total number of applicable standards and total number of applicable indicators which were determined to be “met”.

Reports:

Draft Report: A discussion draft, including findings, observations, and recommendations, will be provided to the CEO and board chair of the eligible entity electronically within 60 calendar days of the conclusion of the on-site review. The eligible entity will have the opportunity to comment on the content of the draft report. Comments must be received from the grantee within 30 business days upon receipt of the draft report.

If there are serious findings or deficiencies, these must be reported to HHS, Office of Community Services. These include non-compliance with Federal or State laws, non-compliance with eligible entity bylaws, the eligible entity has committed fraud, the eligible entity is in serious financial difficulty or is not able to provide services. A meeting will be held with the grantee prior to preparation of the discussion draft. The discussion draft is not a public document. The draft will not be circulated except to the extent required under the Freedom of Information Law (FOIL).

Final Report: Upon receipt of comments, a final report will be prepared and issued to all members of the board of directors and the CEO. The final report will re-state relevant information from the discussion draft, and will include comments received from the grantee. The final report will be available to the public upon written request.

Follow up:

Following the triennial assessment process, if the State finds an eligible entity is not meeting an indicator, standard or set of indicators or standards, the State’s response will depend on the circumstances.

In cases where the eligible entity may be able to meet an unmet indicator in a reasonable timeframe, DOS will prepare a Continuous Improvement Plan listing recommendations for the unmet indicators. The DOS Program Analyst and Fiscal Representative will verify progress made by the agency in carrying out the recommendations in the plan during regularly scheduled on-site visits.

In cases where the eligible entity may be able to meet an unmet 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, the State may initiate action in accordance with section 678C of the CSBG Act (42 U.S.C. § 9915), including issuance of a Notice of Deficiency and the establishment of a Quality Improvement Plan (QIP) with clear timelines and benchmarks for progress.

In the event that, based on its assessments of the eligible entity, the State is confident that the eligible entity is moving toward meeting standards, under a technical assistance plan, QIP, or other oversight mechanism, and no ongoing significant deficiencies or material weaknesses have been noted, the State will make its best effort to continue to constructively engage the eligible entity.

The failure of an eligible entity to meet multiple standards, or in cases where one or more serious deficiencies (including but not limited to, contractual non-compliance, financial irresponsibility, failure to adequately provide services, conversion, fraud, corruption or abuse) may reflect deeper organizational challenges and risk. In those cases, a State must determine whether it may be necessary to take additional actions, including initiating action to reduce or terminate funding, in accordance with section 678C of the CSBG Act (42 U.S.C. § 9915; see also, CSBG IM 116, “Corrective Action, Termination, or Reduction of Funding,” issued May 1, 2012).

Maximum Feasible Participation – Category 1: Consumer Input and Involvement

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

Guidance

- This Standard is meant to embody “maximum feasible participation”.
- The intent of this Standard is to go beyond board membership; however, board participation may be counted toward meeting this Standard if no other involvement is provided. The tripartite board is only one of many mechanisms through which eligible entities engage people with low- incomes.
- Participation can include activities such as Head Start Policy Council, tenant or neighborhood councils, and volunteering, etc.
- Though not mandatory, many eligible entities meet this Standard by including advisory bodies to the board.

Documentation used: (Check all that apply)

- Advisory Group Documents
- Advisory Group Minutes
- Activity participation lists
- Board Minutes
- Board Pre-Meeting Materials/Packet

Other documentation utilized to demonstrate the standard and indicators below are “met”:

Board member selection documents for low-income reps, needs assessment, board meeting announcements.

Indicators of compliance with Organizational Standard and additional State Requirements as part of the triennial review process.

- *Selection/election process of low-income representatives to the board is based on input from low-income persons (Ex. Voting, petitions).
- Low-income community provides input in the development of the needs assessment (Ex. Survey, community forum or focus group, interviews).
- The low-income community/agency customers are informed of regular board meetings, which are open to the public.

