Department of State

Community Services Block Grant

DRAFT Program and Fiscal Monitoring Process and Guidelines

Effective Date: October 1, 2019

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Changes in this version include:

- Updates to language and terminology.
- Updates in monitoring strategies, activities and tools; implementing risk assessment reviews to inform site monitoring. .
- The narrative section was re-written for the CAA audience.
- New Forms:
    - DOS CSBG Program Monitoring Frequency Assessment Tool
- Revised Forms:
    - IMP (completely redesigned)
    - GSCR (completely redesigned)
    - GSCR-F
    - Fiscal Monitoring Frequency Assessment tool
    - Grantee Services Contact Report - Fiscal (GSCR-F)

Overview

The Community Service Block Grant (CSBG) program was created to address the causes and conditions of poverty in communities. Through a network of Community Action Agencies and 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. New York State 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, in partnership with the Department of State Bureau of Fiscal Management (Fiscal), ensures compliance with Federal and State statutes, laws, policies and procedures, and the executed contract. DOS-DCS is the primary liaison with grantees, monitoring programs as well as offering training and technical assistance in areas such as governance, management, and program operations. Fiscal provides financial contract oversight, auditing and monitoring of fiscal expenditures related to CSBG funds.

Program and Fiscal Monitoring

In Federal Fiscal Year (FFY) 2015, the Department of State (DOS) revised its CSBG monitoring procedures to address new accountability measures established by the U.S. Department of Health and Human Services through Information Memorandum #138. These changes were implemented beginning in FFY 2016. During FFY 2019, DOS once again revised the monitoring guide to reflect updates and improvements to the monitoring process which take effect October 1, 2019.

In accordance with Public Law 105-285, Section *678B, codified at 42 U.S.C. 9914, et seq.,* 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. Monitoring includes reviews to insure compliance with provisions of the New York State Master Grant Contract to the satisfaction of the Department of State, as guided by New York State Laws, the U.S. Department of Health and Human Services annual grant award, the CSBG State Plan, the Uniform Guidance applicable to CSBG, Generally Accepted Accounting Procedures (GAAP), grantee policies and procedures, audit requirements for federal awards, and all related rules and regulations (hereinafter "Rules and Regulations"), and other provisions that apply. Monitoring will take several forms including on-site reviews, reviews of reports and financial records, audits, and information in support of services funded by the Master Grant contract.

DOS implements a four-pronged approach to monitoring. The first prong consists of periodic on-site visits. The second prong is the federally mandated on-site comprehensive assessment process conducted tri-annually (Triennial Review for Accountability and Compliance with Standards). The third is an annual compliance review (Annual Compliance Review of Organizational Standards) of the grantee organizational standards. 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 staff.

Routine monitoring and the triennial assessment processes 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. The fourth prong consists of fiscal monitoring conducted through on-site reviews of agency books and records, and review of reports and audits. Monitoring is proactive, results oriented, and conducted to provide assistance to grantees to improve their capacity to achieve measurable results, and to meet the requirements of CSBG.

General Responsibilities

Monitoring, comprehensive assessment and organizational compliance reviews are conducted by Community Services Program Analysts (PA) and Fiscal Field Representatives (FFR) assigned to individual grantees. DOS staff will conduct on-site monitoring and desk reviews of each grantee during the contract year. On-site monitoring is designed to provide DOS access to agency programs, services, documents and records along with on-site provision of technical assistance and training as needed or requested. Desk reviews of documents, reports, and expenditures will complement site visits throughout the year. These reviews may consist of, but are not limited to, the program and fiscal activities as defined below.

Program Monitoring Activities

DOS-DCS utilizes a variety of tools and activities to monitor both eligible entities and discretionary grantees. These are designed to gather relevant information to assist in monitoring the performance of entities funded through the CSBG allocation to New York State, identify areas of need for individual grantees, determine compliance with executed contracts, and assess outcomes.

Program Monitoring Assessment Tools

DOS will utilize program monitoring tools to identify areas of concern and items of potential risk that may require increased monitoring. The recommended minimum number of DOS visits per year is two for program and two for fiscal. Based upon the scoring of each assessment tool and areas of concern identified through the fiscal year, the frequency of site visits may be increased to 3 or more each year.

DOS CSBG Annual Program Monitoring Frequency Assessment Tool (**see page 17**).

Annual (ACROS) and Triennial Assessment (TRACS) Tools (**see pages 58 - 65**)

This monitoring requirement applies only to Community Actions Agencies (CAA), not Indian Tribes or Community Based Organizations (CBO) receiving discretionary funding

Individual Monitoring Plan (IMP)

An Individual Monitoring Plan (IMP) is developed for each grantee prior to the start of the new program year. The purpose of the IMP is to establish and define the partnership between the grantee and DOS during the program year. The IMP identifies the recommended activities throughout the contract year to ensure compliance in the administration of the CSBG and supporting contract, technical assistance and training needs, along with the minimum number of program and fiscal visits. It will determine the number of visits and the purpose of each visit. Additional visits may be conducted based on monitoring conducted throughout the year.

A copy of the IMP will be placed in the agency's DOS contact file. (**See pages 15**)

This monitoring requirement applies only to CSBG Eligible Entities, not Indian Tribes or Community Based Organizations (CBO) receiving discretionary funding

Grantee Services Contact Report (GSCR)

Program monitoring is documented within the Grantee Services Contact Report (GSCR), and takes into account the following items and areas of performance:

- CSBG Contract/Funding:
  - Provide feedback, technical assistance and follow-up to each grantee in the preparation, accuracy and completion of the contract and amendment processes.
  - Discuss anticipated and/or recommended changes in the contract work plan as the contract year progresses.
  - Verify the agency is submitting required contracting documents and reports as required.
- Governance*:
  - Certification of Board List: Review board file or member documentation to ensure compliance with tripartite board legislative requirements and bylaws. The PA will maintain a copy of the Board Tracking Form.
  - Observe and monitor how CAA boards function (on-site) by attending board meetings.
  - Review board documentation including manuals, practices, guides, etc. for compliance with bylaws, and state and federal requirements.
- Organizational Operations:
  - Review and maintain updated copies of various agency operational documents (i.e. Succession Plan*, Personnel Policies*, Articles of Incorporation*, Strategic Plan*, Community Needs Assessment, etc.).
- Program(s)/Service(s) and CSBG Eligibility:
  - Each agency will be visited to observe on-site CSBG-funded programs. Each visit may include a review for compliance with income eligibility guidelines (125% of poverty). Feedback is provided if reviews determine that an agency is providing services to those who are not income eligible for CSBG services for correction and to ensure that problems do not persist.
  - PAs will monitor outcome performance as recorded in the quarterly PPRs submitted by each grantee and provide technical assistance, as needed, to address significant variances in projected over actual outcomes. PA will verify the accuracy of outcomes reported.
  - As a result of monitoring, the number of visits may change.

