

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

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



Arkansas Community Services Block Grant Policy and Procedures Manual

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Section I- Program Scope

Mission, Roles and Responsibilities

The mission of the Arkansas Department of Human Services is to improve the quality of life of all Arkansans by protecting the vulnerable, fostering independence, and promoting better health.

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

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

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

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

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

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

Revision of Rules and Procedures

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

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

Severability

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

Implementation

Each eligible entity shall take all necessary steps, including but not limited to the adoption of amendments to existing by-laws, in order to comply with the requirements of these regulations at their effective date

Citizen Access and Privacy

The following documents must be made available for public inspection:

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

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These documents may be made available to the public at the eligible entity's office at a reasonable time scheduled by the eligible entity and as agreed to by the person requesting the information.

If the requesting person wishes copies of the document and it is feasible to provide such copies, the eligible entity may request a reasonable fee, not to exceed actual costs; for the copying of such documents.

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

Programmatic Assurances

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

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

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

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

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

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

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

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

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

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

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Legislative Provisions and Requirements

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

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

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

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

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

Section II- State Plan and Appropriation of Funds

State Plan

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

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

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

Annual Allocation

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

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

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

Section III- Policies of Governing Boards

Legislative Mandate

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

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

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

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

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

Board Composition

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

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

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

Residence Requirements

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

Conflict of Interest

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

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

Limitations on Board Service

Limitations on Board Service

Each individual on an eligible entity governing board, regardless of sector represented, must be elected in accordance with an 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 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 as long as the public official is currently holding office, and is subject to the eligible entity selection process and term of service.

The State life-time term limit of ten 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 sectors, Public, Private and Low-Income.

Governing Power of the Board of Directors

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

Bylaws Requirements

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

1. **Composition of the Board:** The bylaws shall set the number of seats on the board and the allotment of seats to public officials, representatives of the low income and representatives of the private sector.
2. **Selection Procedures:** The bylaws shall include procedures for selecting all sectors of the board.
 - a. **Public Officials-** The bylaws of the board may authorize each public official serving on such board to appoint a representative who will then serve as the board member. These representatives need not be public officials themselves, but they

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shall have full authority to act on behalf of the public officials whom they represent at meetings of the board regarding the business of the board.

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

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

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

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

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

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

Agencies must maintain documentation of the selection/election process.

- c. Private Sector- Private sector members shall be selected in such a manner as to assure that the board will benefit from broad community involvement. Such representation shall come from members of business, social service agencies, industry, labor, religious and educational institutions or other major groups or

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constituencies of the low-income population concerned with specific problems of the community. Once an organization is selected, it shall nominate its own representative on the board in accordance with the bylaws. Each representative shall be empowered to speak and act on behalf of the organization which he/she represents regarding the business of the board.

3. **Petition by Other Groups for Adequate Representation on the Board:** The community action agencies shall establish and include in their bylaws procedures allowing community agencies and representative groups of the low income who feel themselves inadequately represented on the board to petition for adequate representation. The bylaws shall specify in these procedures the channel of communication to be used, the number of signatures required for a valid petition and the action required of the board in response to a petition for more adequate representation. The board bylaws shall include provisions for adjusting its composition in cases where a petition is granted, in order to maintain the proper percentage of public officials and of representatives of the low income.
4. **Removal of a Board Member:** The bylaws must include a description of the grounds for removal of a board member and the procedures to be followed for removing that member.
5. **Alternates:** The Arkansas Non-profit Corporation does not address the use of alternates to represent board members in their absence; therefore, alternates are prohibited.
6. **Vacancies:** A vacancy on the board exists when: (1) a member has been notified of his/her official removal by action of the board for cause; (2) a member notifies the board of his/her resignation; (3) a member dies; or (4) a public official leaves office. When the seat of a public official is vacant, the board shall ask the designating officials to select another public official to fill the seat. When the seat of a representative of a private sector is vacant, the board shall ask that organization to name another representative to finish out the term. When the seat of a representative of the low income is vacant, the board may include in its bylaws either of two options: (1) it may repeat the democratic selection procedures; or (2) it may allow the remaining representatives of the low-income population to select a person to finish out the term, with the condition that the person selected represents the same constituency as the original representative.
7. **The board must fill all vacancies within 90 days after the vacancy occurs.**
8. **Quorum:** A quorum for a meeting of the board shall be over fifty (50) percent of the board total as established in the agency's bylaws.
9. **Schedule and Notice of Meeting:**