Findings by reviewer:

Assessment of the Indicators:

- Met-The eligible entity has met all of the Indicators as part of the triennial assessment.
- Met-The eligible entity has met some (not all) of the Indicators as part of the triennial assessment.
- Not Met –The eligible entity has met none of the Indicators as part of the triennial assessment.

Assessment of Organizational Standard Based on the Indicators Checked:

- Met-The eligible entity has met the requirements of the Standard as written.
- Not Met –The eligible entity met none of the requirements of the Standard as written

Recommendations or next steps needed to meet the National Standard and/or Indicators:

CSBG IM No. 116 Corrective Action, Termination, or Reduction of Funding

May 1, 2012

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

Transmittal No. 116 Date: December 4, 2009 (Revised April 2, 2010)

TO: State Community Services Block Grant Program (CSBG) Administrators, U.S.
Territory CSBG Program Administrators, State CSBG Financial Officers

SUBJECT: Guidance on Corrective Action, Termination or Reduction of Funding for CSBG Eligible Entities

PURPOSE: To ensure a consistent understanding of legal requirements and procedures for termination or proportional reduction of funding to eligible entities receiving CSBG funds

RELATED REFERENCES:

Community Services Block Grant Act (Public Law 105-285, the Community Opportunities, Accountability, and Training and Educational Services Act of 1998); U.S. Code of Federal Regulations (45 CFR, Section 96.92).

This Information Memorandum (IM) provides background on statutory and regulatory requirements for terminating organizational eligibility or otherwise reducing the share of funding allocated to any CSBG-eligible entity. A step-by-step description is provided outlining necessary actions and considerations for terminating or reducing funds to a CSBG-eligible entity for cause. A sample tool is provided for State documentation of State actions. Although described as a series of discrete steps, some activities described in this IM can be implemented concurrently. States are encouraged to review internal monitoring, corrective action, and hearing procedures to assure compliance with the CSBG Act and applicable regulations cited in this memorandum. In addition, States are strongly encouraged to develop tools and procedures for timely action in circumstances requiring corrective action, reduction, or termination of funding to assure accountability and prevent waste, fraud, or abuse of CSBG funds.

Note: The IM is intended as a guidance tool to support State implementation of requirements of specific sections of the CSBG Act. Key sections of the CSBG Act are referenced throughout the IM. It is strongly recommended that the referenced sections of the CSBG Act be read along with this guidance in order to assure an understanding of the specific language of the statute. The CSBG Act may be obtained online at the OCS website.

Background

CSBG funds are awarded to States, U.S. Territories, and eligible Tribal governments and Tribal Organizations based on a statutorily defined formula outlined in the CSBG Act. States are required under the CSBG Act to distribute at least 90 percent of block grant funds to specific eligible entities within the State to support services focused on the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families in rural and urban areas to become fully self-sufficient.

States may retain up to ten percent of grant funds for administrative expenses (which may not exceed the greater of \$55,000 or five percent of the total State award) and other discretionary activities. For example, if a State receives a CSBG allocation of \$10 million, the State may retain up to \$1 million for discretionary activities, but may not use more than \$500,000 of these funds for administrative expenses.

Eligible entities are non-profit or public agencies that meet the requirements of Section 673(1)(A) and Section 676B of the CSBG Act. Nonprofit eligible entities must administer the CSBG program through a tripartite board, one-third of whom must

be elected public officials or their representatives, not-less than one-third of whom must be democratically-selected representatives of low-income families and individuals in the neighborhoods served, and the remainder of whom are officials or members of business, industry, labor, religious, law enforcement, education, or other major groups and interests in the community served.

Public eligible entities must also have a tripartite board, which must assure that no fewer than one-third of the members are democratically-selected representatives of low-income individuals and families in the neighborhood served, reside in the neighborhood served, and are able to participate actively in the development, planning, implementation, and evaluation of programs funded through the CSBG grants. States may also specify an alternate mechanism to assure decision-making and participation by low-income individuals in the development, planning, implementation, and evaluation of public entity programs funded under the CSBG grant.

