

Fiscal Year ~~2020-2024~~ and ~~2021~~2025
Arkansas Community Services Block Grant ~~Rule Policy~~
Manual

Arkansas Department of Human Services
Division of County Operations
Office of ~~Community Services~~Program Planning and Community
Grant -Services

SECTION 11 – PROGRAM SCOPE OF THE STATE LEAD AGENCY

The Arkansas Department of Human Services (DHS) is a place where we tackle big social issues with compassion, courage, respect, integrity, and action. This is not always easy, but the work we do is so important — to our neighbors and people in every community in the state. It matters because we:

- Make sureEnsure child-carechildcare centers and nursing homes are safe for everyone regardless of income.
- Provide health care and support for eligible Arkansans of all ages and abilities. That means we infuse billions of dollars into communities when we pay local doctors, hospitals, therapists, nursing homes, and others who keep people healthy and thriving.
- Provide a safety net for our most vulnerable citizens and for families or individuals who are facing difficult times and need a little help to get back on their feet.
- Operate the only state-funded psychiatric nursing home for people with specialized long-term care needs, the only state-funded psychiatric hospital for people with acute behavioral health needs, and five (5) facilities that provide 'round-the-clock support and care for residents with significant intellectual and developmental disabilities.
- Oversee the state's public mental health system, helping thousands of people access critical care each year.
- Serve, protect, empower, educate, and encourage children, at-risk youth, families, adults, aging adults and seniors, and people with disabilities so they move toward a better future, and so much more.

Whether our employees are processing applications, answering phones, conducting investigations, crunching numbers, working directly with clients, supporting other staff, or being part of a team to make big policy changes, we know that we could not accomplish our mission without each and every one of them.

We are not just a government agency. We are a tight-knit community of more than seven thousand (7,000) strong. We push each other to be better, to think outside the box to solve problems, and to never be OK with "good enough." Together we improve the quality of life of all Arkansans by protecting the vulnerable, fostering independence, and promoting better health.

We do all of this work through eight (8) divisions and seven (7) support offices headquartered in Little Rock and in eighty (80) offices across the state. There is at least one (1) office in every county.

We Care. We Act. We Change Lives.

The Division of County Operations (DCO) is here to make sure Arkansans who need food assistance, health care, and other services can access help. DCO processes applications for several public assistance programs, including: Health Care (Medicaid), the Supplemental Nutrition Assistance Program (SNAP), and the Transitional Employment Assistance (TEA) program. SNAP and TEA beneficiaries can access their benefits through the Electronic Benefit Transfer (EBT) system. In addition, DCO oversees the Emergency Solutions Grant program, which helps local communities address homelessness by providing resources for building repairs and support funds.- DCO also oversees the Community Services Block Grant program, which provides funding to support services to help low-income families become self-sufficient. Services are provided through the fifteen (15) Community Action Agencies in the state. The Division also assists newly arrived eligible refugees assimilate to the American way of life by providing financial and medical services for those eligible for up to eight (8) months after arrival in the United States.

DCO also investigates potential Health Care (Medicaid), SNAP, and TEA beneficiary fraud.

DCO is divided into four focus areas:

- **Program and Planning** – This unit oversees policy related to the programs that DCO administers as well as the training that they receive.
- **Field Operations** – This unit is responsible for the day-to-day management of all DHS county offices as well as the employees who process applications for assistance.
- **Community Services** – This unit oversees both the Community Services Block Grant and Emergency Solutions Grant programs and ensures that grantees comply with all state and federal regulations.
- **Administrative Support** – This unit oversees the unit that investigates beneficiary fraud, the client assistance unit, the quality assurance unit, and system support for the Division.

DHS has one or more offices at least one (1) office in every county in the State. DCO oversees all eighty (80) of those offices as well as the Access Arkansas Processing Center in Batesville. You can find a list of county offices on our website.

You can apply for Health Care, SNAP, and TEA and manage your benefits by visiting www.Access.Arkansas.gov.

Community Grant Program

Overview

CSBG, or the Community Services Block Grant (CSBG), is an anti-poverty block grant which provides the core funding to more than one thousand (1,000) Eligible Entities across the United States for services that reduce poverty, promote self-sufficiency, and revitalize low-income communities.

CSBG funding supports projects that:

- Lessen or eliminate poverty in communities and foster self-sufficiency.
- Address the needs of low-income individuals including the homeless, migrants, and the elderly.
- Provide services and activities addressing employment, education, better use of available income, housing, nutrition, emergency services, and/or health.

The CSBG is federally funded and administered by the state through the Arkansas Department of Human Services (DHS). The CSBG funds are distributed to a network of local organizations known as Eligible Entities or Community Action Agencies. There are fifteen (15) Community Action Agencies in Arkansas that assist low to moderate-income individuals in all seventy five (75) counties.

The Community Action Agencies are characterized by their tri-partite board of elected public officials, representatives from the low-income community and from the private sector, to maintain the network's focus on community representation and accountability. They have a designated geographic service area not served by another Community Action Agency.

The State Lead Community Services Block Grant Agency is housed in The Department of Human Services. The Department of Human Services (DHS) is Arkansas's largest state agency, with more than 7,400 employees working to ensure citizens are healthy, safe, and enjoying a high quality of life.

The agency's skilled and passionate staff cares for Arkansans of all ages. Often, that means providing a safety net for our most vulnerable residents. Families or individuals facing difficult times may need assistance to get back on their feet. People needing support will find at least one (1) local DHS office in each of the state's seventy five (75) counties.

Arkansans may apply for a vast array of services at their local county office as well as online. Services include ARKids First health insurance for children, the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps), Transitional Employment Assistance (TEA), and Medicaid.

Through a blend of federal and state Medicaid funds, DHS pays for sixty four percent (64%) of the babies born in Arkansas each year and for the care of sixty nine percent (69%) of the state's nursing home patients.

Additionally, DHS protects children and the elderly who have been abused or neglected; finds adoptive homes for foster children; funds congregate and home delivered meals for the elderly; regulates nursing homes and childcare facilities; supports high quality early childhood education; treats and serves youth in the juvenile justice system; oversees services for blind Arkansans; runs residential facilities for people with developmental disabilities; manages the Arkansas State Hospital and Arkansas Health Center for those with acute behavioral health issues; and supports nonprofit, community and faith-based organizations that depend on volunteers to continue programs vital to our communities.

The agency also works with a system of community mental health care centers to provide mental health services to nearly 74,000 people each year.

In all, DHS serves more than 1.2 million Arkansans every year.

Vision

Arkansas citizens are healthy, safe, and enjoy a high quality of life.

Mission Statement

Together we improve the quality of life of all Arkansans by protecting the vulnerable, fostering independence, and promoting better health.

Core Values

Compassion

Courage

e

Respect

Integrity

Trust

Operational Values

Customer Focused—Ensuring our actions and services are targeted to the well being of recipients/customers and the citizens of Arkansas.

High Quality Workforce—Recruiting and developing our people so that they enjoy the highest

~~quality work life and choose DHS as the best place to work.~~

Beliefs

~~Every person matters.~~

~~Families matter.~~

~~Empowered people help themselves. People deserve access to good health care.~~

~~We have a responsibility to provide knowledge and services that work.~~

~~Partnering with families and communities is essential to the health and well being of Arkansans.~~

~~Quality of our services depends upon a knowledgeable and motivated workforce.~~

We care. We act. We change lives.

Mark UP

The State Roles and Responsibilities

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

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

A third role, or responsibility, that the State Lead Agency has is that of providing training and technical assistance to the eligible entities' executive directors, board members, and staff. Training and technical assistance covers a wide range of subjects including, but not limited to, workshops on succession planning, ROMA, case management, financial management, CSBG Organizational Standards, reporting, OMB guidance, monitoring, and board governance. Technical assistance is provided both as a response to requests and because of monitoring reviews that indicate weaknesses. The State Lead Agency strongly encourages all the eligible entities to request technical assistance if they encounter issues or situations in which they feel guidance is needed.

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

The State Lead Agency's fifth role with respect to eligible entities is that of partner.

~~DHS/DCO/OCSDHS/DCO/OPPCGS~~ works in partnership with not only the entities, but also: with other funding sources, state agencies, and the Arkansas Community Action Agencies Association (ACAAA). The partnerships serve to provide the widest range possible of services to the low-income in the most cost-effective and efficient manner. The Lead Agency will work directly with each eligible entity and its board pertaining to contractual matters or the affairs of that entity.

MarkUP

Revision of Rules

Periodically it will be necessary to revise this manual. This may be in response to new federal or state laws, rules, regulations, or policies, changing circumstances among the low-income population, or resources available to low-income persons. Therefore, the State Lead Agency will review this manual on a regular basis and issue any changes in the form of Policy Directives. The State Lead Agency will ensure that all eligible entities receive notice of changes via the Policy Directives and will make the appropriate revisions to the Community Services Policy Manual as needed under the guidance of the Division Director.

Severability

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

Implementation

Each eligible entity shall take all necessary steps, including but not limited to, the adoption of amendments to existing by-laws and policies, to comply with the requirements of this manual and Policy Directives at their effective date.

Citizen Access and Privacy

The following documents must be made available for public inspection:

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

Custodians of records may only charge for the “actual costs” of reproducing public records,

plus mailing expenses. (Arkansas Freedom of Information Act, Ark. Code Ann § 25-19-105(d)(3)).

In addition to the above, eligible entities must fully comply with the Arkansas Freedom of Information Act.

MarkUP

State and federal laws, rules, regulations, and policies shall apply for privacy of personal data held by the eligible entity relative to ~~Community Services Block Grant~~CSBG supported personnel, programs, and activities.

Section II – State Plan and Appropriation of Funds

The State Lead Agency must develop a State ~~P~~plan to submit to -the United States Department of Health & Human Services covering a period of ~~fr~~ no less than one (1) and no more than two (2) fiscal years. This plan must be submitted no later than thirty (30) calendar days prior to the beginning of the fiscal year covered by the plan.

The State Lead Agency is required to hold at least one (1) public hearing in the state giving enough time and notice of the hearing to provide the public with the opportunity to comment on the proposed use and distribution of funds prior to the submission of the State plan to the U.S. Dept.~~artment~~ of Health &and Human Services. (42 U.S.C. § 9908(a)(2))

±

To be eligible to receive ~~Community Services Block Grant~~CSBG funding, the state shall conduct one (1) legislative hearing every three (3) years in conjunction with the development of the State Plan. (42 U.S.C. § 9908(a)(2)(B) and (a)(3)).