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1. The board shall have not less than four (4) regular meetings per program year with a quorum. The annual meeting may count as one of these meetings. The schedule shall be defined in the agency's bylaws.
 2. The board shall provide notice of the agenda in writing to all of its members for any meeting as specified in its bylaws.
 3. All board of directors' meetings shall be posted in places in the community frequented by the public to ensure the public is informed of the time and date of each meeting in accordance with the Arkansas Open Meetings Act. If a preliminary agenda is not available, the posted notice shall include a general description of the nature and purpose of the meeting." Agencies should identify in the posted notices whether the meeting to be conducted is a full board or committee meeting.
10. **Minutes:** The agency shall maintain a roster of attendance and written minutes for board and committee meetings including a record of votes on all motions. The members making and seconding motions must be identified in the minutes. If motions are not unanimous, there must be a record of each member's vote. A record of attendance or sign-in sheet must be maintained along with the minutes
A signed copy of the minutes, roster of attendance, and any written material distributed at the meeting must be submitted to the State Lead Agency within 30 days after the next meeting has occurred and the minutes have been approved by the board.
11. **Committees on the Board:** The board may establish any committee it considers necessary for conducting its business. The composition of these committees shall fully reflect the composition of the full board. Public notices and quorums for committee meetings are required to be the same as those for full board meetings. Notices are in accordance with The Arkansas Open Meetings Act and a quorum is over fifty (50) percent of the established membership of the committee.
12. **Compensation:** Regular compensation to members for their services on the board is not permitted. However, travel reimbursement to all members of the board for expenses to attend the meetings is permitted. Reimbursement for a meal is allowed if no meal is provided during the board meeting.
13. **Officials of the Board:** Define the responsibilities of the officers of the board, e.g., the chairperson, vice chairperson, secretary, and treasurer.
14. **Evaluation of Executive Director:** Define the responsibility and authority of the board in regard to the hiring and firing of the Executive Director, and the responsibility of the performance of the Executive Director. All timesheets and travel requests for the Executive Director must be approved and signed by the Board Chair or his/her designee.

Section IV- State Community Services Program Implementation

Program Overview

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

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

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

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

Community Assessment

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

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

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

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

The eligible entity should begin by designating a staff member or members to an assessment committee. This employee/committee should possess knowledge of all the social service providers, community-based organizations, government agencies, and other pertinent organizations within their service area that are willing to collaborate and share information with the agency about present and emerging needs facing the area. The following are some beneficial community assessment tools:

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

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

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

A community action guide for conducting comprehensive community assessments is available at www.NASCSP.org.

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

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

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

Section V- Community Action Plan (CAP) and Procedures

Introduction

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

Requirements

A. Administrative Documents

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

B. Implementation Documents

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

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8. Youth Activities Services
9. Senior Activities Services

C. Programmatic Documents

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

D. Fiscal Documents

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

E. Certification Documents

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

Budget and CAP Plan Revisions

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

Section VI- CSBG Grant Operation

CSBG Allowable Activities/Costs

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

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

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

Administrative Costs

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

Administrative costs do not include costs for administration, management or overhead expenses directly linked to a specific project operated by the eligible entity. Such administrative costs should be included as part of the program. For example, administrative overhead and general support for an eligible entities' community services projects (such as space, supplies, program manager, etc.) should be reported under Programmatic Costs (CSBG IM 37).

Programmatic and Case Management Costs

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

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

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

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

The eligible entities are expected to partner with local entities such as the local workforce, the Arkansas Department of Human Services and other local poverty fighting agencies to provide

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assistance and to empower individuals and families to become fully self-sufficient. (42 USC 9901, Sec. 672).

Policies and Procedures

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

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

Customer Service Records

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

Income Verification

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

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

- ❖ Payroll, check stub, or check;
- ❖ Records kept by self-employed;
- ❖ Written statement of employer;

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- ❖ Documentation from the Department of Human Resources, Department of Industrial Relations, or other State agencies provided the information is complete and current.