The majority of eligible entities in the CSBG program are Community Action Agencies or public agencies with a longstanding involvement in the CSBG program. The list of eligible entities within a State is generally consistent from year-to-year. States may add or remove organizations from the list of eligible entities but must do so consistent with procedures outlined in the CSBG Act. States award funds to eligible entities based on State-defined formulas. However, any changes that adversely affect the proportional share of funding awarded to an eligible entity must be conducted in accordance with the CSBG Act.

Proportional Share Requirements for Eligible Entities

The CSBG Act requires that as a part of the annual submission of an application and plan for CSBG funding, States must assure that any eligible entity in the State that received funding in the previous fiscal year through a Community Services Block Grant will not have its funding terminated, 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. The CSBG Act also specifies that a State's determination is subject to Federal review by the Department of Health and Human Services. The time lines and procedures for Federal review are discussed later in this IM.

An eligible entity's "proportional share" refers to the amount of non-discretionary grant funds awarded to that entity compared to the amount of non-discretionary grant funds awarded to all eligible entities in the State. For example, if an eligible entity received \$1 million in non-discretionary grant funds in the prior year and the total of all non-discretionary grant funds awarded to all eligible entities in the State in the prior year was \$10 million, the eligible entity's proportional share would be ten percent.

Cause for Changes of Proportional Share to Eligible Entities

Under Section 676(c) of the CSBG Act, there are two major causes for changing the proportional share of funding awarded to eligible entities.

Statewide Redistribution of Funds - The first, and most common, cause for changing the proportional share of funding to eligible entities is not related to performance deficiencies of a specific organization. Under Section 676(c)(1)(A) of the CSBG Act, States may implement a Statewide redistribution of funds to respond to the results of the most recently available census data or other appropriate data, the designation of a new eligible entity, or severe economic dislocation. Statewide changes to the distribution formulas require a public hearing. The CSBG Act requires at least one legislative hearing every three years in conjunction with the development of the State plan and States may utilize this legislative hearing to consider changes to distribution formulas. States may also conduct special administrative hearings in response to specific demographic or economic changes, or the designation of a new eligible entity to address an unserved area.

Failure to Comply with State Plan, Standard or Requirement - The second cause for reducing funding or terminating eligibility for CSBG funding is related to deficiencies in the activities of an individual eligible entity. Under Sections 676(c)(1)(B) and 676(c)(2) of the CSBG Act, States may reduce funding or terminate eligibility for CSBG funding based on an eligible entity's failure to comply with the terms of an agreement or a State plan, or to meet a State requirement, to provide services, or to meet appropriate standards, goals, and other requirements established by the State, including performance objectives.

State Monitoring and Review

Section 678B(a) of the CSBG Act requires that States conduct monitoring visits and a full on-site review of each eligible entity at least once during each three-year period. The CSBG Act also requires that States conduct an on-site review of each newly-designated entity immediately after the completion of the first year in which the entity receives CSBG funds.

States are required under the regular CSBG program to conduct follow-up reviews including prompt return visits to eligible entities, and their programs, that fail to meet the goals, standards, and requirements established by the State. The CSBG Act also requires that States conduct other reviews as appropriate, including reviews of entities with programs that have had other Federal, State, or local grants other than assistance provided under CSBG terminated for cause.

It is an expectation of the Office of Community Services (OCS) that State CSBG Lead Agencies will conduct reviews when informed that an eligible entity has grant funds terminated for cause under a related program, such as Head Start, the Low Income Home Energy Assistance Program (LIHEAP), the Weatherization Assistance Program, or other Federal programs. State CSBG Lead Agencies should include questions in routine monitoring visits and contacts about whether an eligible entity has had grant funds terminated for cause in any Federal, State, or local programs other than CSBG. State CSBG Lead agencies are expected to review the cause of termination for other Federal programs to assure that comparable issues do not exist for CSBG funds.