- Reports submitted to DOS:
  - Verify the agency has sufficient means including staffing, data collection system, etc. to collect and report on outcomes. Agencies are expected to use data for planning purposes to ensure that the agency will begin the new contract with a clear understanding of the information to be collected and reported throughout the year and, ultimately, included in the annual program report.
  - Review final reporting requirements with staff and provide technical assistance, if needed, to complete the Annual Report.
- Technical Assistance and Training:
  - Provide training and technical assistance, as needed, to assist CSBG Board of Director's in achieving required tripartite compliance*.
  - Provide training and technical assistance on the reporting tools to address contract requirements pertaining to the Annual Report (SmartForms) and PPRs.
  - Provide technical assistance to those agencies in the process of updating their Community Needs Assessments and Strategic Plans to ensure that these processes are in compliance with the National Organizational Standards*.
  - ACROS/TRACS*: Provide advance or follow-up technical assistance and training, as needed, to assist each agency in satisfying the National Organizational Standards and NYS contracting requirements.
  - As a result of monitoring, the level of visits to provide technical assistance may change.

These monitoring requirements apply only to CSBG Eligible Entities, not Indian Tribes or Community Based Organizations (CBO) receiving discretionary funding.

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 PA. The GSCR will include an affirmation by the PA 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 **page 22**). If a PA 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, , the matter may result in a *finding* or *deficiency* (see page 10)

This monitoring requirement applies only toCSBG Eligible Entities, not Indian Tribes or CBOs receiving discretionary funding.

Board Member Tracking

As part of the board file review, DOS will maintain a Board Member Tracker Form. This form will be utilized to update and maintain board member verification throughout the contract year. It is the responsibility of each agency to submit appropriate board-related documentation (e.g. board minutes, appointment letters, democratic selection documentation, etc.) to DOS to ensure ongoing compliance with tripartite board legislative requirements. CSBG eligible entities are required to provide updates on the status of board membership changes as they occur.

This monitoring requirement applies only to CSBG Eligible Entities, not Indian Tribes or Community Based Organizations (CBO) receiving discretionary funding

Attend Board and Committee Meetings

DOS Staff may participate in board meetings 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. The "Board Meeting Observation" form that documents observations of the meeting will be prepared and submitted with the GSCR, as applicable. **(See page 23)**

This monitoring requirement applies only to CSBG Eligible Entities, not Indian Tribes or CBOs receiving discretionary funding.

Program/Service Review

Program and service review is conducted for all contracts with CSBG funds including entitlement, discretionary, special projects, disaster relief, and technical assistance. This is accomplished by reviewing the data provided in the four quarterly program progress reports, through periodic on-site observation of the programs in operation, and desk reviews of various documents. It is the responsibility of the CSBG funded entity to ensure that the Program Progress Report Narrative explains each program(s) progress or challenges in meeting the planned outcomes.

Refunding Process

DOS monitoring includes compliance with timelines for administrative processes, including contract development and execution. The Refunding Application package, as allowed by executed contract terms and conditions, contains all required federal and state forms and documents. The refunding package is sent to the grantee and technical assistance is provided as needed. Payment cannot be made on a contract until the refunding process is complete. Similarly, contracts requiring amendment, generally of the budget or workplan, cannot receive funding for the amended budget line until the amendment is fully executed. DOS-DCS must comply with NYS Office of Comptroller requirements in all refunding and amendment processes. Grantees will receive documentation to assist in preparation of documents. Each document will have a due date; it is critical for grantees to comply with due dates to insure timely flow of funding, and to prevent interruption in local services .

Regional Meetings

Regional meetings with assigned agencies may be held to share information, provide training and technical assistance, determine joint priorities and activities, enhance collaboration, and obtain input on state administration. Related expenses are allowable under the contract and should be included in the contract budget.

Specialized Technical Assistance and Support

1. Training and technical assistance are made available and provided directly by the DOS staff and/or other designated providers to CSBG eligible entities on an as needed basis. Agencies can request training and technical assistance directly from their assigned DOS PA or FFR at any time. FFRs may provide feedback on allowable costs, appropriate allocations, as well as other funding related feedback. Training and technical assistance is most appropriately provided by New York State Community Action Association (NYSCAA) or other sources that are not directly responsible for monitoring expenditures.
2. Additional discretionary funding for training and technical assistance may be available for CSBG eligible entities when deemed appropriate and reasonable by DOS. 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 DOS 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 DOS to determine whether the request is reasonable and appropriate under the circumstances presented.
3. Specialized services and supports are provided during and after a disaster or crisis. Agencies are encouraged to become active members of their local emergency management teams. Agencies in areas affected by a disaster should contact DOS-DCS immediately when requesting emergency assistance.

Fiscal Monitoring Activities

Fiscal Reviews:

FFRs conduct both on-site visits and desk reviews for the primary purpose of monitoring expenditure of CSBG funds and risk that negatively impacts CSBG programming. Monitoring includes a general review of the overall fiscal integrity of the grantee, as well as an in-depth review of related books and records, and fiscal activities. Samples of grantee expenditures are tested for compliance with all Rules and Regulations.

For routine monitoring, the assigned FFR will contact assigned grantees to schedule on-site visits. Unannounced visits may be conducted, as needed. The number of visits per grantee will vary and may change over the course of any period of time depending upon the results of the FMFA review, the needs of the grantee, and financial risks identified through any DOS monitoring activity.

FFRs will:

1. Conduct a comprehensive review of expenditures of CSBG funds and agency financial practices to ensure compliance with all Rules and Regulations, and other provisions that apply.
2. Provide feedback on areas of concern related to contract requirements, allowable costs, and questioned or unallowed expenditures.
3. Conduct a general review of the overall fiscal integrity of the grantee.
4. Follow-up on concerns noted in the quarterly Fiscal and Program Attestation.
5. Provide limited guidance regarding CSBG forms and reports and contract requirements to grantee fiscal staff and board and finance committee members, as needed.
6. Provide feedback to PAs regarding findings, and other areas of concern that may impact the Master Grant contract.
7. Review refunding applications, contracts, amendments, financial reports, unaudited financial statements, and OMB required reports.
8. Conduct Triennial Review for Accountability and Compliance with Standards (TRACS) site reviews and provide feedback on agency indicators.
9. Prepare a GSCR-F after each on-site monitoring visit. Upon finalization, distribute the GSCR-F to the grantee Executive Director, Finance Director, Board Chair and appropriate DOS staff.
10. Complete a Fiscal Monitoring Frequency Assessment annually for each grantee.