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

Residency Verification

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

Verification of residence may consist of:

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

Appeal Procedure

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

Section VII- Sub Grantee Requirements

Agency Personnel Policies and Procedures

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

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

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

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

- ❖ Organizational Chart
- ❖ Agency rules governing vacations, sick leave, annual salary increases (if applicable), and other conditions of employment
- ❖ Description of any benefit plans employees are eligible to receive. Must address agency and employee contributions and/or other requirements.
- ❖ I-9 Documentation for employees hired after 1988
- ❖ A whistle-blower policy reflective of the Sarbanes-Oxley Act.
- ❖ Availability of Agency's Policies and Procedures manual to all employees in addition to Board Members
- ❖ Time and attendance policies/Signatory employee responsible for time and attendance
- ❖ Grievance Procedures addressing non-discrimination assurances for staff members (CFR 45 Part 2540.230)
- ❖ A No Smoking Policy in accordance with Public Law 103-227 Part C
- ❖ Delineation of employee wage scales
- ❖ Travel policies to include approval requirements as well as allowances and reimbursement process (see subsequent section addressing Travel and Reimbursement Procedures)
- ❖ Leave procedures

Policy Guide for Travel and Reimbursement

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

The following are the guidelines for reimbursement:

A. IN-STATE TRAVEL

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

B. OUT-OF-STATE TRAVEL

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- ❖ The mileage rate for out-of-state travel is the same as in-state travel.
- ❖ Travel form must list departure/return city, departure/return time, and be signed by traveler and supervisor. When travel is for attending conferences or workshops, the agenda must be attached to the travel form.
- ❖ Receipts must be provided for hotel and travel (airfare, etc.) expenses. The receipt must reflect \$0.00 balance. Air travel should be booked for coach class. Receipts must be submitted with reimbursement requests. Baggage fee reimbursement is limited to one (1) bag each way.
- ❖ Reimbursement for meals for a person other than the traveler will not be allowed.

The Federal Hatch Act

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

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

Prohibited Political Activities

The Coats Human Services Reauthorization Act of 1998 specifically makes eligible entities subject to certain provisions of the federal Hatch Act. Unless superseded by federal statute, guidelines, directives, or regulations, the following is intended to provide guidance to eligible entities as to appropriate standards of conduct relative to political activities, as well as to the use of OCS funds for political purposes.

Eligible entities must administer programs in a politically nonpartisan manner. The use of CSBG funds, the provision of services and the assignment of personnel must not result in the identification of the program with any partisan political activity which is designed to further any election or defeat of a candidate for public or party office. In addition, the eligible entity may not use CSBG funds, the provision of services, or the assignment of personnel in connection with transporting voters or potential voters to the polls.

Anti-poverty programs often include activities which may become the subject of political controversy. Eligible entities may, of course, undertake activities dealing with issues related to their basic program responsibilities, such as organizing and advocating for the needs of low-income persons. In carrying out their basic mission and goals, eligible entities may actively engage in campaigns connected with constitutional amendments, referenda, municipal

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ordinances, law reform and lawful attempts to influence government officials to respond to the grievances of the poor. Eligible entities need not avoid such activities merely because partisan officials or candidates for public office may take or have taken positions with respect to the issue. Agency officials acting in their official capacities must, however, deal with questions which have become a subject of political controversy on their merits and not because they are supported or opposed by a particular party or candidate.

Except as set forth in these requirements, employees of eligible entity agencies are free to engage in various kinds of political activities during their off-duty hours and in their private capacities. A broad range of participation in elections is permitted. These restrictions apply to the use of CSBG funds, the provisions of services, and the assignment of agency personnel in a manner which identifies any CSBG-funded programs with partisan political activity, nonpartisan activity associated with a candidate or contending faction or group in an election for public or party office, voter registration and the transportation of voters to the polls. These restrictions are, in a broad sense, designed to prohibit the use of CSBG funds for certain purposes. They apply to all CSBG-funded personnel. Insofar as the individual employee is concerned, however, these restrictions deal only with what he or she does as an employee.