Eligible Entity Allocation

Ninety percent (90%) for Eligible Entities – funds appropriated for the ~~Community Services Block Grant~~CSBG shall be allocated annually to the eligible entities. The funds will be allocated based on a historical allocation formula that was based on poverty, population, and a “hold-harmless” indicator number. The formula will stay in place for the period of FY ~~2020~~2024 and FY 2025.

Upon Legislative approval of the ~~Community Services Block Grant~~CSBG State Plan and approval of

appropriate spending authority, funding awards are released to the eligible entities for the fiscal year.

Within thirty (30) calendar days of receipt of Notice of Grant Award from the U.S. Department of Health & Human Services—HHS, the State Lead Agency requests the necessary internal updates to purchase documents that will allow reimbursement payments to be generated to the eligible entities. (42 U.S.C. § 9908(b)).

Five percent (5%) Administrative – 42 U.S.C. § 9907(b)(2) states, "No State may spend more than the greater of

fifty-five thousand dollars (\$55,000), or five percent (5%) ~~percent~~, of the grant received under section 675A [42 USCS § 9905] or State allotment received under Section 675B [42 USCS§ 9906] for administrative expenses, including ~~g.g~~

monitoring activities. Funds to be spent for such expenses shall be taken from the portion of the grant under section 675A [42 USCS § 9905] or State allotment that remains after the State makes grants to eligible entities under subsection (a)".

Five percent (5%) Discretionary-The remaining funds will be allocated in accordance with Section 675B(1) (42 USCS§ 9906). The remaining five ~~percent-percent~~ (5%) ~~percent~~ of the funds can be used for a variety of CSBG- related purposes. Examples of these purposes include awarding funds to CSBG-network

organizations to provide training and technical assistance to community action agencies and awarding funds on a competitive basis to organizations conducting community economic development activities, rural community development activities, case management, fatherhood initiatives, disaster relief, and neighborhood innovation projects. Arkansas will also use these funds to provide for the identification, adoption, purchase, and implementation of a state-wide data collection system for the eligible entities.

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

Section III – Governing Boards

Legislative Mandate

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

❖—One-third (1/3) of the members of the board are elected public officials, currently holding office or their representatives, except if the number of elected officials reasonably available and willing to serve is less than one-third (1/3) of the membership of the board.; ~~M~~membership on the board of appointed public officials may be counted in meeting such one-third (1/3) requirement;



❖—At least one-third (1/3) of the members are persons chosen in accordance with democratic selection policies adequate to assure that they are representative of the low income in the area served; and



❖—The ~~remainder of the members is composed~~members remaining are comprised of

representatives of business, industry, labor, religious, welfare, education, or other major groups and interests in the community. Strict adherence to these requirements is necessary in order for a member to be eligible for receipt of Community Services Block Grant funding and for continued designation as an eligible entity.



The bylaws of the organization must set forth the process for compliance with the Federal and State statutory mandates for the composition of the board of directors. A copy of the bylaws must be on file with the Arkansas Department of Human Services, the Division of County Operations, and the

Mark UP

Office of ~~Community Services~~Program Planning and Community Grant Services. The eligible entities are required to comply with the process set forth in its bylaws.

Board Composition

A "Community Action Agency" board of directors shall have not less than fifteen (15) members and not more than fifty-one (51) members. The board composition shall be as follows (U.S. Department of Health and Human Services, Administration for Children and Families, Office of Community Services Information Memorandum 82):

- ❖ The federal Community Services Block Grant Act requires that the eligible entity select the members of the tripartite board. This means that the eligible entity tripartite board makes the final approval of board members that have been elected according to the eligible entity democratic selection process.
- ❖ Boards of community action agencies with Head Start programs are subject to the Head Start Act's requirements on composition, responsibilities, and conflicts of interest.
- ❖ —
- ❖ A board of a community action agency that operates a federally qualified community health center or intends to qualify as a Community Housing Development Organization (CHDO) must meet additional composition requirements. (HUD.Gov).

Residency Requirements

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

Conflict of Interest

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

the agency. An immediate family member is defined as anyone related by blood or marriage.

Limitations on Board Service

Everyone on an eligible entity governing board, regardless of sector represented, must be

MarkUP

elected in accordance with a democratic selection process defined in the eligible entity bylaws.

The bylaws of each eligible entity shall define the term of office and its board election process. The term of service may be up to five (5) years as defined in the eligible entity bylaws.

The eligible entity may set the term lower than the State Lead Agency requirement but must hold an election at the end of each term of service.

Public officials elected to the eligible entity board may select a representative to serve in their stead during the term of board service. Public officials, or their representatives, serve only if the public official is currently holding office, and they are subject to the eligible entity selection process and term of service.

The State life-time term limit of ten (10) years for the Private and Low-Income sectors has been removed. However, each eligible entity must demonstrate that an election has been held at the end of each term of service for all three (3) sectors, Public, Private, and Low-Income.

Governing Power of the Board of Directors

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

Bylaws Requirements

In accordance with U.S. Department of Health and Human Services, Administration for Children and Families, Office of Community Services Information Memorandum 82, the eligible entities

Bylaws must address at least the following:

Composition of the Board

❖ The bylaws shall set the number of seats on the board and the allotment of seats to public officials, representatives of the low income, and representatives of the private sector.

Selection Process

❖ The bylaws shall include processes for selecting all sectors of the board.

Public Officials

The bylaws of the board may authorize each public official serving on such board to appoint a representative who will then serve as the board member. These representatives need not be public officials themselves, but they shall have full authority to act on behalf of the public officials whom they represent at meetings of the board regarding the business of the board.

MarkUP

~~of the public officials whom they represent at meetings of the board regarding the business of the board.~~

Low – Income

Representatives of the low-income population shall be selected/ elected in accordance with a democratic selection process adequate to assure representation of low-income persons residing in the area served.

Representatives of the low-income population may be democratically selected either to represent a specific area or community served by the agency, or at large to represent the entire area served by the agency. The following democratic selection process may be used, either separately or in combination:

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

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

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

~~Low income~~Low-income representatives must be truly representative of current residents of the geographic area to be served, including racial and ethnic composition, as determined by periodic selection or reselection by the community. Being current should be based on the recent or annual demographics changes as documented in the community assessment. This does not preclude extended service of low-income community representatives on boards.

but does suggest that continued board participation of longer-term members be revalidated from and kept current through some form of democratic process and the assessment of community changes.

Eligible entities must maintain documentation of the selection and election process.

Private Sector

MarkUP

Private sector members shall be selected in such a manner as to assure that the board will benefit from broad community involvement. Such representation shall come from members of business, social service agencies, industry, labor, religious, and educational institutions, or other major groups or constituencies of the low-income population concerned with specific problems of the community. Once an organization is selected, it shall nominate its own representative on the board in accordance with the bylaws. Each representative shall be empowered to speak and act on behalf of the organization which ~~he or she~~they represents regarding the business of the board.

Petition by Other Groups for Adequate Representation on the Board

The community action agencies shall ~~include in their bylaws the establishment of and include in their bylaws~~ policies allowing community agencies and representative groups of the low-income who feel themselves inadequately represented on the board to petition for adequate representation. The bylaws shall specify in these policies the channel of communication to be used, the number of signatures required for a valid petition, and the action required of the board in response to a petition for more adequate representation. The board bylaws shall include provisions for adjusting its composition in cases where a petition is granted, to maintain the proper percentage of public officials and of representatives of the low-income.

Removal of a Board Member

The bylaws must include a description of the grounds for removal of a board member and the policies to be followed for removing that member.

Alternates

The Arkansas Non-profit Corporation does not address the use of alternates to represent board members in their absence; therefore, alternates are prohibited.

Vacancies

A vacancy on the board exists when: (1) a member has been notified of ~~his or her~~their official removal by action of the board for cause; (2) a member notifies the board of ~~their~~his or her resignation; (3) a member dies; or (4) a public official leaves office. When the seat of a public official is vacant, the board shall ask the designating officials to select another public official to fill the seat. When the seat of a representative of a private sector is vacant, the

board shall ask that organization to name another representative to finish out the term. When the seat of a representative of the low income is vacant, the board may include in its bylaws either of two (2) options: (1) it may repeat the democratic selection process; or (2) it may allow the remaining representatives of the low-income population to select a person to finish out the term, with the condition that the person selected represents the same
_constituency as the original representative.

MarkUP

The board must fill all vacancies within ninety (90) calendar days after the vacancy occurs.

Quorum

A quorum for a meeting of the board shall be over fifty percent (50%) of the board total as established in the agency's bylaws.

Calendar of meetings

- ❖ The board shall have not less than four (4) regular meetings per program year with a quorum. The annual meeting may count as one (1) of these meetings. The schedule shall be defined in the agency's bylaws.
- ❖ The board shall provide notice of the agenda in writing to all its members for any meeting as specified in its bylaws.
- ❖ All board of directors' meetings shall be posted in places in the community frequented by the public to ensure the public is informed of the time and date of each meeting in accordance with the Arkansas Open Meetings Act. If a preliminary agenda is not available, the posted notice shall include a general description of the nature and purpose of the meeting. Agencies should identify in the posted notices whether the meeting to be conducted is a full board or committee meeting.



Notice requirements (Arkansas Freedom of Information Act – Ark.ansas Code § 25-

19-106)

Regular Meetings:

- (1) ~~I~~time and place must be given; and to
- (2) to anyone who asks.

Special/Emergency Meetings:

- (1) ~~I~~time, place, and date must be given ~~—t~~Two (2) hours in advance; and
- (2) ~~t~~To news media:
 - (a) ~~i~~in the county where the meeting's held; and
 - (b) located elsewhere that cover the regular meetings and that have asked to be notified.

All Eligible Entity board meeting notices must be in accordance with the current Arkansas Freedom of Information Act.

Minutes

- ❖ The agency shall maintain a roster of attendance and written minutes for board

and committee meetings including a record of votes on all motions. The members making, and seconding motions must be identified in the minutes. If motions are not

❖ unanimous, there must be a record of each member's vote. A record of attendance or sign-in sheet must be maintained along with the minutes.

MarkUP

- ❖ A signed copy of the minutes, roster of attendance, roster of those absent, and any written material distributed at the meeting must be submitted to the State Lead Agency within thirty (30) calendar days after the minutes have been approved by the board. All minutes must be approved within ninety (90) calendar days of the meeting.