It is also the expectation of OCS that State CSBG Lead Agencies will thoroughly investigate any instances of “whistleblower” complaints or allegations of fraud or abuse of CSBG funds or funds from closely-related programs. In any instances in which complaints or allegations of fraud are considered credible and raise significant “red flags,” OCS should be informed of findings and may assist with additional compliance review or referral to appropriate investigative authorities.

Note: Allegations of fraud or abuse may also be referred directly to the HHS hotline maintained by the Office of the Inspector General using the following contact information: 1-800-HHS-TIPS (1-800-447-8477) <http://oig.hhs.gov/fraud/hotline/>

Determination of Performance Deficiencies or Failure to Comply with State Requirement

Based on routine State monitoring, reviews, or investigations related to specific complaints or allegations, the State CSBG office may determine that an eligible entity has failed to comply with the terms of an agreement or a State plan, or to meet a State requirement. The State’s determination may be based on the agency’s failure to provide CSBG services, or to meet appropriate standards, goals, and other requirements established by the State, including performance objectives. The State should document the basis for such determination and the specific deficiency or deficiencies that must be corrected.

Communication of Deficiencies and Corrective Action Requirements

When a State CSBG Lead Agency has determined that an eligible entity has a specific deficiency, the State must communicate the deficiency to the eligible entity and require the eligible entity to correct the deficiency. To establish compliance with the requirements of the CSBG Act, records of correspondence or other communications related to an enforcement action against an eligible entity should be maintained.

Technical Assistance to Correct Deficiencies

The State must offer training and technical assistance, if appropriate, to help an eligible entity correct identified deficiencies or failures to meet State requirements. Technical assistance may be offered concurrently with the notification of a deficiency or deficiencies and should focus on the specific issues of the eligible entity to the extent possible.

The CSBG Act requires that the State prepare and submit to the Secretary a report describing the training and technical assistance offered. Alternately, if the State determines that training and technical assistance are not appropriate, the State must prepare and submit a report to the Secretary stating the reasons that technical assistance is not appropriate.

Some examples of situations in which a State may determine that technical assistance is not appropriate may include, but are not limited, to the following:

- A deficiency for which the eligible entity has the expertise and skills available within the organization to make corrective actions without assistance;
- A deficiency for which the State has previously provided technical assistance and the eligible entity has failed to institute corrective actions;
- Multiple, widespread, and/or repeated deficiencies that cannot feasibly be addressed through technical assistance;

- A deficiency that involves evidence of fraudulent reporting or use of funds, or other evidence of criminal wrongdoing.

Quality Improvement Plan

Section 678C (a)(4) of the CSBG Act allows for State discretion in the implementation of a quality improvement plan by an eligible entity to correct an identified deficiency or deficiencies. The Act specifies that States must consider the seriousness of the deficiency and the time reasonably required to correct the deficiency.

Examples of instances in which a State may exercise discretion on whether a quality improvement plan is appropriate or necessary may include, but are not limited to the following:

- A deficiency for which an eligible entity has previously instituted a corrective action plan and has repeated findings;
- A deficiency that involves evidence of fraudulent reporting or use of funds, or other evidence of criminal wrongdoing and therefore presents a risk requiring immediate action.

If a State determines that an eligible entity should be allowed to develop and implement a quality improvement plan, the CSBG Act requires the State to allow the eligible entity to develop and implement their plan within 60 days after being informed of a deficiency. States are encouraged to review quality improvement plans and issue decisions on whether the plans are approved as quickly as possible within the 30-day time frame. The quality improvement plan should identify actions that will be taken to correct the deficiency within a reasonable period of time as determined by the State. States may exercise discretion based on the specific circumstances.

If a quality improvement plan is allowed, the State must review and issue a decision on whether to approve the plan not later than 30 days after receiving the plan from an eligible entity. If the State does not accept the plan, the State must specify the reasons why the proposed plan cannot be approved.