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

- ❖ Must not use their official position, authority or influence with the agency for the purpose of interfering with or affecting the result of an election or a nomination for a party or public office.
- ❖ Must not directly or indirectly coerce, attempt to coerce, command or advise an employee or any other person who is subject to these restrictions to pay, lend or contribute personal services to a party, committee, organizations, agency or person for political purposes.
- ❖ Must not use CSBG funds for any political purpose or to influence any election for public or party office.
- ❖ Must not permit the use of equipment or premises purchased or leased with CSBG funds for any political purpose or to influence outcome of any election for public or party office. This restriction applies only to facilities when under the control of the eligible entity.
- ❖ Must not discriminate, or threaten or promise discrimination, against or in favor of any employee or beneficiary in the program, or any potential employee or beneficiary, because of his/her political affiliations or beliefs, or require any applicant, employee or beneficiary to disclose his/her political affiliation.
- ❖ Must not offer any person employment, promotion or benefits under the program as a reward for the support or defeat of any political party or candidate for public or party office, or threaten or create disadvantage in employment or deprivation of benefits as a penalty for such support, except that a person may be deprived of employment or subject to lesser penalties for engaging in activities which are forbidden by this subsection.

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- ❖ May not, while carrying out the programs of their agencies, engage in voter registration activity or in transporting voters or prospective voters to the polls. (Board members are not included in this restriction.) This restriction applies to the use of CSBG funds, facilities or equipment purchased with CSBG funds, as well as to the provision of CSBG services, and the assignment of CSBG-funded personnel. All persons may participate in voter registration during their off-duty hours, so long as they avoid identification of such off-duty activities with the eligible entity.
- ❖ An eligible entity may properly conduct a citizenship education program which includes, as part of the curriculum, information about the mechanics and function of voter registration. Such a program may be valuable in educating the poor as to the legitimate and constructive roles they as citizens may play in local community life and in the American democratic process.
- ❖ Candidates' meetings, even if all rival candidates for one or more public offices appear, shall not be sponsored or conducted with CSBG funds or facilities. This restriction on the use of CSBG funds does not, however, limit the rights of employees, volunteers or board members to participate in candidates' meetings, subject to these restrictions.

Codes of Conduct

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

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

For the purpose of these requirements, immediate family members shall be defined as follows: Husband, Wife, Father, Father-in-law, Mother, Mother-in-law, Brother, Brother-in-law, Sister, Sister-in-law, Son, Son-in-law, Daughter and Daughter-in-law.

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

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

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No board member, employee or member of his/her immediate family shall have a financial interest in a contract of the eligible entity (except an employee's contract of employment) which is supported by CSBG funds. This shall not be construed to deny services provided by the eligible entity to a person otherwise eligible to receive such services.

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

- ❖ Such board member or employee, or his/her immediate family (this prohibition shall not apply to matters of reimbursement of board members in accordance with these regulations or to an employee's contract of employment);
- ❖ His/her business partner(s) or a business organization with which he/she is associated;
- ❖ Any person or organization with whom he/she is negotiating or has any arrangement concerning prospective employment.
- ❖ No person may serve on the eligible entity board that is an employee of the eligible entity agency, Arkansas Department of Human Services, the United States Department of Health and Human Services, or the United States Department of Energy.
- ❖ No person shall be employed by the eligible entity while he/she or a member of his/her immediate family serves on the board if that board member has authority to order personnel actions affecting his/her job.
- ❖ No person shall hold a position of employment in which a member of his/her immediate family exercises supervisory authority over the position.
- ❖ No person shall be employed in a position in which he/she reports to the same supervisor as a member of his/her immediate family.

Non-Discrimination

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

- ❖ 45 CFR Part 80, Nondiscrimination Under Programs Receiving Federal Assistance through the Department of Health and Human Services, Effectuation of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color, or national origin;
- ❖ 45 CFR Part 86, Nondiscrimination on the Basis of Sex in Education Programs and Activities Receiving or Benefiting from Federal Financial Assistance;

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

Section VIII- Financial Policies and Procedures

Financial Guidelines

All eligible entities are required to maintain an updated Financial Procedures Manual which establishes procedures to meet each fiscal standard as set forth in these requirements. This manual will set forth the procedures for the authorization of purchases, approval of obligations, preparation of vouchers, the signing of checks, the recording of financial data in books or record, inventory control and, in general, the safeguarding of assets and records. The completed manual must be reviewed by staff every two years, and any amendments thereto must be approved by the eligible entity's Board of Directors. (CSBG Org Standard Category 8)

Fidelity Bond

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

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

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

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

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

Financial Management

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

Agencies' financial management systems shall provide for the following.