Committees

The board may establish any committee it considers necessary for conducting its business. The composition of these committees shall fully reflect the

composition of the full board. Public notices and quorums for committee meetings and full board meetings are required to be in accordance with The Arkansas Open Meetings Law and a quorum is over fifty ~~(50)~~ percent (50%) of the established membership of the committee.

Compensation

- ❖ Regular compensation to members for their services on the board is not permitted.
- ❖ Travel reimbursement to all members of the board for expenses to attend the meetings is permitted.
- ❖ Reimbursement for a meal is allowed if no meal is provided during the board meeting.

Officials

- ❖ Define the responsibilities of the officers of the board, meaning: e.g., the chairperson, vice chairperson, secretary, and treasurer. There must be a description of duties in each member file.

Evaluation and oversight of Executive Director

- ❖ Define the responsibility and authority of the board regarding the hiring and firing of the Executive Director, and the responsibility of the performance of the Executive Director.
- ❖ All timesheets and travel requests for the Executive Director must be approved and signed by the Board Chair or his or her designee (board member).

Tripartite Board Updates

The State Lead Agency requires that eligible entities provide updates regarding the composition of the board, vacancies on the board, and the efforts to fill those vacancies as a part of the quarterly program report.

Mark-Up

The State Lead Agency will attend board meetings, assess Organizational Standards, interview board members during the on-site monitoring review, review copies of board meeting minutes, and track board vacancies and composition to verify validity of the eligible entity board.

Section IV – State Community Services Block Grant Implementation

Service Delivery System

The provision of Community Services Block Grant services to low-income individuals and families statewide is carried out primarily through Arkansas's network of eligible entities (community action agencies). These entities provide services with expectations of outcomes based on the National Performance Indicators in all seventy-five (75) counties in Arkansas.

Linkages

A programmatic element of the Community Action Plans submitted by the eligible entities will include the development of linkages and cooperative agreements at the local level.

Coordination with Other Public and Private Resources

Other public and private funding resources are submitted with estimated amounts leveraged as part of each Community Action Plan. The State Lead Agency requires each local entity to submit

coordination plans for the entity grant activity. The coordination plan describes how local entities

have conferred with area service providers and established working relationships, how linkages have been developed to fill identified gaps in services, how funding will be coordinated with other public and private resources, and how all the above will result in a multi-program impact on the client's progress toward self-sufficiency. As the State Lead Agency becomes aware of available grants, the information will be disseminated to the eligible entity network either directly or through the

Arkansas State-Community Action Agencies Association (ACAAA).

Innovative Community and Neighborhood-Based Initiatives

The eligible entities can use Community Services Block Grant funds to support innovative community and neighborhood-based initiatives related to the purpose of the ~~Community Services Block Grant~~ CSBG, including fatherhood initiatives and other initiatives with the goal of strengthening families and encouraging effective parenting.

Mark UP

Community Assessment

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

The CSBG Act (42 U.S.C. 9908 § 676(b)(11) requires “an assurance that the State will secure from each eligible entity in the State, as a condition to receipt of funding by the entity through a ~~community services block grant~~CSBG made under this subtitle [42 USCS §§ 9901 et seq.] for a program, a community action plan (which shall be submitted to the Secretary, at the request of the Secretary, with the State plan) that includes a community-needs assessment for the community served, which may be coordinated with community-needs assessments conducted for other programs[.]”

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

The State Lead Agency will provide training and technical assistance, either directly by state staff or outsource, in conducting and creating a written agency-wide community needs assessment.

SECTION V – COMMUNITY ACTION PLAN (CAP)

Prior approval for any changes to the scope or objectives of the Community Action Plan must be

obtained prior to the calendar quarter of the proposed change.

SECTION VI – COMMUNITY SERVICES BLOCK GRANT ALLOWABLE ACTIVITIES, COSTS, AND DOMAINS

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

Community Service Block Grant Domains:

1. Employment;
2. Education and Cognitive Development;
3. Income and Asset Building;
4. Housing;
5. Health and Social and Behavioral Development;
6. Civic Engagement and Community Involvement; and
- ~~7.~~ Outcomes and Services Across Multiple Domains.

7.

For CSBG program reporting requirements, the HHS Office of Community Services (~~OCS~~HHS/OCS) defines "direct" program and "administrative" costs in accordance with three (3) criteria; (i) meeting

Congressional intent for the program; (ii) achieving consistency with HHS audit and financial
management ~~standards; standards;~~ and (iii) ensuring a common basis for relating expenditures to the CSBG Results Oriented Management and Accountability System (ROMA) in its updated format that was OMB approved in ~~January,~~January 2017.

All costs charged to the ~~Community Services Block Grant~~CSBG must be in accordance with 2 CFR § 200.~~31~~.

Any program or activity supported by ~~Community Services Block Grant~~CSBG funds must be identified in the Community Action Plan.

Administrative Costs

Administrative costs include administering and managing central staff and centralized functions of the agency and prorated costs associated with the entities' audit. Administrative costs also include expenditures for support for members of the entities' governing body.

Administrative costs do not include costs for administration, management, or overhead expenses directly linked to a specific project operated by the eligible entity. Such administrative costs should be included as part of the program. For example, administrative overhead and general support for

an eligible entities' community services projects (~~such as:~~~~such as~~ space, supplies, and program manager, ~~etc.~~) should be reported under Programmatic Costs (U.S. Department of Health and Human Services, Administration for Children and Families, Office of Community Services Information Memorandum 37).

Programmatic and Case Management Costs

Programmatic and Case Management costs include services and activities geared toward: attaining an adequate education, securing meaningful employment, acquiring adequate ~~housing~~housing, and living

environments, obtaining emergency assistance, participating in community affairs, addressing the needs of youth, and removing obstacles to improve stability and self-sufficiency.

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

The State Lead Agency will not attach a specific percentage of CSBG funding to case management related activities for FY 20202024 or FY 20212025. However, each entity will be asked to identify funds which are used specifically for case managed clients.

The State Lead Agency will not assign a specific number of clients each eligible entity is expected to assist in transitioning out of poverty during FY 20202024 and FY 20212025. However, it is expected as part of the Annual Community Action Plan (CAP Plan), each eligible entity will set a goal that is at least two percent (2%) higher than the goal for the previous fiscal year. This requirement can also be met by showing that case managed services are being provided by entity partnerships with other entities.

The eligible entities are expected to partner with local entities such as the local workforce development boards, the Department of Human Services, and other local poverty fighting agencies to provide the tools that will empower individuals and families to become self-sufficient (42 USC § 9901).

Eligible Entity Policies

All agencies shall be required to develop and implement written standards of operation to include program policies to govern the programs administered utilizing Community Services-Block-GrantCSBG funds.

Uniform Administrative ~~Requirement~~Requirement—t, Cost Principles, and Audit ~~Requirement~~Requirement 2 CFR 200 outline the policies that each eligible entity is required to have in place.

The Cost Principles are updated annually, so each entity is responsible for current policies in place.

The below, at a minimum, are expected to be in place and updated in accordance with the ~~Community Services Block Grant~~CSBG Organizational Standards and 2 CFR 200.

MarkUP

1. Financial Procedures Manual:
 - Travel Policy; and
 - Credit Card Policy;
2. Human Resources Manual;
3. Procurement Procedures Manual;
4. Conflict of Interest Policy;
5. Management Information Systems (MIS) Policy;
6. Whistleblower Protection Policy;
7. Records Retention; and
8. Security:
 - Physical (files or sensitive information); and
 - ~~Data~~;
 -

Appeal Procedure

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

The Federal Hatch Act

While employees of private nonprofit organizations are not generally subject to the Federal Hatch Act, certain employees of private, nonprofit community action agencies are because of the receipt of ~~Community Services Block Grant~~CSBG funds.

Codes of Conduct

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

Non-Discrimination

The CSBG Sub-recipient is prohibited from discrimination based on race, color, religion, sex, age, national origin, ~~and~~or disability.

Financial Management

Bonding and Insurance

MarkUP

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

The eligible entity must, as a condition for the receipt of CSBG funds, secure fidelity bond coverage for appropriate eligible entity officials. Coverage must be secured for each person authorized to sign or countersign checks or to transport, maintain custody of, or disburse sizable amounts of cash (such as for payrolls) in the minimum amount equal to ten percent (10%) of the total funds awarded to be disbursed.

Prior to its initial agreement with the State Lead Agency for funding, each eligible entity shall submit assurance that this condition has been met. This assurance shall take the form of a letter from a bonding company or agent stating the type of bond, amount and period of coverage, positions covered, and the annual cost of the bond that has been obtained. The State Lead Agency must be notified by the eligible entity within thirty (30) calendar days of any changes in bonding coverage.

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

•

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

Carryover Funds

Eligible entities will be allowed to reprogram CSBG funds from their annual CSBG budget. Carryover funds must be obligated, expensed, and invoiced by the end date of the federal award to which the funds are attached.

DCO/~~OC~~SOPPCGS requires the eligible entities to follow the guidelines outlined in 2 CFR 200 under Audit requirements.

In Addition to the 2 CFR 200 requirements, DCO/~~OC~~SOPPCGS requires the following:

1. A copy of the signed audit engagement letter between the entity and the auditor;~~;~~
2. A copy of the payment (check copy/bank reconciliation showing proof of payment) to the auditor;~~;~~

~~3.~~ A timeline with updates from the auditor on completion date of the audit; ~~and;~~

~~3.~~
~~_____~~

4. A letter from the auditor showing the date that the audit will be presented to the board.

Disallowed Costs

In those instances, in which a sub-recipient cannot document the allowability of certain cited questioned costs that will meet the applicable federal or state laws, rules, regulations, or policies, the State Lead Agency will have no recourse but to disallow these costs. Once this determination is made, the sub-recipient will be officially notified by the State Lead Agency in writing of such a determination. The sub-recipient will be given thirty (30) calendar days from the date of the State Lead Agency's letter to remit the amount disallowed. The remittance must be paid from non-federal funds. (2 CFR 200).

Debt Collection

The debt collection process begins with the State Lead Agency's letter to the affected sub-recipient and establishes the debt owed to the State Lead Agency because of costs that were disallowed during the audit resolution process. The sub-recipient must remit the disallowed costs to the State Lead Agency within thirty (30) calendar days from the date of the State Lead Agency's letter. Those sub-recipients who do not remit disallowed costs or within this time frame may be charged interest at the applicable prime rate on the debt starting the day after the due date of the remittance. (2 CFR 200).