To achieve the general monitoring responsibilities noted above, The FFR will conduct reviews of the grantee's books and records. Documents to be reviewed may include, but are not limited to:

- revenue and expenditure reports
- general ledger transaction detail
- payroll registers and allocation reports
- time sheets and corresponding personal activity reports (PARS)
- agency and contract budgets
- bank statements and corresponding reconciliations
- indirect cost agreements/cost allocation plans
- invoices, cancelled checks and other disbursement documentation
- independent audit(s)
- tax filings
- insurance policies
- balance sheets, trial balances, aged payable and receivable reports
- Fiscal Policy and Procedure manuals
- Board/Committee meeting minutes and documents

On-site Reviews and Grantee Services Contact Report - Fiscal (GSCR-F)

On-site fiscal monitoring is documented within the GSCR-F form (**see pages 29-33**). FFRs will meet with staff during an on-site field visit to review expenditure and fiscal information in support of the executed contract. The GSCR-F is completed and returned to the grantee to demonstrate the status of the visit. Findings will be noted, and recommendations are made which will include deadlines for grantee response and/or correction in the form. Corrections or resolutions to findings are the responsibility of the grantee and should be communicated to the FFR as soon as possible. FFRs will:

11. Conduct a comprehensive review of expenditures of CSBG funds and agency financial practices to ensure compliance with all Rules and Regulations, and other provisions that apply.
12. Provide feedback on areas of concern related to contract requirements, allowable costs, and questioned or unallowed expenditures.
13. Conduct a general review of the overall fiscal integrity of the grantee.
14. Follow-up on concerns noted in the quarterly Fiscal and Program Attestation.
15. Provide limited guidance regarding CSBG forms and reports and contract requirements to grantee fiscal staff and board and finance committee members, as needed.
16. Provide feedback to PAs regarding findings, and other areas of concern that may impact the Master Grant

contract.

17. Review refunding applications, contracts, amendments, financial reports, unaudited financial statements, and OMB required reports.
18. Conduct Triennial Review for Accountability and Compliance with Standards (TRACS) site reviews and provide feedback on agency indicators.
19. Prepare a GSCR-F after each on-site monitoring visit. Upon finalization, distribute the GSCR-F to the grantee Executive Director, Finance Director, Board Chair and appropriate DOS staff.
20. Complete a Fiscal Monitoring Frequency Assessment annually for each grantee.

Fiscal Monitoring Frequency Assessment (FMFA) Tool

A FMFA will be prepared by the FFR annually for each grantee. The purpose of the FMFA is to identify and assess 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 or other issues identified through routine monitoring, this number may be increased to three, four or more. (**See pages 24-28**)

The CSBG Funded Contract

Services are funded under a New York Master Grant Contract executed by DOS and grantees awarded funding under New York's Community Services Block Grant. Grantees shall receive funding for work that complies with all Rules and Regulations, and other provisions that apply. Grantees shall perform work and meet program objectives summarized in the contract in accordance with the provisions of the contract, and program and fiscal guidelines. The budget establishes guidelines for expending funding under the awarded contract.

All obligations must be incurred during the approved term identified on the face page of the Master Grant Contract and will be consistent with the approved line item budget and workplan. Deviation from the approved line item budget does not create a liability of the Department of State. Modification requests shall be submitted for review and require prior written approval. Requests shall be reviewed upon receipt by DOS and may be approved subject to funding availability and compliance with guidance listed above. Proposed budget modifications will result in a transfer of funds among program activities or budget cost categories.

The grantee shall maintain accurate books and records of contract related expenditures pertinent to the performance under the contract. The grantee agrees to maintain such records for a period of six years from the later date of the 1) Master Grant Contract and 2) the most recent renewal of the Master Grant Contract and all records necessary to substantiate upon audit the proper expenditure of funds received under the Master Grant Contract. The NYS Office of the State Comptroller, the NYS Attorney General or any other entity authorized to conduct an examination of books and records shall have access during the hours of 9 a.m. and 5 p.m., Monday through Friday at an office of the grantee within New York State, or if not available, at a reasonable mutually agreeable location within the State for the term listed above for the purposes of inspection, auditing and copying. Information outlining grantees responsibilities are outlined in the Master Grant Contract.

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 Deficiency

There are three classifications for issues that may require special attention and 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-DCS legal counsel. 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.

Observation (Training and Technical Assistance/Recommendation of Practice change or improvement)

An Observation is not a violation of laws, regulations, cost principles, contracts, State Plans, or policies. While Observations are not Findings or Deficiencies, they require attention because they may be maybe be opportunities for improvement. Examples of an Observation may be methods to increase participant access to the grantee's locations to remedy a sustained drop in services provided or adopting an internal control procedure to mitigate the risk of the misuse of funds. DOS will provide training, technical assistance and/or recommendations that will assist the agency in addressing the area requiring attention.

Finding

Findings are minor or short-term violations of laws, regulations, cost principles, contracts, State Plans, or policies. Findings can be corrected by a grantee through simple actions. For example, a grantee's board may not comply with tripartite composition requirements after an unexpected resignation, but the grantee promptly fills the vacancy. Or, a grantee removes a small immaterial disallowance from the CSBG ledger and charges it to the appropriate funding source.

Findings will be documented in the Grantee Services Contact Report. A Finding may also be memorialized in a Letter of Concern. If appropriate, DOS may provide or arrange for training and technical assistance to address the Finding. Grantees are expected to correct a Finding immediately or within a reasonably short time. A grantee that is not able to correct a Finding within the required timeframe may submit a written request to DOS explaining the circumstances that have prevented the grantee from correcting the Finding and the anticipated date of correction. DOS, in its sole discretion, may extend the time in which a grantee is to correct a Finding. Findings that proliferate or remain uncorrected may become Deficiencies.