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

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

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

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

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

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

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

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

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

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

There is no match requirement.

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

Carryover Funds

Eligible entities will be allowed to reprogram up to 20% CSBG funds from their annual CSBG budget. Eligible entities are encouraged to conduct periodic internal evaluations of programs, compare actual expenditures with budgets and develop appropriate programs in order to ensure a pattern of reprogramming funds is not a practice.

Procurement Procedures

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

- ❖ Recipients avoid purchasing unnecessary items
- ❖ Where appropriate, an analysis is made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the Federal Government.
- ❖ Solicitations for goods and services provide for all the following.
- ❖ A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition.
- ❖ Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals.
- ❖ A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.
- ❖ The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitation.
- ❖ The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement.
- ❖ Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

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

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

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Expenditure Reports

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

Budget Modifications

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

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

Purchase or Permanent Improvements of Real Property

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

Purchasing Guidelines

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

Inventory Procedures:

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

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

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

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

Lease and purchase of Equipment

Lease or purchase of vehicles, office equipment and furniture and expenditures from this category must have the written approval of the State Lead Agency prior to purchase. Items are considered to be equipment which has a unit cost of \$1,000.00 or more and a life of two years or more. Each entity must maintain an inventory of fixed assets which can be reconciled to the accounting records. The approval should be maintained in the property records for audit purposes.

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Retention of Records

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

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

Indirect Costs

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

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

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

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

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

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

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

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Termination of the Agreement, Reduction, or Suspension of Funding

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

- ❖ Failure of the sub recipient to fulfill its obligations under the CSBG grant agreement and the agency work plan;
- ❖ Ineffective or improper use of funds provided under the CSBG grant agreement;
- ❖ Failure to provide assurance that, in the case of a community action agency or nonprofit private organization, each board will be constituted so as to assure that one-third of the board are elected public officials, currently holding office, or their representatives, except that if the number of elected officials reasonably available and willing to serve is less than one-third of the membership of the board, membership on the board of appointed public officials may be counted toward meeting such one-third requirement; at least one-third of the members are persons chosen in accordance with democratic selection procedure adequate to assure that they are representative of the poor in the area served; and the remainder of the members are officials or members of business, industry, labor, religion, welfare, education, or other major groups and interests in the community;
- ❖ Failure to provide a range of services and activities having a measurable and potentially major impact on causes of poverty in the community or those areas of the community where poverty is a particularly acute problem;
- ❖ Failure to follow any of the assurances of the CSBG Program as defined in the Community Services Block Grant Amendments of 1998; and
- ❖ If the sub recipient is unable or unwilling to comply with the terms of the CSBG grant agreement or such additional conditions as may be lawfully applied by the State of Arkansas.

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

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

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

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

HEARING ON APPEAL.

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

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

Section IX- Reporting Requirements

ROMA/IS Report

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

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

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

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

Board and Committee Reporting

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

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

Financial Expenditure Reporting

Financial expenditure reports are to be submitted to the State Lead Agency on a monthly basis. The reports must be received no later than the 15th of the month following the month covered by

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the report. The report must contain the invoice page, expenditure documentation form and documentation for the expenditures.

Section X – Required Referrals

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

Child Support

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

Workforce Investment Act of 1998

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

Section XI- Agency Audit Reports

Sub-recipient Audit Requirements.

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

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

- ❖ A sub-recipient that expended \$750,000 or more of federal awards during its fiscal year accepts the responsibility to provide a single audit at the conclusion of that fiscal year.
- ❖ When a sub-recipient expends \$300,000 or more of federal awards
- ❖ Each eligible entity shall arrange for an annual audit to confirm that the financial statements present fairly and accurately the financial position of the eligible entity, that the eligible entity is complying with applicable OCS requirements and with general and special contract conditions, and that appropriate financial and administrative procedures and controls have been installed, are operating effectively, and are consistent with the eligible entity's Financial Procedures Manual. The audit shall cover the eligible entity's prior fiscal year in total and shall be submitted to OCS no later than 120 days after the eligible entity's program year ends.
- ❖ The services of an independent Certified Public Accountant shall be secured.