Purchase or Permanent Improvements of Real Property

The use of CSBG funds ~~are~~is prohibited for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than ~~low-cost~~low-cost residential weatherization or other energy-related home repairs) of any building or other facility except as defined in 42 U.S.C. § 9918 of the Community Services Block Grant Act.

Termination of the Agreement, Reduction, or Suspension of Funding

If the State Lead Agency elects to terminate, reduce, or suspend funding to the sub recipient, it shall do so in accordance with the provisions of U.S. Department of Health and Human Services,

Administration for Children and Families, Office of Community Services Information.

Memorandum Information Memorandum 116.

Hearing on Appeal

MarkUP

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

Intent to Suspend or Terminate the CSBG Grant Agreement.

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

SECTION VII – CLIENT-INCOME ELIGIBILITY—I AM NEEDING ASSISTANCE WITH CODES FOR THE BELOW ITEMS

Income Eligibility

To be eligible for CSBG services or benefits, clients must be at or below one hundred twenty-five (125%) percent (125%) of the federal poverty line as determined by the federal Office of Management and Budget (OMB) based on the most recent federal Census data and as revised annually.

The federal CSBG law does not require any particular process for determining client income eligibility; nor do HHS regulations. However, in order to ensure that CSBG funds are being used for income-eligible clients, eligible entities should screen for income eligibility. The eligible entity may adopt its own written procedures for doing so. These procedures may, based on the eligible entity's community needs assessment, give priority to certain client populations within the applicable income limit (such as: people with disabilities; people who are homeless; the elderly; people who are unemployed; and/or people with children under age-eighteen (18) years of age).

Definition of Family

Neither the HHS poverty guidelines, the federal CSBG Act, nor applicable HHS regulations define the term "family." Following are two examples of how the term family might be defined. Other reasonable definitions are also acceptable.

Example 1:

The income of all members of each family unit must be included in determining the income eligibility. A family unit may be either: (1) related individuals; or (2) an unrelated individual.

The term "related individuals" means two or more persons related by birth, marriage, and/or adoption who reside together.

The term “unrelated individual” means an individual who is not an inmate of an institution: (1) who resides alone; or (2) who resides with ~~one or more persons~~ anyone who is ~~are~~ not related to ~~him/her~~ them by birth, marriage, ~~and/or~~ adoption. (Examples of unrelated individuals residing with others include: a lodger, a foster child, a ward, or an employee.)

If a household includes more than one (1) family unit, the poverty guidelines shall be applied separately to each family unit, and not to the household as a whole.

Example 2:

For purposes of determining income eligibility, the term “persons in family” in the HHS poverty guidelines means persons in a household. A household includes any individual or group of individuals who are living together as one (1) economic unit. The income of each individual in the household who is eighteen (18) years of age ~~old~~ or older must be included in determining income eligibility. In determining whether an individual is part of a household, the eligible entity may consider factors such as whether the individual ~~pays for his/her~~ their own food and occupancy.

Income

Neither the HHS poverty guidelines, nor the federal CSBG Act, nor applicable HHS regulations define the term “income.” Following is an ~~one~~ example of how the term “income” might be defined. Other reasonable definitions are also acceptable.

Income includes total annual cash receipts before taxes.

Income includes:

- Wages and salaries before any deductions;—
- Net receipts from nonfarm self-employment (receipts from a person’s own unincorporated business, professional enterprise, or partnership, after deductions for business expenses; ~~and~~
- business, professional enterprise, or partnership, after deductions for business expenses);
- Net receipts from farm self-employment (receipts from a farm, indicating which ~~one~~ individual operates as an owner, renter, or sharecropper, after deductions for farm operating expenses);
- Regular payments from Social Security, railroad retirement, unemployment compensation, strike benefits from union funds, workers’ compensation, veterans’ payments, public assistance (including Temporary Assistance for Needy Families, Supplemental Security Income, and non- federally funded General Assistance or General Relief money payments), and training stipends;
- Alimony, child support, and military family allotments or other regular support from an absent family member or someone not living in the household;
- Private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments;—
- College or university scholarships, grants, fellowships, and assistantships;—
- Dividends, interest, net rental income, and net royalties;—

- Periodic receipts from estates or trusts, and
- Net gambling or lottery winnings.

Income does not include:

- Tax refunds;
- Assets drawn down as withdrawals from a bank or the sale of property (such as a house or a car);
- Capital gains;
- Gifts, loans, lump-sum inheritances, one-time insurance payments, or compensation for injury;
- Employer-paid or union-paid portion of health insurance or other employee fringe benefits;
- Food or housing received in lieu of wages;
- Federal or state noncash benefit programs as Medicare, Medicaid, food stamps, school lunches, and housing assistance;
- Payments required under federal or state law to be excluded from the definition of income for calculating eligibility for federal or state public benefit programs, such as cost reimbursements under the federal Foster Grandparent program (see 45 C.F.R. § 2552.47).

Income Determination Period

Neither the HHS poverty guidelines, the federal CSBG Act, nor applicable HHS regulations specify the period to be used when determining a client's income. The following are examples of periods that could be used in determining a client's income.

Example 1:

The period for determining the annual income must not be more than twelve (12) months nor less than ninety (90) days preceding the request for assistance.

Example 2:

Total monthly or annualized gross household income should be used to determine eligibility. The monthly income should be calculated for the thirty (30) day period preceding and including the date of application.

Example 3:

There is no prescribed look-back period for income assessment. Depending on an individual client's circumstances and the documentation available, it may be reasonable to calculate client income based upon the household's gross income in the past thirty (30) days (multiplied by twelve (12)) or based upon a review of the past year. {For example, if a client has become unemployed or was the victim of domestic violence and has left the abusive household within the past year, it may be inaccurate to use the data of the past year to assess income. T—and the use of a shorter period of time—perhaps several

months—may be a more appropriate and accurate assessment of the client’s income. In addition, case-by-case circumstances such as seasonal employment or an isolated and temporary spike or decline in earnings may require an eligible entity to exercise reasonable discretion to determine on a case-by-case basis the most appropriate time period to review in order to most appropriately and accurately assess income}. It is recommended that no period shorter than the past thirty (30) days or longer than the past year should be used.; However, in exercising this reasonable discretion, the eligible entity’s goal in each case should be to most accurately determine a client’s actual financial position at the time of assessment.

Re-Determination

After initial determination, the income level of a client receiving ongoing services should be re- determined at least annually and should be reviewed any time the eligible entity becomes aware of a significant income--changing event or circumstance. An eligible entity retains the right to review a client’s income level at any time while the client is receiving CSBG-funded benefits or /services for the purpose of determining continued program eligibility.

Income Documentation

Neither the CSBG Act nor applicable HHS regulations specify the type of income documentation that eligible entities should review in determining an applicant’s income eligibility. Following are two (2) possible examples of documentation that an eligible entity could review in determining a client’s income:

Example 1:

Applicants must provide documentation of their household’s source(s) of income. Some examples —of acceptable documentation include pay stubs; a current tax return; IRS Form W-2 and/or 1099; a letter from an employer; a Social Security check or benefits statement; retirement income statement; unemployment insurance benefit statement; child-support payments documentation (copies of checks, history of payments, or court papers); or self-employed accounting records. Documentation of current participation in public benefits programs with income eligibility standards at or below one hundred twenty-five (125%) percent (125%) of the HHSfederal poverty guidelines may also be used.

Applicants who claim no household income must sign a form attesting to that fact and to the accuracy of the information provided to the eligible entity. This form must also be signed by a staff member indicating that the staff member has, in good faith, attempted to verify this condition, and that the information on eligibility in the file is accurate to the best of the staff member’s knowledge.

Example 2:

Before an applicant is determined to be eligible based on family income, the applicant must submit information to the program concerning the family’s income. Verification must

include examination of documents such as individual income tax forms, W-2 forms, pay stubs, pay envelopes, or written statements from employers (if individual income tax forms, W-2 forms, pay stubs, or pay envelopes are not available).

Third Party Verification

When appropriate, in cases in which no documentation regarding the income eligibility of the applicant has been received by the eligible entity, or when it is either more efficient or reliable to do so rather than to search for eligibility documentation, eligible entities may seek information from third parties who have first-hand knowledge about the applicant's eligibility, and document each such third party's name, title, organizational affiliation (if any), and relationship to the applicant in the applicant's record.

Eligible entities also may seek third party information, in cases where documents are not submitted, to prove a claim that an applicant has no income.

If eligible entities plan to seek third party verification from one (1) or more parties regarding an applicant's eligibility, staff must inform the applicant about each party that they intend to contact. In addition, the applicant must sign a consent form permitting the eligible entity to contact specified third parties; this provides applicants the opportunity to withhold their consent for third party verification from one (1) or more parties. An applicant must be given the opportunity to withhold consent that is related to each party that the eligible entity would like to contact.

If applicants do not sign the consent form, the eligible entity may not contact that party and the applicant remains responsible for providing appropriate documentation.

Documenting Eligibility Determination

At a minimum, an eligible entity should retain documentation that is sufficient to demonstrate that, where an individualized determination of income was required, a staff member has screened the applicants for income eligibility.- The following are two (2) possible examples of the records that could be kept in order to documenting the fact that an eligible entity reviewed a client's income and determined the client to be eligible for CSBG services or /benefits:

Example 1:

An eligible entity maintains a statement that identifies which documents staff examined and states that the applicant is eligible for CSBG services/ or benefits. The statement is signed by an employee who reviewed the documentation and determined the applicant to be eligible for CSBG services or /benefits.

Where an applicant claims no household income, the eligible entity maintains the form attesting to that and signed by the applicant and the staff member who attempted to verify the applicant's household income.

Example 2:

An eligible entity keeps an eligibility determination record for each applicant for CSBG services or /benefits, which includes:

- Copies of all documents submitted by the applicant relating to the applicant's eligibility for services and any staff member's notes recording any other information related to eligibility received from any source.
- A signed and dated statement by the applicant certifying that the documents and information that the applicant provided concerning eligibility are accurate to the best of the applicant's knowledge.
- Documentation establishing that a staff member has sought to verify the accuracy of the
 - information on eligibility provided to the eligible entity by:
 - Conducting an in-person interview with the applicant; and,
 - Seeking information from third parties who have first-hand knowledge about the applicant's eligibility in cases in which no documentation regarding the income eligibility of the applicant has been received by the eligible entity, or when it is either more efficient or reliable to do so rather than to search for eligibility documentation. The record should include the names, titles, and affiliations of the third parties, and the applicant's signed consent form permitting the program to contact each third party.
 - A signed and dated statement by the staff person who made the eligibility determination certifying that the information on eligibility in the file is accurate to the best of the person's knowledge, and based on that information, the person has determined the applicant to be eligible for services.