Opportunity for a Hearing

A key statutory requirement for funding termination or reductions, as outlined in Section 678C (a)(5) of the CSBG Act is that States must provide adequate notice and opportunity for a hearing prior to terminating organizational eligibility for CSBG funding or otherwise reducing the proportional share of funding to an entity for cause. The CSBG Act does not include any State or Federal authority to waive the requirement of an opportunity for a hearing. Hearing procedures should be consistent with any applicable State policies, rules or statutory requirements.

Pursuant to Section 678C(b) of the CSBG Act, OCS shall, upon request, review any final State determination to terminate or reduce funding of an eligible entity. In order to conduct such review, the requestor and State should submit to OCS all necessary documentation relating to the determination, including, for example, transcripts of the hearing and any documentation used in reaching the State's decision. For the purposes of any Federal review, it is suggested that States provide the following information to OCS:

- A copy of the notice provided in advance of the hearing that includes the date of the notice and the date of the hearing;
- The name of the presiding hearing official;
- The name(s) of official(s) or individual(s) responsible for determination of hearing findings or decisions (e.g. the CSBG State Official);
- The names of the individuals participating in the hearing; and
- Documentation of evidence presented at the hearing.

State Proceedings to Terminate or Reduce Funding

After providing an opportunity for a hearing, if the State finds cause for termination or reduction in funding, the State may initiate proceedings to terminate the designation of or reduce the funding to an eligible entity unless the entity corrects the deficiency. If a State CSBG Lead Agency determines that funding will be reduced or that eligibility for CSBG funds will be terminated, the State must notify both the eligible entity and the OCS of the decision.

Opportunity for Federal Review

A Federal review of the State decision to reduce or terminate funding may be initiated through a request from the affected organization. In accordance with 45 CFR §96.92, an eligible entity has 30 days following notification by the State of its final decision to request a review by the Secretary of the Department of Health and Human Services (HHS).

If a request for a review has been made, the State may not discontinue present or future funding until the Department responds to the request. Requests for Federal review must be received by OCS within 30 days of notification of a State decision. If no request for review is made within the 30-day limit, the State's decision will be effective at the expiration of the time.

Section 678C(b) of the CSBG Act specifies that a review by the Department of Health and Human Services shall be completed no later than 90 days after the Department 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 Act specifies that the determination of the State shall become final at the end of the 90th day.

Expedited Federal Review and Technical Assistance

While the CSBG Act specifies that a Federal review of State documentation for terminating the designation or reducing funding to an eligible entity must be completed within 90 days, an expedited Federal review may be possible in some instances. This is particularly true in circumstances in which the State has consulted closely with OCS before and during proceedings and has provided documentation at each step of the process as described above. In some instances, particularly those involving potential waste, fraud and abuse, an on-site Federal review may be arranged to expedite the review of documentation and assist with CSBG procedures and requirements. A documentation tool outlining information required for Federal review is included as an attachment to this guidance.

Address to Request Federal Review

Information on how to request a Federal review should be provided to all eligible entities that are subject to a termination or reduction of funding hearing and decision. To ensure that requests are received in time for Federal review, it is strongly recommended that requests be sent via overnight mail with a signed certification of receipt. Requests for review must be sent to the attention of the Division of State Assistance in the Office of Community Services at the following address:

U.S. Department of Health and Human Services
Administration for Children and Families Office
of Community Services
Division of State Assistance
Attention: Community Services Block Grant Program
370 L'Enfant Promenade S.W., 5th Floor West
Washington, D.C. 20447

Overnight mail submissions may be sent directly to the assigned Office of Community Services' CSBG Program Services - Regional Contacts to provide notification that a request has been submitted. This contact information is available on the CSBG program website.