Deficiency

Deficiencies are substantial or long-term violations of laws, regulations, cost principles, contracts, State Plans, or policies. Examples of Deficiencies include lack of compliance with tripartite composition requirements across board meetings, a significant material disallowance, fraud, and abandonment by the grantee of the services to be performed under the contract. DOS will address Deficiencies according to section 678C of the CSBG Act (42 USC § 9915) and HHS's Information Memorandum 116. Deficiencies will be documented in the Grantee Services Contact Report and will generally require a written Notice of Deficiency. A Notice of Deficiency will require the grantee to correct the Deficiency, discuss whether training and technical assistance is appropriate and whether a Quality Improvement Plan will be required.

may request assistance from Legal in reviewing a matter.

Preparing a Notice of Deficiency (NOD)

Additional Steps to Consider When Identifying and Reporting Finding(s) or Deficiency(ies)

Annual Compliance Review of Organizational Standards

All eligible entities are required to comply with the 58(50 public entities) Organizational Standards identified in HHS Information Memorandum #138 (January 26, 2015). The State is required to verify compliance annually. In guidance to the States, The U.S. Department of Health and Human Services 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.

- Private: https://communityactionpartnership.com/publication_toolkit/organizational-standards-state-assessment-tool-for-private-cees/
- Public: https://communityactionpartnership.com/publication_toolkit/organizational-standards-self-assessment-tool-for-public-cees/

Documentation submitted to substantiate compliance will be reviewed by the assigned PA and FFR. 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 annually on January 31st and the review will take the place within approximately 90 days. **(See pages 58-61)**

Triennial Review for Accountability and Compliance with Standards (TRACS)

Only the cover page, general information and first Organizational Standard are included within this document for review. **(See pages 62-65)**

Purpose

The TRACS was designed by 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 three 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).

TRACS was created in consultation with representatives from NYSCAA, the CSBG Advisory Council, and several Community Action Agencies (CAA). TRACS was shared with all NYS eligible entities in March 2015 for review and comment.

The purpose of this assessment is to assess for compliance with the Organizational Standards set forth by HHS, Office of Community Services (Information Memorandum 138, Dated January 26, 2015); and 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

Prior to an on-site assessment, DOS will send blank TRACS forms to the CEO and board chair of the eligible entity. The eligible entity is responsible for gathering responsive documentation to support each standard and its corresponding indicators. Within each standard there is a list of document examples that may assist in demonstrating compliance. Grantees may provide any document to demonstrate compliance and may do so on site or prior to the assessment date. Once on site, staff from the DOS 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 CSBG National Organizational Standards and the other for compliance with the indicators. Both ratings are based on the percentage of compliance documented 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 after 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 45 calendar days upon receipt of the draft report.

In the event that there are serious findings, a meeting may be held with the grantee prior to preparation of the discussion draft.

Upon receipt of comments, a final report will be prepared and issued to all members of the board of directors, the CEO or Executive Director and the CFO or Fiscal Director. The final report will include 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 TRACS process, if DOS finds an eligible entity is not meeting an indicator, standard or set of indicators, DOS may prepare a Technical Assistance Plan to identify training and technical assistance resources and outline a time frame for the eligible entity to meet the standard(s). More serious violations may result in development of a Continuous Improvement Plan (CIP) listing requirements and/or recommendations for the unmet indicators. The DOS PA and FFR will verify progress made by the agency in carrying out the recommendations in the plan during site visits.

If appropriate, DOS 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, DOS determines 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, DOS will continue to constructively engage the eligible entity to meet standards as required.

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, DOS 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

(The following attachments should be used as examples only. The templates may have been updated. Please consult your PA if a blank template is needed for use.)

- Individual Monitoring Plan
  - IMP – pages 15-16
- DOS CSBG Program Monitoring Frequency Assessment Tool – page 17
- Grantee Services Contact Reports (GSCR) – pages 18 - 23
  - GSCR (generic)
  - CSBG Board Member Tracking Form
  - Certification of Board List and Board File Review Form
  - Board Meeting Observation Form
- Fiscal Monitoring Frequency Assessment tool – pages 23 - 27
- Grantee Services Contact Report – Fiscal (GSCR-F) – pages 28 - 31
- Grantee Services Contact Report – Fiscal – Site Visit Attendance Record (GSCR-FA): page 33
- CSBG IM 138: Establishment of Organizational Standards for Eligible Entities - pages 34 - 41

Individual Monitoring Plan (IMP)

CSBG INDIVIDUAL MONITORING PLAN

NEW YORK STATE DEPARTMENT OF STATE

DIVISION OF COMMUNITY SERVICES

Grantee: _____ Contract # _____

Date Created: _____ FFY: _____ Contract Type: Entitlement

Minimal Number of PROGRAM Onsite Visits Planned for FFY*:		Minimal Number of FISCAL Onsite Visits Planned for FFY*:	

***NOTE: The frequency and focus of all Scheduled Monitoring activities <u>are subject to change</u> at the sole discretion of NYS DOS with or without prior notice.**

MONITORING SCHEDULE /FREQUENCY* (minimum)	REVIEW TYPE	FUNCTIONAL AREA	(P) = Program /(F) = Fiscal /(P+F) = Both	PROGRAM AND FISCAL MONITORING ACTIVITY FOCUS (Completion of all listed activities will be reported within the GSCR, GSCR-F or other related monitoring reports/documents)
Based on Planned # of Onsite Visits	Onsite & Desk Review	CSBG Funding /Fiscal	F	Periodic Financial Report Expenditure Review: Trace expenditures per grantee's records to expenditures reported and follow-up on discrepancies to verify that the accounting system satisfies the 45 CFR § 75.302 requirements (Standards for Financial and Program Management, Financial Management) and that expenditures were properly reported based on the accounting records of the agency.
Based on Planned # of Onsite Visits	Onsite & Desk Review	Programs /Services	P	Verify Work Plan is still relevant based on approved contract.
Based on Planned # of Onsite Visits	Onsite Review	Multiple Functional Areas	P	Monitor at least one CSBG funded program/service for operation consistent with Work Plan and test CSBG Eligibility of participants/recipients and accurate reporting of program/service outcomes. Functional areas: Programs/Services and Reporting.
Based on Planned # of Onsite Visits	Onsite Review	Reporting	P	Monitor quality of reporting systems needed for data on required CSBG related reports (PPR and Annual Report)
Based on Planned # of Onsite Visits	Onsite & Desk Review	Technical Assistance & Training	P+F	Provide agency staff with updates and information on reporting tools and processes (to include PPR, Annual Report, and NYS Contracting requirement reports).
Based on Planned # of Onsite Visits	Onsite Review	Multiple Functional Areas	P+F	Agency update with designated agency personnel to include discussion of changes, challenges, and improvements in functional areas that may have impact on agency operations. Functional areas: All
Based on Planned # of Onsite Visits	Onsite & Desk Review, as needed	Technical Assistance & Training	P+F	Provide training and information required for agency to satisfy all contract submission requirements including CSBG allocations, CSBG Work Plan and Budget, amendments, NYS contract documentation (i.e. signature pages, attachments, etc.) and processes (i.e. MWBE, Grants Gateway status, VRQ compliance, payment, etc.).
Based on Planned # of Onsite Visits	Onsite & Desk Review, as needed	Multiple Functional Areas	P+F	Conduct Follow up on ACROS/TRACS CIP(s) or QIP(s) until unmet standards (and/or indicators) are met. Functional Areas: All