Special eligibility determination circumstances

There are certain circumstances where individualized determination of income eligibility may not be required.

Services provided on a group basis:

Services are provided on a group, rather than individual, basis and circumstances indicate that those benefiting are likely to meet the CSBG income eligibility requirements. For example, a financial literacy class provided to parents of children in the eligible entity's Head Start program, or a job skills class provided to residents of a homeless shelter.

Services are provided on an individual basis, but circumstances make it impossible or impracticable to obtain documentation and indicate that those benefiting are likely to meet the CSBG income eligibility requirements and/or that the services facilitate linkages and coordination of services to low-income people in the community.

For example, a community resource hotline that provides referrals to local health and human services providers; general information and referrals regarding benefits and services available to low-income people in the community; and disaster response and relief (such as emergency shelters or provision of food and clothing during or immediately following a disaster).

Services are intended to increase community awareness of or involvement in poverty issues.

For example, an eligible entity sponsors a community forum on improving health care access for low-income people, convenes a meeting of organizations in the community serving

homeless clients to discuss coordinating service delivery, or holds an open house to publicize the availability of its programs to members of the low-income community.

Using CSBG funds to support another Program:

When CSBG funds are used to support another program that does not have eligibility requirements, that has higher income eligibility requirements than the CSBG program, or that does not limit services to the Eligible Entity's CAA's CSBG service area, clients should be screened for CSBG eligibility and identified as CSBG-eligible or not CSBG-eligible.

The eligible entity should have a reasonable, documented basis for allocating the program costs between CSBG and the other funding source(s) based on the relative benefit each funding source receives. This can be done, for example, by demonstrating that either: (1) the proportion of program clients who are CSBG-eligible is equal to or greater than the proportion of program costs paid with CSBG funds (for example: e.g., if seventy (70%) percent (70%) of program costs are paid from CSBG funds and thirty (30%) percent (30%) are paid from another source, at least seventy (70%) percent (70%) of the clients served must meet CSBG eligibility requirements); or (2) the proportion of the program staff's time that is devoted to serving CSBG-eligible clients is equal to or greater than the proportion of program costs paid with CSBG funds (for example: e.g., if seventy (70%) percent of program costs are paid from CSBG funds and thirty percent (30%) are paid from another source, at least seventy (70%) percent (70%) of the staff's time must be allocated to serving CSBG-eligible clients).

Residency Requirement:

If residency in the CSBG service area is an eligibility requirement of the eligible entity and/or state CSBG statutes and/or regulations, an eligible entity may require documentation indicating that the applicants for CSBG services/ or benefits live in the eligible entity's CSBG service area. Applicants provide documentation of their current residential address. Examples of acceptable documentation include: a copy of the utility bill; the lease or rental agreement; a receipt from the landlord showing that rent was received; a copy of the mortgage statement; a written statement from the landlord affirming residency; or a letter from a homeless shelter.

Applicants who live with someone else and do not receive mail at that address may provide a signed, notarized letter from that person and documentation of that person's current residential address.

Self-certification

Self-certification is permitted in the case of applicants who are homeless and have no current residential address.

Staff, Board Members and Members of their Families:

There is no prohibition against an eligible entity providing CSBG-funded services or /benefits to members of its tripartite board and, its staff or members of their families who apply for

those services or /benefits, provided that: (1) the applicant meets all applicable eligibility criteria for the services or /benefits; (2) the applicant does not receive preferential treatment in receiving the services or /benefits due to theirhis or her connection with the eligible entity; and (3) the services or /benefits are provided on terms similar to those provided to individuals who are not so connected to the entity. Neither the applicant nor a member of his/hertheir family should make the determination of whether the applicant is eligible for the CSBG-funded services or /benefits.

Non-Citizens:

HHS/OCOCSS—The U.S. Department of Health & Human Services, Office of Community Services, Information Memorandum 30 (September 30, 1998) states that non-citizens should not be banned from CSBG programs based solely on their alien status unless the exclusion is authorized by another statute.

Substance Abusers:

There is no prohibition on the use of CSBG funds to provide services or /benefits to substance abusers. Eligible entities use CSBG funds to provide substance abuse treatment or to provide additional services to clients in their substance abuse treatment programs.

Convicted Felons:

Convicted felons are eligible for CSBG services.

Ineligible Clients:

Other than people who do not meet the CSBG income eligibility requirements, no one is categorically ineligible for CSBG services.

Referrals:

The CSBG Act requires states to include in their CSBG state plans, “information provided by eligible entities in the State, containing ... a description of how linkages will be developed to fill identified gaps in... services, through the provision of information, referrals.” Sec. 676(b)(3)(B), 42 U.S.C. § 9908(b)(3)(B).

Thus, it is clear that CSBG funds may be used to provide information and referrals, assuming that the services are targeted to those who are CSBG-eligible.

Intake and eligibility screening:

An eligible entity may use CSBG funds for initial intake and eligibility screening for general eligible entity ~~CAA~~ services. If an applicant is determined not to meet the CSBG eligibility requirements, but is eligible for other services or/ benefits provided by the eligible entity or by other organizations or entities that have less restrictive eligibility requirements (such as higher income), CSBG funds may be spent on staff time and related expenses for the intake staff to inform the applicant about the availability of those services or /benefits and to refer

the applicant to a staff person whose time is paid out of the funding sources for those services and/ benefits for more information about and intake for those services and /benefits.

As noted below under the “Reference Items” section, eligible entities must conduct CSBG eligibility determinations in a manner that does not discriminate against applicants on the basis of race, color, national origin, age, or disability. In addition, eligible entities that are religious organizations are prohibited from discriminating against applicants on the basis of religion.

Reference Items in CSBG Act, Civil Rights and Uniform Guidance used to document and establish CSBG Eligibility

Section 673(2) of the CSBG Act, 42 U.S.C. § 9902(2)

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

Section 672 of the CSBG Act, 42 U.S.C. § 9901

CSBG funds distributed to eligible entities by states are to be used for the purposes of the CSBG Act specified in section 672 of the CSBG Act, 42 U.S.C. § 9901, which are: to provide assistance to States and local communities, working through a network of community action agencies and other neighborhood-based organizations, for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient; and to accomplish the goals described in paragraph one (1), through:—

- Tthe strengthening of community capabilities for planning and coordinating the use of a broad range of Federal, State, local, and other assistance (including private resources) related to the elimination of poverty, so that this assistance can be used in a manner responsive to local needs and conditions;
- Tthe organization of a range of services related to the needs of low-income families and individuals, so that these services may have a measurable and potentially major impact on the causes of poverty in the community and may help the families and individuals to achieve self-sufficiency;:-
- Athe greater use of innovative and effective community-based approaches to attacking the causes and effects of poverty and of community breakdown;:-
- Tthe maximum participation of residents of the low-income communities and members of the groups served by programs assisted through the block grants made under this subtitle to empower such residents and members to respond to the unique problems and needs within

- their communities; and
- the broadening of the resource base of programs directed to the elimination of poverty so as to secure a more active role in the provision of services for: —private, religious, charitable, and neighborhood-based organizations; and individual citizens, and business, labor, and professional groups, who are able to influence the quantity and quality of opportunities and services for the poor.

Section 676(b)(3)(B) of the CSBG Act, 42 U.S.C. § 9908(b)(3)(B)

Section 676(b)(3)(B) of the CSBG Act, 42 U.S.C. § 9908(b)(3)(B), requires CSBG state plans to include, among other things: information provided by eligible entities in the State, containing ... a description of how linkages will be developed to fill identified gaps in the services, through the provision of information, referrals, case management, and follow-up consultations.

Section 678F(c)(1) of the CSBG Act, 42 U.S.C. § 9918(c)(1)

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

Title VI of the Civil Rights Act of 1964, 42 U.S.C § 2000d

In addition, in their provision of CSBG services/ or benefits, eligible entities are subject to Title VI of the Civil Rights Act of 1964, 42 U.S.C § 2000d, which specifies that: No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

45 C.F.R. § 1050.3(e)

HHS regulations regarding Charitable Choice under the CSBG Act Programs, 45 C.F.R. § 1050.3(e), specify that: a religious organization that receives funds under an applicable program, shall not, in providing program services or benefits, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or a religious belief.

Child Support Enforcement:

According to the CSBG Act section 678G(b)-(2) b: During each fiscal year for which an eligible entity received a grant under section 675C, such entity shall (1) inform custodial parents in single-parent families that participate in programs, activities, or services carried out or provided under this subtitle about the availability of child support services; and (2) refer eligible parents to the child support offices of State and local governments. Frontline staffs are to inform custodial parents in single-parent families that participate in programs, activities, or services carried out or provided under CSBG

about the availability of child support services and are referring eligible parents to the child support offices of State and local governments.

Confidentiality of Client Information:

All employees shall be trained annually on client confidentiality, code of ethics and conduct, electronic communications, customer relations, and release of information. This information will be contained in an Employee Handbook, an Agency Policy Manual, or both.

Conflict of Interest:

All Arkansas Community Action Agencies must have a conflict-of-interest statement signed by all Board of Directors.

Documentation and Record-Keeping Processes:

In accordance with the requirements set forth in 2 C.F.R. 200.334, all financial records, supporting documents, statistical records, and all other records pertinent to the award shall be retained by each sub-recipient organization for at least threefive years following the closure of their most recent audit report. Retention is required for purposes of Federal and State examination and audit. Records may be retained in an automated format. State or local governments may impose record retention and maintenance requirements in addition to those prescribed. Reference 2 C.F.R. 200.333.

The threefive (5)-year retention period starts from the date of the submission of the closure of the single audit report which covers the grant period. If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the threefive (5)-year retention period then the records must be retained until completion of the action and resolution of all issues which arise from it or until the end of the threefive (5)-year retention period, whichever is later.

Performance Reporting Requirements:

Each eligible entity must provide the State Lead Agency a quarterly program performance report thirty (30) days after the quarter ends and in the format specified by the State Lead Agency.

Each eligible entity must provide an Annual Performance Report in the format and by the date specified by the State Lead Agency.

