



STATE OF NEW YORK  
**DEPARTMENT OF STATE**  
41 STATE STREET  
ALBANY, NY 12231-0001

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GEORGE E. PATAKI  
GOVERNOR

**COMMUNITY SERVICES BLOCK GRANT  
POLICY MEMORANDUM 2002-1  
EFFECTIVE DATE: FEBRUARY 2002  
REISSUED: MARCH 2006**

**TO:** CSBG Grantees – Executive Directors/Chief Executive Officers  
CSBG Grantees – Board Chairs/Presidents  
NYSCAA – Executive Director and Board President

**FROM:** Evelyn M. Harris, Director

**DATE:** March 15, 2006

**SUBJECT:** Policy Guidance on *At-Risk* Designation

**PURPOSE:** To institute the policy regarding identification and designation of grantees *At-Risk* of withdrawal of designation as an eligible entity, and termination of Community Services Block Grant (CSBG) funds.

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**ISSUE:** Effective program administration by New York State is essential, but is in jeopardy as a result of grantee neglect in compliance with CSBG statutory and contractual requirements. Serious consequences have resulted, such as delay in processing payments and increasing the amount of carry-forward funding. In the past, grantee delinquencies in submitting required fiscal/program documents and data past established deadlines have resulted in delay of Department of State (DOS) reports required for submission to both our federal funding source (DHHS-OCS) and to the Governor's office. Annual reports received by DOS lacked documentation from all grantees; therefore, information submitted to OCS and to the State of New York was incomplete. In an effort to protect CSBG funds, as well as to ensure continuous and effective services to low-income individuals, families, and communities, DOS instituted this process to identify and alert grantees *At-Risk*.

**BACKGROUND:** Grantees were provided with the opportunity to review the draft and offer comments. The draft was also reviewed by the CSBG Advisory Council and the New York State Community Action Association (NYSCAA). The Policy has been in place since February 2002.

**SPECIALIZED TECHNICAL ASSISTANCE:** Grantees designated *At-Risk* will be notified in writing as to specific findings or deficiencies. Grantees will be required to correct the deficiency within a specific time-frame or to develop and implement a corrective action plan. Specialized technical assistance will be provided by CSBG staff and grantees may be referred to other sources, including NYSCAA's technical assistance team, Office of Community Services-funded Peer-to-Peer Crisis Intervention team, and consultants.

**RELATED REFERENCES:** Grantees are requested to carefully review the CSBG federal statute, the CSBG contract, the Management Plan, and the refunding application to ensure full understanding of their obligations and responsibilities.

**NOTIFICATION:** Grantees will be provided with written notification detailing the specific cause or causes for the designation of *At-Risk*. Copies of the correspondence will be made available to DHHS-OCS and NYSCAA.

**CORRECTIVE ACTION:** Grantees will be given a specific time-frame to correct the deficiency or to develop and implement a corrective action plan.

**TECHNICAL ASSISTANCE:** Specialized technical assistance will be provided as described above.

**PROGRESS:** Progress will be monitored and all parties will be kept informed.

**FAILURE TO COMPLY:** Should a grantee fail or refuse to implement a corrective action plan, preliminary termination procedures will be implemented. These procedures will be in compliance with the CSBG Act, (42 U.S.C. 9901 et seq.), Sections 676A and 678C and New York State Hearing Regulations, NYCRR Title 19, Part 700.

**DOS CONTACTS:** When there are circumstances which will prevent a grantee from complying with contractual requirements or DOS-established deadlines, contact with DOS should be early and often. CSBG staff can be reached by telephone, fax, and e-mail. A full listing of these addresses can be found in the back of the CSBG Annual Report to the Governor and the Legislature, the CSBG Management Plan, and on the DOS website at [www.dos.state.ny.us](http://www.dos.state.ny.us).

***At-Risk* Determining Criteria**

<b>Contract Compliance</b>	<b>Administrative Accountability</b>
Failure to submit <b>two consecutive</b> Periodic Progress Reports (PPRs).	Failure to provide books and records necessary for program analyst and fiscal representatives to document verification of services and the expenditure of funds.
Failure to submit <b>Annual Program Report (APR)</b> by November 1 (without written extension).	Failure to correct deficiencies identified based on review by other major federal or state funding sources.
Failure to meet contractual requirements necessary to process <b>two</b> payments.	Fiscal liens placed on agency funds by federal or state government.
Failure to submit required audits and fiscal reports.	Pending legal action for fraud or other fiscal irregularities.
Failure to return contract/amendment within specified time-frame. <i>(without written extension)</i>	Failure to comply with CSBG statute governing composition and functions of board of directors.
Failure to comply with ROMA and other CSBG reporting requirements.	Failure to comply with agency bylaws regarding frequency of meetings, democratic selection of low-income representatives, quorums, and election of officers.
Failure to provide services and activities as stated in the approved work plan.	Frequent managerial changes, including executive, fiscal, and program directors.
Failure to comply with federal certifications.	Lack of strategic plan or strategic planning process.
Low-income individuals and families are not involved in the planning, design or implementation of CSBG services and activities.	Findings or deficiencies identified as a result of on-site monitoring by program analyst or fiscal representative.

*At-Risk* designation may be determined using any one or more of the above criteria subsequent to review of grantee files, verification of delinquent submission(s), determination of lack of administrative accountability or any combination of the above.

**REMOVAL OF AT-RISK DESIGNATION:** Successful implementation of a corrective action plan and no additional issues of non-compliance will result in removal of the designation.

cc: CSBG Advisory Council  
CSBG Program Analysts  
DOS Fiscal Representatives  
Sara Lee, OCS