Based on Planned # of Onsite Visits	Onsite & Desk Review, as needed	Multiple Functional Areas	P+F	Based on information provided in the Community Needs Assessment and Strategic Plan, discuss planned use of CSBG funds as it relates to upcoming contract amendments and/or the new year of anticipated CSBG funding. Provide training and information as to how these plans, when appropriate, can be reflected within the revised CSBG work plan and/or budget. Functional Areas: All
Following Submission of Required Reports	Onsite & Desk Review	CSBG Funding /Fiscal	P+F	Verify CSBG Budget is still relevant based on approved contract. This includes review for accuracy, completeness and compliance the Unaudited Financial Report to determine carryover/refund amount, if warranted.
Following Submission of Required Reports	Onsite & Desk Review, as needed	Reporting	P+F	Review for accuracy, completeness and compliance required reports (and supporting documentation, when applicable) submitted by Grantee to satisfy CSBG and contracting requirements (i.e. PPR, Attestation, MWBE, Periodic Financial Reports, etc.).
Ongoing	Onsite & Desk Review, as needed	Governance	P	Verification of board compliance with tripartite composition (to include appointment documentation) and its bylaws (to include routine monitoring of board minutes and meeting observation, as needed).
Quarterly	Onsite & Desk Review	CSBG Funding/Fiscal	P+F	Review and follow up, as needed, of the most recent Quarterly Attestation submitted by agency.
Ongoing	Onsite & Desk Review, as needed	Technical Assistance & Training	P+F	Provide agency staff with updates and information on annual and triennial assessment tools and processes (to include pre-reviews and follow up on CIPs and/or QIPs).
Triennial	Not Applicable	Not Applicable	NA	Conduct TRACS Review *(For sample purposes only)*
Annual	Onsite Review	Multiple Functional Areas	P+F	Conduct ACROS Review *(For sample purposes only)*
As Needed	Onsite & Desk Review, as needed	CSBG Funding/Fiscal	F	Conduct Personal Service Review: Test a sampling of activity reports for staff to verify that the records satisfy the 45 C.F.R. § 75.430 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.
As Needed	Onsite & Desk Review, as needed	CSBG Funding/Fiscal	F	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 45 C.F.R. § 75.302(b)(4) requirements (Effective Control and Accountability of Funds).
As Needed	Onsite & Desk Review, as needed	Multiple Functional Areas	F	Conduct review of the Independent Audit (A-133), when applicable, in conjunction with the corresponding management letter. Reconcile expenditures reported on the SEFA to expenditures reported to DOS for the period. Follow-up with the grantee on any deficiencies, weaknesses or questioned costs within 6 months of receipt of audit. Functional areas: CSBG Funding/Fiscal and Technical Assistance and Training.
As Needed	Onsite & Desk Review, as needed	Multiple Functional Areas	P+F	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, 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. Functional areas: All.

DOS CSBG Annual Program Monitoring Frequency Assessment Tool

DOS CSBG Program Monitoring Frequency Assessment Tool

New York State Department of State
Division of Community Services

Grantee:

FFY: **2020** Contract Type: **Entitlement** Contract # **C1000**

Reporting/Contracting:	Yes	No	Comments to Support 'Yes' response – Note if Attachment is provided.
Have any of the following DOS program reports/documents (see below) been submitted late (including incomplete) within the last 18 months? Reports/Documents: PPR, Attestation, MWBE Form C&F, Contract/Discretionary documents	☐ (1)	☐ (0)	
Has the agency requested more than one extension on any report/document due to DOS within the last 18 months?	☐ (1)	☐ (0)	
Monitoring:			
Were there any CSBG findings within the past twelve months?	☐ (1)	☐ (0)	
Were there any CSBG deficiencies within the past twelve months?	☐ (3)	☐ (0)	
Has the agency received notice of a significant deficiency, requiring corrective action, in another program within the past twelve months?	☐ (1)	☐ (0)	
Fiscal/Organizational Operations:			
Is the agency's federal allocation above $750,000?	☐ (1)	☐ (0)	
Does the most recent single audit identify findings related to CSBG?	☐ (3)	☐ (0)	
Were any flags identified within the VRQ?	☐ (2)	☐ (0)	
Have there been changes to key personnel (ED, CFO, CSBG Oversight Director, etc.) at the agency within the last 18 months?	☐ (1)	☐ (0)	
Was the agency's Fiscal Monitoring Frequency Assessment Score of six or above?	☐ (2)	☐ (0)	
Did the agency achieve a final score of 55 private, 47 public (based on average scores) or lower on the ACROS (due 9/30 each year) or TRACS (final due prior to next scheduled TRACS)?	☐ (2)	☐ (0)	
Has the agency lost any funded program(s) within the last 12 months due to noncompliance	☐ (2)	☐ (0)	
Totals:			

***The information and analysis herein is for the purpose of providing non-binding advice to the Department of State Division of Community Services. The Department of State Division of Community Services may increase or decrease the number of program site visits conducted during the course of any year in response to circumstances presented and based upon the availability of administrative resources. This document is intended solely for intra-agency deliberative purposes**

Recommended minimum number of program visits per year (Total Score/ # of Visits):

Total Score is 0-3*:	**2**
Total Score is 4-6*:	**3**
Total Score is over 7*:	**4 or more**

Approval Signature	Approval Title	Date
	Program Analyst	
	Supervising Program Analyst	
	Division Director	

CSBG Grantee Services Contact Report (GSCR)

NEW YORK STATE DEPARTMENT OF STATE

DIVISION OF COMMUNITY SERVICES

Grantee: _____ Contract # _____

FFY: Choose an item. Type of Contract: Choose an item.