Monitoring:

The CSBG Act of 1998 Section 678B(a)(1) of the CSBG Act requires that the State shall conduct a full onsite review of each CSBG recipient at least once every three (3) years. Monitoring is among theone of many block grant management responsibilities held by the State CSBG office. Monitoring can assist CSBG eligible entities, predominately CAAs, to continually improve outcomes as they strive to adopt high-impact strategies to end poverty. It is an important part of a strong partnership that should be forged between State CSBG offices and the CAAs to build capacity at the local level and to provide training and technical assistance to CAAs in working to eliminate poverty. State Associations

are also an important part of the training and technical assistance needs that may arise from monitoring. Community Action leaders at the national, state, and local levels work together to ensure the Network is strong. Monitoring of CAAs is a state responsibility but strengthening the capacity of CAAs to develop a high-performing network is a shared responsibility among all members of the CAA Network.

Definition of Monitoring:

Monitoring is the review process used to determine a subrecipient's compliance with the requirements of a state and/or federal program, applicable laws, and regulations, and stated results and outcomes. Monitoring also includes the review of a subrecipient's internal controls to determine if the financial management and the accounting system are adequate to account for program funds in accordance with state and/or federal requirements. Monitoring should result in the identification of areas of non-compliance with the expectation that corrective action will be taken to ensure compliance.

Note: During times of a national emergency or pandemic, monitoring of the CSBG grantees may be conducted as a combination of virtual and desk reviews.

To increase accountability and achieve results, OCSHHS/OCS launched several initiatives in 2012 that ultimately developed the current Performance Management Framework. The framework includes a set of organizational standards for CAAs, a new emphasis on analysis of data and achievement of results under ROMA, and the development of state and federal accountability measures. All elements of the framework are important for monitors to know and understand, the Organizational Standards which were released in January 2015. 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.

Information Memorandum 138 provides direction to States, the District of Columbia, U.S. Territories, and CAAs to establish and report on the Organizational Standards for CSBG eligible entities. Annually, the State CSBG office is responsible for assessing the status of standards among all CAAs and for reporting the results of the assessment in the CSBG Annual Report to OCSHHS/OCS.

Monitoring Principles

Mutual Respect

In working with grantee boards, staff, and consultants, State CSBG offices value and recognize the unique knowledge, ability, and independence of each person. State CSBG offices are committed to treating all persons fairly and maintaining credibility by matching actions with words.

Open Communication

Effective communication is key in facilitating good working relationships with partners, and State CSBG offices are committed to keeping lines of communication open. The purpose of communication is to assist in developing solutions to problems, to share program improvement

ideas, and provide information on new developments in the anti poverty field. State CSBG offices communicate frequently through a variety of tools and media. State CSBG offices should be open to contact and are committed to listening to suggestions/concerns. This aids the State CSBG office in gaining an understanding of local operations and assisting CAAs in pursuing priorities.

Joint Problem Solving

The State CSBG office operates under the basic belief that a team approach to problem solving is in the best interest of all parties involved. State CSBG offices sincerely believe that collectively the State CSBG office and the CAA can arrive at the best solution to any situation. Through a team approach to problem solving, State CSBG

offices think outside traditional methods and come up with the best strategies for program development,

conflict resolution, or compliance issues. State CSBG offices want to promote an environment in which the State CSBG office and all Community Action partners will be open to change and can work together in exploring options and developing mutually agreeable solutions. The goal is to have agencies function independently with State CSBG office support to meet the needs of local communities within the parameters set by legislation.

Monitoring Practices

The State CSBG office assesses the health of the entire CAA, not just program by program compliance. Such assessments include general oversight, desk reviews, and on-site reviews of the following: Community Action Plan and/or contract, needs assessments, service delivery systems, administration and management systems, strategic plans, board and governance systems, review of ROMA implementation, and financial systems. The assessment of Organizational Standards is completed annually either through a desk review or incorporated as part of the monitoring process.

Practice 1—State monitors look at more than compliance with program rules and regulations.

In assessing the health of an agency, state monitors will not look solely at compliance with program criteria or the Organizational Standards. Individual CAAs may have expertise in select programs or services and may excel in any ‘snapshot’ view of the CAA. However, the same agency may be having difficulty in operating other programs or may be delivering sub-standard services throughout the rest of the organization. State monitors take a system view of each CAA and note the quality of service delivery and program operation throughout the agency.

The overall health of a CAA encompasses more than just technical compliance with specific program mandates. For a CAA to be truly ‘healthy,’ it must continually strive to find better ways to use

programmatic resources to help people move out of poverty. How the CAA has implemented the Organizational Standards is also an indicator of overall health. CAAs who have board members and staff aware of the Organizational Standards and who are actively tracking their progress are better equipped to carry out programs in their community. CAAs who go beyond minimally complying with the Organizational Standards and embrace the intention of the standard result in stronger boards, finance departments, and programs.

Programs operated by a CAA must contribute to the agency's overall mission, and each program must achieve measurable outcomes that help to change the lives of people with low incomes. The extent to which a CAA sets performance goals within the ROMA framework, systematically collects and analyzes data on performance measures, and adjusts its short and long range plans based on that analysis, constitutes significant evidence of a CAA's commitment to making a difference for the families it serves and the communities in which it works.

Practice 2—State monitors assess the effectiveness of the board of directors.

An effective board is critical to the overall health of a CAA. When only a few board members regularly attend board meetings, the CAA is not being led by a fully engaged group of community members. The tri-partite structure of private non-profit and public CAA boards of directors ensures that voices from all segments of the community have the opportunity to participate in shaping the direction of the CAA. Without full participation, the CAA lacks valuable points of view in its decision-making process.

An effective board clearly understands the mission of the agency and offers the kind of community-based leadership that is critical to the health of a CAA. A good board understands their role across the Organizational Standards and embraces them and incorporates the standards into their processes. An effective board is one that evaluates CAA programs and operations and ensures agency resources are being used most effectively to produce the outcomes necessary to fight poverty within the community. An engaged board is comfortable in

honestly evaluating the executive director to ensure that the CAA has effective leadership. An effective board

regularly reviews its own by laws to ensure that the CAA operates within the legal guidelines. Having a complete and comprehensive understanding of the financial status of the organization is another hallmark of an engaged and active board.

Practice 3—State monitors assess administrative and leadership capacity of agency management as it relates to meeting the Board of Director's goals.

An effective CAA is flexible and responsive to the needs of individuals and the community it serves,

as well as committed to its employees. Communication is evident and widespread in an effective CAA—staff know what is occurring in the organization, what new initiatives are in place, and what new directions are being explored. They know the mission of the CAA and their role in making the mission a reality. Work is distributed throughout the organization, with management support for the staff who do the day-to-day work of meeting the needs of low-income people. Monitors need to be able to assess the degree to which the management of a CAA is leading the organization towards more effective and responsive service delivery.

Practice 4—Monitoring CAAs is part of a process to strengthen CAAs and the entire Community Action Network.

For monitors to assess the health of CAAs, the State CSBG office adopted a systems approach to monitoring. IM 138 allows State Offices the option to incorporate the Organizational Standards into state monitoring processes. Practices outlined above provide a framework for implementing a systems approach and a framework for looking at a CAA holistically.

The monitoring process serves several purposes:

- The first is to provide the CAA with feedback about its programs, going beyond compliance to include an assessment of the CAA's ability to impact lives. Good monitoring should help the CAA gauge its effectiveness in fulfilling its mission.
- Secondly, the monitoring process assists CAA leaders in making changes that will improve their organizations. Monitoring process can provide CAAs with both an 'early warning system', and a best practice 'catalog'. By highlighting organizational systems that are under-performing or showing signs of stress, agency-wide monitoring can help CAA managers take proactive steps to strengthen their organizations before problems or crises arise. By noting agency strengths, a systems approach to monitoring can help CAA leaders build upon those strengths—allowing the CAA to do more of what they do best.
- A third purpose is to provide the State CSBG office with data that can be used to assess the statewide CAA network. State CSBG offices can note any recurring themes or trends in data across multiple agencies and can respond on a statewide basis, rather than only on an agency-by-agency basis.

Practice 5—The State CSBG office has a system in place to document and inform the agency of findings and/or deficiencies.

Monitoring includes a follow up process. Upon completion of an on site monitoring visit, the monitor conducts an exit conference with agency staff. The exit conference can include board leadership but should never be conducted without CAA staff presence. During the exit conference, strengths, as well as areas in need of improvement, findings, and/or deficiencies, are discussed. Agencies receive a timely written report after an on-site visit which will officially inform an agency of its status. State monitors are cognizant of the State Accountability Measure 4Sa that requires monitoring reports to be disseminated to CAAs within thirty (30) business days of the end of monitoring fieldwork.

Practice 6 — The State CSBG office has a system in place to provide training and technical assistance when necessary.

Monitoring includes providing training and technical assistance. The State CSBG office has a means of providing training or technical assistance to CAAs in need of support and/or resources. This assistance may be provided by the State CSBG office directly, through a state association, a peer CAA, a local or national T/TA provider, and/or any other mechanism which is deemed appropriate.

Practice 7 — The State CSBG Office has considered the Performance Management Framework.

The State CSBG office and CAAs should be familiar with all aspects of the Performance Management Framework, the Organizational Standards, ROMA, and the State Accountability Measures and incorporate them into the monitoring process

Audit Requirement:

Non-Federal entities that expend seven hundred and fifty thousand dollars (\$750,000) or more in Federal funds (from all sources including pass-through subawards) in the organization's fiscal year (twelve (12) month turnaround reporting period) are required to arrange for a single organization-wide audit conducted in accordance with the provisions of Title 2 C.F.R. Subpart F (200.500 et seq.).

Audit Procedure

The State Lead Agency ensures integrity and accountability through the oversight of audit services, fiscal, and programmatic compliance with Federal and State rules, policies, and procedures, and investigations of fraud, waste, and abuse while ensuring integrity and accountability.

Entities that spend seven hundred and fifty thousand dollars (\$750,000) or more of Federal funds are required to provide the DHS Office of Payment Integrity and Audit/Audit Unit Department with A Single Audit report not later than one hundred twenty (120) days from the end of the fiscal year. The State Lead Agency reviews the audit report for findings and questioned cost. The State Lead Agency

follows up on the corrective actions being taken to remedy the finding through desk reviews or the on-site monitoring process.