Potential for Direct Federal Assistance to an Eligible Entity

Section 678C(c) of the CSBG Act specifies that whenever a State terminates or reduces the funding of an eligible entity prior to the completion of a required State hearing and other statutorily-required considerations and procedures as outlined in this document, the Department of Health and Human Services is authorized to provide financial assistance directly to the eligible entity until the State violation of the CSBG Act requirements is corrected. In such instances, the State's CSBG allocation under the block grant would be reduced by the amount provided to the eligible entity.

State Award of Funds to a New Eligible Entity

In the event that the State terminates the designation of an organization as an eligible entity, or otherwise reduces funds, any resulting funding may be awarded only to an organization that is an eligible entity for CSBG funds. Section 676A of the CSBG Act outlines procedures for designation and re-designation of eligible entities in un-served areas. In accordance with the CSBG Act, a State may solicit applications and designate as an eligible entity either:

- A private nonprofit organization that is geographically located in the un-served area that is capable of providing a broad range of services designed to eliminate poverty and foster self-sufficiency and meets the requirements of the CSBG Act; or
- A private nonprofit eligible entity that is geographically located in an area contiguous to or within reasonable proximity of the un-served area and is already providing related services in the un-served area.

States must grant the designation to an organization of demonstrated effectiveness in meeting the goals of the CSBG Act, and may give priority to an eligible entity in a contiguous area that is already providing related services in the un-served area. If no private, nonprofit organization is identified or determined to be qualified as an eligible entity to serve the area, the State may designate an appropriate political subdivision of the State to serve as an eligible entity for the area.

Any nonprofit or public agency receiving CSBG funds must meet the tripartite board requirements specified in Section 676B of the CSBG Act. The process of soliciting applications to select a new eligible entity may take place during the period in which the Department of Health and Human Services is reviewing a State decision to terminate an organization's eligibility for CSBG funds. However, the State may not award the funds to a new eligible entity until the Department confirms the State's finding for cause or the 90-day period for Federal review has passed.

Additional Options to Protect Federal Funds

Although the CSBG Act provides for a specific process for terminating an organization's status as an eligible entity or otherwise reducing an entity's proportional share of funding, States have considerable additional authority to assure appropriate expenditures of Federal funds. Where State laws and procedures permit, States may consider use of cost-reimbursement funding approaches to assure a detailed review of actual expenditures and State approval prior to reimbursement. In some instances, particularly when substantial risks have been identified, States may consider cost reimbursement strategies for some or all funds during a period of corrective action or implementation of a Quality Improvement Plan. While cost reimbursement procedures may be used to assure appropriate expenditure of funds, payment to eligible entities must be made within a reasonable period of time after submission of the reimbursement request and necessary documentation. The Office of Community Services encourages consideration of all applicable State laws and procedures in circumstances in which credible allegations of waste, fraud, or abuse of funds are under formal investigation, but not yet conclusively documented. This may include circumstances in which the office has received whistle-blower complaints, referrals from a State or Federal investigative office, or evidence of misuse of funds in a related Federal or State program.

Conclusion

The appropriate use of CSBG funds is a shared responsibility between the Office of Community Services, State CSBG Lead Agencies, and eligible entities at the community level. The CSBG Act provides protections and responsibilities for organizations at each level. While the procedures for terminating eligibility or reducing funding for cause related to a deficiency are expected to apply to only a small percentage of eligible entities, all State and Federal officials involved with the CSBG program must be familiar with required procedures. It is strongly recommended that State CSBG Lead Agencies work closely with the Office of Community Services at each stage of the process to assure appropriate documentation of the process. The Office of Community Services will work closely with State CSBG Lead Agencies to assure due process for any affected organizations, to assure that procedures are executed efficiently and correctly in instances where warranted to prevent waste, fraud and abuse, and to promote the appropriate and effective use of funds to alleviate the causes and conditions of poverty in communities nationwide.

In the supplemental appropriation for the American Recovery and Reinvestment Act of 2009 (Public Law 111-5), States were instructed to award 99% of appropriated funds to eligible entities.

Procedures for designating a new eligible entity are outlined in Section 676A of the CSBG Act