THIS FORM IS DESIGNED TO EXPAND/COLLAPSE

DOS First Contact/Site Visit Date(s):

1st Contact/Site Visit Results:

Date: **Click or tap to enter a date.** **Click or tap to enter a date.**

- ☐ NO (ADDITIONAL) FINDINGS NOTED
- ☐ FINDING(S) NOTED
- ☐ DEFICIENCY NOTED
- ☐ OBSERVATION NOTED
- ☐ FOLLOW UP ON PREVIOUS FINDINGS
- ☐ FOLLOW UP ON DEFICIENCY
- ☐ FOLLOW UP ON OBSERVATION
- ☐ REQUIRES FISCAL FOLLOW UP
- ☐ FOLLOW UP ON NOD

1st Contact/Site Visit: Personnel Involved (Include names and titles of personnel referred to within this report)

1st Contact/Site Visit Type

- ☐ Onsite: Agency Main office
- ☐ Regional Meeting
- ☐ Onsite: Satellite Office
- ☐ Other: _____

1st Contact/Site Visit Purpose (check all that apply):

- ☐ Routine Monitoring Visit
- ☐ ACROS/TRACS
- ☐ Provide Technical Assistance
- ☐ Attend/Observe Board Meeting
- ☐ Desk Review
- ☐ Follow Up
- ☐ Other: _____

1st Contact/Site Visit Documents Reviewed (check all that apply):

- ☐ Program Progress Report (PPR)
- ☐ Board Minutes + Attachments
- ☐ Contract/Amendment
- ☐ Quarterly Attestation
- ☐ Board Tracking Sheet/Board List
- ☐ Financial Reports/Vouchers
- ☐ MWBE Forms
- ☐ Board Meeting Observation Form
- ☐ ACROS/TRACS Documents
- ☐ Other: _____

1st GSCR contains updates relating to (check all sections that apply in subsequent pages):

- ☐ Discussion(s)/Meeting(s) with Agency Staff
- ☐ Reports submitted to DOS
- ☐ CSBG Funding/Fiscal
- ☐ Technical Assistance & Training
- ☐ Governance
- ☐ CSBG Board Member Tracking Form
- ☐ Organizational Operations
- ☐ Certification of Board List and Board File Review Form
- ☐ Program(s)/Service(s) and CSBG Eligibility
- ☐ Board Observation Form
- ☐ Other: _____

This report will only show sections that are checked above.

1st GSCR: Other DOS Reports attached (check all that apply)

ACROS CIP ☐ ACROS QIP ☐ TRACS CIP ☐ TRACS QIP ☐ TAP ☐

1st GSCR Review and Approval:

Program Analyst: _____ _____

Program Supervisor: _____ _____

Director or Designee: _____ _____

(DOS Title) (Signature) (Date Completed/Reviewed)

DOS Second Contact/Site Visit Date(s):

DOS Third Contact/Site Visit Date(s):

All Contact/Site Visit Updates:

Discussion(s)/Meeting(s) with Agency Staff

DOS Instructions:

Contact/Site Visit:

- The Program Analyst will write their summary for this section during the first site visit.

Contact/Site Visit 2 (text for this section will only appear if an update is provided for this contact/visit):

- The Program Analyst will follow-up on the discussion from the first site visit and provide an update here.

Contact/Site Visit 3 (text for this section will only appear if an update is provided for this contact/visit):

- The Program Analyst will continue to update this section depending on how many site visits are needed.

More sections can be added as needed.

CSBG Contract/Funding:

DOS Instructions:

Contact/Site Visit:

Contact/Site Visit 2 (text for this section will only appear if an update is provided for this contact/visit):

Contact/Site Visit 3 (text for this section will only appear if an update is provided for this contact/visit):

More sections can be added as needed.

Governance

DOS Instructions:

Contact/Site Visit:

Contact/Site Visit 2 (text for this section will only appear if an update is provided for this contact/visit):

Contact/Site Visit 3 (text for this section will only appear if an update is provided for this contact/visit):

More sections can be added as needed.

Organizational Operations

DOS Instructions:

Contact/Site Visit (text for this section will only appear if an update is provided for this contact/visit):

Contact/Site Visit 2 (text for this section will only appear if an update is provided for this contact/visit):

Contact/Site Visit 3 (text for this section will only appear if an update is provided for this contact/visit):

More sections can be added as needed.

Program(s)/Service(s) and CSBG Eligibility

DOS Instructions:

Contact/Site Visit (text for this section will only appear if an update is provided for this contact/visit):

Contact/Site Visit 2 (text for this section will only appear if an update is provided for this contact/visit):

Contact/Site Visit 3 (text for this section will only appear if an update is provided for this contact/visit):

More sections can be added as needed.

Reports submitted to DOS

DOS Instructions:

Contact/Site Visit (text for this section will only appear if an update is provided for this contact/visit):

Contact/Site Visit 2 (text for this section will only appear if an update is provided for this contact/visit):

Contact/Site Visit 3 (text for this section will only appear if an update is provided for this contact/visit):

More sections can be added as needed.

Technical Assistance and Training

DOS Instructions:

Contact/Site Visit (text for this section will only appear if an update is provided for this contact/visit):

Contact/Site Visit 2 (text for this section will only appear if an update is provided for this contact/visit):

Contact/Site Visit 3 (text for this section will only appear if an update is provided for this contact/visit):

More sections can be added as needed.

CSBG Board Member Tracking Form (See page 21 for details)

Certification of Board List and Board File Review Form (See page 22 for details)

Board Meeting Observation Form (See Page 23 for details)

Description of (and/or status of previous) Finding(s), Non-compliance, and/or Notice of Deficiency

DOS Instructions:

Contact/Site Visit (text for this section will only appear if an update is provided for this contact/visit):

Contact/Site Visit 2 (text for this section will only appear if an update is provided for this contact/visit):

Contact/Site Visit 3 (text for this section will only appear if an update is provided for this contact/visit):

More sections can be added as needed.

Description of Action(s) required by CSBG Funded Entity and Due Date, if applicable:

DOS Instructions:

Contact/Site Visit (text for this section will only appear if an update is provided for this contact/visit):

Contact/Site Visit 2 (text for this section will only appear if an update is provided for this contact/visit):

Contact/Site Visit 3 (text for this section will only appear if an update is provided for this contact/visit):

More sections can be added as needed.