The CSBG Act of 1998 Section 678B(a)(1) of the CSBG Act requires that the State shall conduct a full on-site review of each CSBG recipient at least once every three (3) years. Newly designated eligible designated entities will be monitored immediately after the completion of the first year in which the agency receives CSBG funds. Arkansas performs an on-site monitoring to each eligible entity annually except in times of national emergency or pandemic.

The State Lead Agency may monitor an agency more frequently if the agency has special issues or problems; has failed to meet goals, standards, or requirements established by the State; has experienced turnover in its executive director, program manager, and/or chief financial officer positions; or has had other federal, state, or local grants other than CSBG terminated for cause. In particular, the State Lead Agency is required to review the cause of termination for other federal grant programs to assure that comparable issues do not exist for CSBG funds.

Fiscal and programmatic review and monitoring are conducted throughout the year through a process of continuous improvement. The State CSBG office provides oversight and review of all aspects of the Performance Management Framework, the Organizational Standards, ROMA, and the State Accountability Measures, and incorporates them into the monitoring process. The State CSBG assesses the health of the entire CAA, not just program-by-program compliance. Such assessments include general oversight, desk reviews, and on-site reviews of the following: Community Action Plan and/or contract, needs assessments, service delivery systems, administration and management systems, strategic plans, board and governance systems, review of ROMA implementation, and financial systems. The assessment of Organizational Standards is completed annually through a desk review or incorporated as part of the monitoring process.

Emphasis in monitoring is placed on administration, efficiency, program design, financial management, and implementation, customer eligibility (including reviews of outcomes) and recordkeeping. The State Lead Agency staff has developed program policy to which agencies are evaluated. Monitoring staff will attempt to complete their program review in one (1) visit. CAAs are notified in writing of the findings of the review. If problems are identified, the CAA is asked to submit a corrective action plan to the state lead agency for approval. If the review indicates that the agency needs training or technical assistance, the state lead agency staff provides follow-up. A copy of the review report and any corrective action activity is maintained in the state lead agency files

On-site Monitoring Review Expectations:

The on-site monitoring review will start with an entrance conference. It is expected that the project director and fiscal director will be present during this time. The chairperson of the governing board or designee, and authorizing official are also encouraged to attend this meeting. The monitor will explain the review process and the monitoring schedule. The project director should make sure that all requested information is available before the review.

The agency director and fiscal director should be available during the entire review related to their responsibilities. The monitor will require explanation of supporting documents supplied by the agency. Additional information will be needed during most reviews. Equipment and other purchases

through the grant.

should also be made available for inspection when possible, by the agency. If needed, the agency should contact the program monitor before the review to arrange workable solutions concerning availability of equipment.

Grant funded staff and clients should also be available for interviews by the program monitor. The monitor has the prerogative to interview staff and clients in private. This may include grant funded staff and other agency staff associated with the grant. The monitor may elect to do telephone interviews with staff and clients in field offices. The agency should provide phonenumbers and a list of staff and client locations.

The exit conference will be held at the end of the review. Again, the project director and fiscal director should be available at the exit conference. The board chairperson or designee and authorizing official are encouraged to attend. The monitor will discuss any known findings and/or observations at this time and the corrective action plan submission procedure.

Disposition and Monitoring Report

At the conclusion of all monitoring review requirements, a monitoring report will be issued within thirty (30) business days. The monitoring report must be maintained on-site by the subrecipient as part of the subrecipient grant file.

Agency Response and Corrective Action

Subrecipient Monitoring Reports may include two possible results:

No findings of Non-compliance — the Monitor does not identify any area(s), either programmatic or fiscal, that do not comply with specific criteria found in state or federal statutes, rules and/or regulations, subrecipient grant subaward, state departmental policy for the subrecipient program, or good business practice.

If monitoring review results in no findings of noncompliance, no further action from the subrecipient is needed.

Findings of Non-compliance — If the Monitor determines through a monitoring review that an agency is not in compliance with state and/or federal CSBG requirements, that problems are identified, the Monitor will identify the specific deficiencies in a monitoring report.

The monitoring report will document the basis for the state lead agency's determination and the agency will be asked to develop and provide a Corrective Action Plan (CAP) and a timeline to address the issues identified in the monitoring report.

The Corrective Action Plan must include:

- A formal statement of whether the subrecipient agency agrees with the finding or not.
- A detailed plan of how the agency will correct each individual finding to prevent this or similar finding in the future or justification for the subrecipient's disagreement with the finding(s) of any subrecipient documents, forms, policy changes, reports, accounting tools, time sheets, data collection forms, etc. that ensures the subrecipient has corrected the

finding(s).

If the subrecipient disagrees with a finding(s) identified, detailed documentation must also be submitted to refute the questioned finding(s).

The Corrective Action Plan must be signed by the Agency Authorized Official or their designee (The designee is the person granted permission to sign the Authorizing Official's signature).

Findings of Noncompliance Resulting in Questioned Costs

In addition to all the requirements listed above the subrecipient will need to repay all Questioned Costs listed in the Monitoring Report. To repay the Questioned Costs, a check (made payable to the Arkansas Department of Human Services) must be submitted for the total of the Questioned Costs with the Corrective Action Plan within the allowed thirty (30) calendar days from the issuance date of the report to:

Arkansas Department of Human Services
Office of Community services
Attn: CSBG Unit
PO Box Slot S-330
Little Rock, AR 72203

Please list the Grant number on the check or in the correspondence attached to the check for the repaid questioned costs to be applied to the proper fiscal year and the proper subrecipient sub-grant number.

Programmatic & Fiscal Monitoring Corrective Action Plans:

Finding(s) of Non-compliance can be combined and submitted as one document for either one or more contracts managed by the agency. Corrective Action Plans for Finding(s) of Non-compliance should be **emailed** to the CSBG Program Director. It is not necessary to mail a hard copy. **Questioned Cost repayment must be mailed according to the instructions above in #3.**

The State Lead Agency Response:

Upon receipt of a Corrective Action Plan, the State Lead Agency will review and determine its adequacy. The State Lead Agency will have thirty (30) days to approve the agency's proposed Community Action Plan or

specify the reasons why the proposed plan cannot be approved. If State Lead Agency finds the Corrective Action Plan is adequate, then DHS/OCS will issue a letter of approval.

In the event concerns remain, DHS/OCSOPPCGS will determine what additional steps are needed and relate the requirements to the subrecipients in writing with an expected date of response by the subrecipient.

All official correspondence regarding the monitoring report and subrecipient responses will be sent by email to the agency director.

All correspondence, including email, regarding the monitoring report and subrecipient responses must be maintained on site by the subrecipient as part of the subrecipient grant file.

CORRECTIVE ACTION PLAN GUIDELINES

The Corrective Action Plan must include:

- A statement of whether the subrecipient agency agrees with the finding or not.
- A detailed plan of how the agency will correct each individual finding to prevent this or similar finding in the future or justification for the subrecipient's disagreement with the finding(s).
- Repayment of all Questioned Costs listed in the Monitoring Report. See instructions in Section 3 above.
- Attachment of any subrecipient documents, forms, policy changes, reports, accounting tools, time sheets, data collection forms, etc. that ensure the subrecipient has corrected the finding(s) and following the Corrective Action Plan.

If the subrecipient disagrees with a finding(s) identified by the State Lead Agency, detailed documentation must also be submitted to refute the questioned finding(s).

The Corrective Action Plan must be signed by the Authorized Official or their designee. (The designee is the person granted permission to sign the Authorized Official's signature).

Fiscal Review:

All Arkansas-eligible entities must operate their Community Services Block Grant funded programs on a reimbursement basis. Full documentation of expenses must accompany requests for reimbursement.

Submission:
CAAs submit budget revisions and monthly invoices, reports for expenditures, reimbursement, and payment as outlined through the subgrant, with all necessary supporting documentation to the CSBG Manager at DHS.CSBG.TEAM@DHS.Arkansas.gov.

All invoices shall be submitted to the State within fifteen (15) days after the end of the calendar month in which subject costs were incurred or services were rendered by the CAA.

Expenditure Review:

The State Lead Agency reviews the expenditures reported on the agency's reimbursement report/invoice. Staff compares reimbursement reports with the agency's contract budget to determine liquidation rates and appropriate line item expenditures. The agency's quarterly expenditure reports are also reviewed to determine that they agree with the monthly invoice amounts and that expenditures appear to be reasonable and properly charged in accordance with the agency's approved cost allocation plan. This comparison enables staff to determine the amount of unexpended funding in each contract at the end of the contract period.

If the agency's reports indicate problems in overspending, costs are questioned, adjusted, or otherwise unresolved before the end of the sub-grant period's final reimbursement, the invoice, budget revision, quarterly expense report, or cost allocation plan may be returned to the agency until adjustments are made. The agencies may request technical assistance with fiscal issues which include bookkeeping systems, cost allocation plans, and fiscal reporting and budgeting. This technical assistance will be provided as needed.

Training, Technical Assistance, and Other Activities:

The State Lead Agency must offer training and technical assistance (as required by Section 678C (A) of the CSBG Act) if appropriate to help the agency correct deficiencies. If an agency fails to make progress on a Corrective Action Plan, the State Lead Agency will follow the process outlined in Section 678C of the CSBG Act and the guidelines provided in OCSHHS/OCS –Information Memorandum 116. As required, the State Lead Agency will communicate with OCSHHS/OCS regarding the situation.

If the agency's reports indicate problems in overspending, costs are questioned, adjusted, or otherwise resolved before the end of the contract period's final reimbursement, the agencies may request technical assistance with fiscal issues which include bookkeeping systems, cost allocation plans, and fiscal reporting and budgeting.

As the lead agency for Arkansas's CSBG program, the State Lead Agency is responsible for providing eligible entities receiving CSBG funds with a range of technical assistance and training to establish and maintain sound

grant management and program practices. As outlined in Section 678A of the CSBG Act training and technical assistance is available throughout the term of the grant. The State Lead Agency partners with the Arkansas Communities Action Agencies Association, unity, and other State and National Training and Technical Assistance Providers to provide training and technical assistance to Community Action Agencies throughout the state.

Termination and Reduction of Funding:

The State of Arkansas provides assurance that any community action agency which received funding in the previous fiscal year under this Act will not have its present or future funding terminated under this Act or reduced below the proportional share of funding it received in the previous fiscal year unless, after notice and opportunity for hearing on the record, the State determines that cause existed for such termination or such reduction subject to the procedures and review by the Secretary as provided in Section 676(b)(8).