CSBG Board Member Tracking Form

(This section will only appear if updates have been provided):

CSBG GRANTEE SERVICES CONTACT REPORT (GSCR)

NEW YORK STATE DEPARTMENT OF STATE
DIVISION OF COMMUNITY SERVICES

Grantee: _____ Contract # _____

Date(s): _____ FFY: _____ Contract Type: _____ Q1: ☐ Q2: ☐ Q3: ☐ Q4: ☐

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.

Certification of Board List and Board File Review Form

(This section will only appear if updates have been provided):

CSBG GRANTEE SERVICES CONTACT REPORT (GSCR)

NEW YORK STATE DEPARTMENT OF STATE
DIVISION OF COMMUNITY SERVICES

Grantee: _____ Contract # _____

Date(s): _____ FFY: _____ Contract Type: _____ Q1: ☐ Q2: ☐ Q3: ☐ Q4: ☐

Bylaws used for this review were dated: _____

The board list used for review is dated (from current FFY contract): _____

Membership Information as stated in the Grantee Bylaws:

Size of board: _____

Number by sector: Public _____
Low Income _____
Private _____

Terms: _____

Term Limit/years of service (if any): _____

Number of **vacancies** by sector:
Public _____
Low Income _____
Private _____

Number of members that have exceeded the maximum number of years of service (as indicated by appointment documentation): _____

Bylaws contain a reference to a procedure under which low income individuals or organizations can petition for adequate representation: ☐ Yes ☐ No

CERTIFICATION

The board list submitted with current contract dated: _____ **Substantiates the board files reviewed:** ☐ **Yes** ☐ **No**

Follow up required or documentation needed before certification can be issued:

Certification of the Board List resulted from this review: ☐ **Yes** ☐ **No**

Program Analyst Printed Name	**Signature**	**Date**

Board Meeting Observation Form

(This section will only appear if updates have been provided):

CSBG GRANTEE SERVICES CONTACT REPORT (GSCR)

NEW YORK STATE DEPARTMENT OF STATE
DIVISION OF COMMUNITY SERVICES

Grantee: _____ Contract # _____

Date(s): _____ FFY: _____ Contract Type: _____ Q1: ☐ Q2: ☐ Q3: ☐ Q4: ☐

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 ☐ Other:

   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: _____

   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):

Fiscal Monitoring Frequency Assessment Worksheet - Tool

Department of State
CSBG Fiscal Monitoring Frequency Assessment (FMFA) Worksheet

Grantee Name:	
Assessment Date:	
Assessment Prepared By:	

General Instructions:

1) At a minimum, a narrative explanation of the documents reviewed in determining the rating must be included in the comments section. If the rating is anything other than "Low", the comments should include the detail and documentation necessary to support the rating.

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 TRACS/ ACROS Outcome	- QIP - Most recent TRACS/ACROS 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		
	Notice of Deficiency (NOD)	- NOD	If a Notice of Deficiency has been issued, review to determine current status	-	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	- 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 - 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 UG citation. 45 CFR 75.430 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 a 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.

CSBG Fiscal Monitoring Frequency Assessment:

Department of State
CSBG Fiscal Monitoring Frequency Assessment

Grantee Name:	
Assessment Date:	
Assessment Prepared By:	

Indicator	Comments		Rating	Value	Score
Agency Management:					
Previous TRACS 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.

Grantee Services Contact Report - Fiscal (GSCR-F):

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

New York State Department of State
Bureau of Fiscal Management

Grantee: _____

FFR: _____

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

☐ **Finding(s) noted** ☐ **Non-Compliance Finding(s) Noted (copy Legal)**
☐ **No Finding(s) Noted**

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**
	2018 CSBG Entitlement		18 CE
	2017 CSBG Entitlement		17 CE
	2016 CSBG Entitlement		16 CE
	2015 CSBG Entitlement		15 CE
	2014 CSBG Entitlement		14 CE
	2016 CSBG WDG		16 CW
	2015 CSBG WDG		15 CW
	2014 CSBG WDG		14 CW

Purpose of Contact: (check all that apply)

☐ Routine Fiscal Visit
☐ CORE Follow-up
☐ DOS Notice of Deficiency (NOD) Follow-up
☐ Fiscal Follow-up/Findings Review Previous Visit

☐ Fiscal Technical Assistance
☐ Unaudited Financial Review
☐ Audit Reconciliation
☐ Last Fiscal Report Submitted:
Funding Level: %

☐ Other _____

Comments:

DOCUMENTS REVIEW

DOS Filing Review

Collected	Filing	Filing Date	Filing Period	Code

Revenue and Expenditure Reports

Collected	Report Name	Report Date	Report Period	Code

Payroll Reports

Collected	Report Name	Report Date	Report Period	Code

Expenditure/Transaction Reports

Collected	Report Name	Report Date	Report Period	Code

Internal Control Reviews

Collected	Document Name	Date	Period	Code

Bank Statement Reviews

Collected	Institution Name, Last 4 of account #	Date	Period Covered	Code

Other Documents

Collected	Description	Date	Period Covered	Code

FINDINGS: (**Note:** ***Insert N/R (Not Reviewed) for any categories not reviewed at this site visit***)

☐ No Findings

☐ Disallowance/Questioned Cost Transaction: Comments:	☐ Non-Compliance Finding
☐ Financial Reporting Finding: Comments:	☐ Non-Compliance Finding
☐ Program/Budget Compliance: Comments:	☐ Non-Compliance Finding
☐ Program Income Finding: Comments:	☐ Non-Compliance Finding
☐ Contract Compliance Finding: Comments:	☐ Non-Compliance Finding
☐ Local Share Finding: Comments:	☐ Non-Compliance Finding
☐ Bid Procedure Finding: Comments:	☐ Non-Compliance Finding
☐ Internal Control Weakness: Comments:	☐ Non-Compliance Finding
☐ Record Keeping Weakness: Comments:	☐ Non-Compliance Finding
☐ (Un) Audit Reconciliation: Comments:	☐ Non-Compliance Finding
☐ Other: Comments:	☐ 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:

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) _____ _____ **2)** _____ _____
Fiscal Field Representative (FFR) Date **Supervisor** Date

3) _____ _____
CAU Supervisor (non-compliance issues**)** Date

☒ ***Submitted electronically for review and approval***

CC: Grantee – Exec. Director
Grantee – CFO
Grantee – Board Chair
Program – Assigned Analyst
Program – Assigned Analyst Supervisor
Program – Division Director
ARU Contract File
CAU Contract File
Legal – DCS Counsel
☐ Legal – Non-Compliance Finding

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

Instructions for completing the CSBG 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 which contribute relevant information to the GSCR-F should be asked to sign the attendance sheet. The Fiscal Field Representative will sign in certification of the form. The GSCR-FA will be appended to the final GSCR-F.

CSBG Grantee Services Contact Report – Fiscal

(GSCR-FA) Site Visit Attendance Record

New York State Department of State
Bureau of Fiscal Management

Grantee: _____

FFR: _____

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

Site Visit Location:

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

Attendance Record – CSBG Site Visit
Grantee Personnel or Board Members Present

Attendees signing below assert that they were present for all or part of the above-mentioned site visit and Participated to the extent requested by the Fiscal Field Representative

Print Name	Title	Signature

CERTIFICATION

By my signature below, I certify that I have reviewed this document and find it to be accurate and in final form. This form will be appended to the final GSCR-F for this official CSBG Site Visit.

1) _____ _____
Fiscal Field Representative (FFR) Date

COMMUNITY SERVICES BLOCK GRANT

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

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

State Responsibilities

Responsibilities	**Time Frame**
Organizational Standards: Establish, communicate, and implement	2015
CSBG Model State Plan: Include organizational standards (States will submit State Plans through the OLDC system)	Due by September 1, 2015
Organizational Standards: Assess through established oversight procedures	Starting Federal Fiscal Year 2016
Annual Report: 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**
Organizational Standards: Self-assessment and planning for adoption of standards	2015
Organizational Standards: 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.

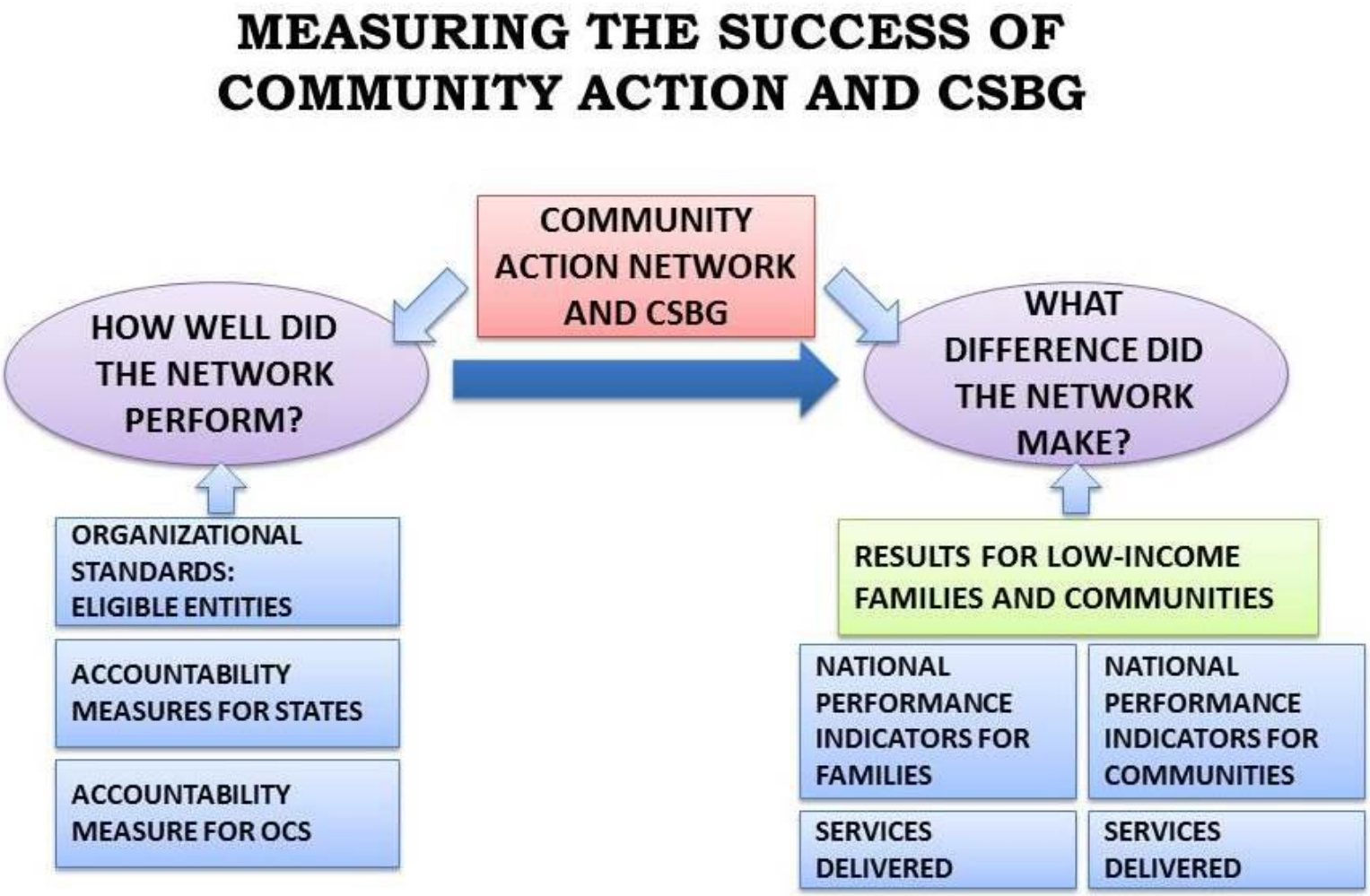
/s/

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
Appendix 5: State Triennial Implementation of Organizational Standards
Appendix 6: CSBG IM 116: Corrective Action, Termination, or Reduction of Funding

Appendix 1: 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 t o gender, age, race and 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:

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:

1. Selecting the board members as follows:
   - 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:

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

2. 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.

NEW YORK STATE OF OPPORTUNITY™ | 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. Agency is 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 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) **List Other Documentation attached:**

☐Advisory group documents

☐Advisory group minutes

☐Activity participation lists

☐Board minutes

☐Board pre-meeting materials/packet

☐Volunteer lists and documents

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

Triennial Review for Accountability and Compliance with Standards (TRACS)
(cover page, general information and first organizational standard)

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).

TRACS was created in consultation with representatives from the NYS Community Action Association, CSBG Advisory Council, and several Community Action Agencies (CAA). TRACS 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).

TRACS 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 TRACS 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 p l a n s 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