For purposes of deciding with respect to a funding reduction, the term "cause" includes—

A statewide redistribution of funds provided through a Community Service Block Grant under this subtitle to respond to:

- The results of the most recently available census or other appropriate data;—
- The establishment of a new eligible entity;—
- Severe economic dislocation; or
- —
- The failure of an eligible entity to comply with the terms of its agreement to provide services under this subtitle. [678C(a)]

For purposes of deciding with respect to a termination, the term "cause" includes the material failure of an eligible entity to comply with the terms of its agreement and Community Action Plan to provide services under this subtitle.

The CAA shall be given notice if funding is to be terminated or if funding is to be reduced below its proportional share.

A written notice shall be sent to the CAA stating that the State Lead Agency intends to terminate its CSBG funding or reduce its funding level below its proportional share, not less than twenty (20) days from the date of the notice. The notice shall contain the cause of the termination and time, date, and place of a hearing on the matter to be held not less than ten (10) days from the date of the letter. Just cause for termination will consist of any breach of the CSBG contract by the agency.

Designation and Re-Designation:

The State shall give special consideration in the designation of local community action agencies to any community action agency, which was receiving CSBG funds under any Federal anti-poverty program on the date of enactment of the CSBG Act. The State, before giving such special consideration, shall determine that each agency met the program and fiscal requirements established by the State. If no such agency exists during the year because of any change in the assistance furnished to programs for economically disadvantaged persons, the State shall give special consideration in the designation of community action agencies to any successor agency that which is operated in substantially the same manner as the predecessor agency which did

receive funds in the preceding fiscal year for which the determination is made.

When a geographic area of the state is not being served by an eligible entity during the year, the Governor of the state may solicit applications from, and designate as an eligible entity:

- Aa private nonprofit organization (which may include an eligible entity) that is geographically located in the unserved area, that is capable of providing a broad range of services designed to eliminate poverty and foster self-sufficiency, and that meets the requirements of this subtitle; and
- Aa private nonprofit eligible entity that is geographically located in an area contiguous to or within reasonable proximity of the unserved area and that is already providing related services in the unserved area; or-
- If no qualified organization in or near the area is identified or determined to be qualified to serve the unserved area as an eligible entity, then the Governor may designate an appropriate political subdivision of the state, with demonstrated effectiveness, to serve as an eligible entity for the area. To serve as the eligible entity for that area, the political subdivision shall have a board or other mechanism as required in section 676B(a)(b).

A description follows regarding the State's method of implementing section 676A of the CSBG Act. The state has given special consideration and designated fifteen (15) community action agencies to administer local CSBG programs as required by the CSBG Act. The State Lead Agency has determined that each of the agencies designated to receive CSBG funds has met the necessary program and fiscal requirements of the State.

RULES SUBMITTED FOR REPEAL

Rule #1: DDS Policy 1013 - Confidentiality

**Rule #2: DDS Policy 1024 – Education Compliance
Community Programs**

ARKANSAS DEPARTMENT OF HUMAN SERVICES
DIVISION OF DEVELOPMENTAL DISABILITIES SERVICES
DDS DIRECTOR'S OFFICE POLICY MANUAL

Policy Type	Subject of Policy	Policy No.
Administrative	CONFIDENTIALITY	1013

1. Purpose. This policy provides guidelines for use of the Master Records of individuals receiving services through Developmental Disabilities Services (DDS), in order to maintain confidentiality.
2. Scope. All DDS employees and individuals/applicants and their families, organizations or entities who need or hold information about individuals who receive services.
3. Confidentiality. All information in DDS records is confidential and as such can only be released as permitted by regulation or under proper authorization by the individual or parent/guardian.
4. Records.
 - A. The Individuals' Records are the property of the individual or parent/legal guardian. Records may be released when subpoenaed, transferred to a Human Development Center, or authorized by the Division Director/designee. DDS will not release records to outside party without prior written permission from the individual or parent/guardian.
 - B. All records will be housed in a secured area. Access to such records may be only by those staff whose job duties require access or are granted authority by the Director/designee. Access records will be maintained, denoting all parties who access individuals' records and why.
 - C. DDS employees will respect the confidentiality of all information regarding the individual or parent/guardian at all times.

Replacement Notation: This policy replaces DDS Commissioner's Office Policy #1013, effective July 17, 1980, December 10, 1980 and August 22, 1983.

Effective Date: December 1, 1993

Sheet 1 of 2

References: Attorney General's Opinion dated November 1, 1980, Regional Health Standards and Quality Letter No. 88-9, Health Care Financing Administration-Regional Office VI.

Administrative Rules & Regulations Sub Committee of the Arkansas Legislative Council: November 4, 1993.

ARKANSAS DEPARTMENT OF HUMAN SERVICES
DIVISION OF DEVELOPMENTAL DISABILITIES SERVICES
DDS DIRECTOR'S OFFICE POLICY MANUAL

Policy Type	Subject of Policy	Policy No.
Administrative	CONFIDENTIALITY	1013

- D. It is acknowledged that the individual or parent/guardian has the right to review the contents of the master record, however, DDS reserves the right to schedule a time for such review and have an employee present at the time of the review.
5. Authorization. Proper authorization to release information from Master Records shall be defined as a written document containing the following information for any request including but not limited to a local education agency:
1. Individual's Name
 2. Date within 30 days of receipt
 3. The entity authorized to release the information
 4. Party to whom information is to be released
 5. Information to be released and reason
 6. Separate execution for each request

For a Local Education Agency (LEA) request only, any DDS records needed to prepare an appropriate Individualized Education Program for an individual with a disability may be transferred from DDS and/or the facility site to the LEA, provided that they are accompanied by the following notice:

NOTICE

This information contains personally identifiable education records as defined by the Family Educational and Privacy Rights Act (20 U.S.C.A. 1231g et seq.). This transfer is being made pursuant to the authority contained in 1232g (b) (1) of the Act and the implementing Regulations contained in 45 C.F.R. 99.30, 99.31 and 99.34. Any disclosure of these records must comply with the Act and Regulations.

ARKANSAS DEPARTMENT OF HUMAN SERVICES
DIVISION OF DEVELOPMENTAL DISABILITIES SERVICES
DDS DIRECTOR'S OFFICE POLICY MANUAL

Policy Type	Subject of Policy	Policy No.
<u>Administrative</u>	Education Compliance for Community Programs	1024

1. Purpose. This policy has been prepared to carry out education law compliance in the conduct of community programs licensed by Developmental Disabilities Services.
2. Scope. This policy applies to all affected programs providing services to individuals ages 0 to 6 with developmental disabilities.
3. Annual Child Count. The procedures followed by DDS licensed community programs in conducting the annual child count which generates education funds will be those designated by the Arkansas State Department of Education and a copy of those procedures provided to each program.
4. Compliance Procedures. Each affected community program shall have in place procedures to ensure education law compliance. These procedures shall be in compliance with those defined by the ADE.
5. Monitoring. Education law compliance will be monitored by the DDS Education and Training Consultant, in conjunction with Public Law 89-113 (Chapter I) conducted by DDS, State Department of Education and Federal personnel as defined by the procedures manual.
6. Procedural Guidelines.
 - A. 200.53 Consultation with parents/guardians and teachers

Replacement Notation: This policy replaces Policy #1024 effective March 17, 1981, and January 8, 1987.

Effective Date: December 1, 1993

Sheet 1 of 3

References: DDS Board Service Policy 3003, Education Law Compliance, effective February 27, 1981, which is hereby superseded by Act 348 of 1985; Public Law 89-313, Public Law 94-142.

Administrative Rules & Regulations Sub Committee of the Arkansas Legislative Council: November 4, 1993.

ARKANSAS DEPARTMENT OF HUMAN SERVICES
DIVISION OF DEVELOPMENTAL DISABILITIES SERVICES
DDS DIRECTOR'S OFFICE POLICY MANUAL

Policy Type	Subject of Policy	Policy No.
<u>Administrative</u>	<u>Education Compliance for Community Programs</u>	<u>1024</u>

The parents/guardians of individuals receiving services shall have adequate opportunity to participate in the design and implementation of the Center's Chapter I projects. Activities may include but are not limited to the following:

1. Notifying each individual's parents/guardians in a timely manner that their child has been selected to participate in Chapter I and why the selection was made.
2. Assuring each parent/guardian of the specific instructional objectives for their child.
3. Reporting to each parent/guardian the child's progress.
4. Establishing conferences between parents/guardians and teachers.
5. Providing upon request material and suggestions to help parents/guardians which promote the education of their child.
6. Training parents/guardians upon request, to promote the education of their child at home.
7. Providing timely information concerning the Chapter I program including, for example, program plans and evaluations.
8. Soliciting parents/guardians' suggestions in the planning, development, and operation of the program.
9. Consulting with parents/guardians about how the center can work with parents to achieve the program's objectives.
10. Providing timely responses to parents/guardians recommendations.
11. Facilitating volunteer or paid participation by parents/guardians in center activities.

B. 204-21 Annual meetings of parents/guardians

ARKANSAS DEPARTMENT OF HUMAN SERVICES
DIVISION OF DEVELOPMENTAL DISABILITIES SERVICES
DDS DIRECTOR'S OFFICE POLICY MANUAL

Policy Type	Subject of Policy	Policy No.
<u>Administrative</u>	<u>Education Compliance for Community Programs</u>	<u>1024</u>

Centers that receive Chapter I funds shall annually convene a public meeting, to which all parents/guardians of eligible children must be invited, to discuss with those parents/guardians the programs and activities provided with Chapter I funds. The discussion must include:

1. Informing parents/guardians of their right to consult in the design and implementation of the center's Chapter I project;
2. Soliciting parent/guardian input; and,
3. Providing parents/guardians an opportunity to establish mechanisms for maintaining ongoing communication among parents/guardians, teachers, and school officials.

The DDS Therapeutic Services Director and Education & Training Consultant shall be provided with a copy of the minutes of the annual meeting.

- C. Parent/guardian involvement policies should be disseminated to Chapter I parents/guardians at the annual centerwide meeting.
- D. If the parents/guardians desire further activities, the center may, upon request, provide reasonable support for these activities. This support may include, but is not limited to --
1. Reasonable access to meeting space and materials;
 2. Provision of information concerning the Chapter I law, regulations, and instructional programs;
 3. Training programs for parents/guardians; and,
 4. Other resources, as appropriate.