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- ❖ An eligible entity receiving an initial DHS/DCO/OCS contract shall within thirty days following the contract starting date, supply the State Lead Agency with the name of the auditor or auditing firm which it has selected.
- ❖ Each eligible entity shall followed CSBG Organizational Standard Category 8 and OMB regulations for procurement requirements when selecting an auditor for the annual audit

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

- ❖ Financial Statements. The auditor shall determine whether the financial statements of the sub-recipient are presented fairly in all material respects in conformity with generally accepted accounting principles. The auditor shall also determine whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the sub-recipient's financial statements taken as a whole.
- ❖ Internal Control. In addition to the requirements of Government Auditing Standards (the Yellow Book), the auditor shall perform procedures to obtain an understanding of internal control over federal programs sufficient to plan the audit to achieve a low assessed level of control risk for major programs (major program determination process is defined in A-133 §.520).
- ❖ Except as provided in paragraph 2 below, the auditor shall:
- ❖ Plan the testing of internal control over major programs to achieve a **low assessed level** of control risk for the assertions relevant to the compliance requirements for each major program.
- ❖ Perform testing of internal control over major programs as planned in paragraph 1(i) above.
- ❖ When internal control over some or all of the compliance requirements for a major program are likely to be ineffective in preventing or detecting noncompliance, the planning and performing of testing described in paragraph 1. above are not required for those compliance requirements. However, the auditor shall cite a reportable condition (including whether any such condition is a material weakness), assess the related control risk at the maximum, and consider whether additional compliance tests are required because of ineffective internal control.

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- ❖ **NOTE:** This guidance on the audit requirement to document and test the internal control structure is from A-133, §.500(c).
- ❖ **Compliance.** In addition to the requirements of Government Auditing Standards (the Yellow Book), the auditor shall determine whether the sub recipient has complied with laws, regulations, and the provisions of sub grant agreements that may have a direct and material effect on each of its major programs:
 - ❖ The principal compliance requirements applicable to most federal programs and the compliance requirements of the largest federal programs are included in the compliance supplement.
 - ❖ For the compliance requirements related to federal programs contained in the compliance supplement, an audit of these compliance requirements will meet the requirements of this part. Where there have been changes to the compliance requirements and the changes are not reflected in the compliance supplement, the auditor shall determine the current compliance requirements and modify the audit procedures accordingly. For those federal programs not covered in the compliance supplements, the auditor should use the types of compliance requirements contained in the compliance supplement as guidance for identifying the types of compliance requirements to test, and determine the requirements governing the federal program by reviewing the provisions of the contracts and sub grant agreements and the laws and regulations referred to in such contracts and sub grant agreements.
 - ❖ The compliance testing shall include tests of transactions and such other auditing procedures necessary to provide the auditor sufficient evidence to support an opinion on compliance.
 - ❖ **Major Program Determination:** The auditor shall use a risk-based approach to determine which federal programs are major programs. This risk-based approach shall include consideration of:
 - ❖ Current and prior audit experience.
 - ❖ Oversight by federal agencies and pass-through entities (i.e., evidence of monitoring, etc.).
 - ❖ Inherent risk of the federal program (federal agencies with concurrence of OMB may identify federal programs which are higher risk. According to A-133 §.525, OMB plans to provide this identification in the compliance supplement). The auditor shall follow the four (4) step major program determination process as described in A-133 §.525. As part of this process, the auditor shall also consider the risk analysis criteria for federal program risk that is outlined in A-133 §.525. This section states that the auditor's determination process shall include an overall evaluation of the risk of noncompliance occurring which could be material to a federal program. As suggested in §.525, the auditor may wish to discuss risk factors associated with a particular ADECA federal program with the Audit Section staff and/or the applicable ADECA program manager.

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For example, oversight by ADECA through monitoring or other reviews may have disclosed significant problems with an ADECA program; this would indicate a higher risk. However, if the results of monitoring or reviews indicated no significant problems with a particular ADECA program, this would indicate a lower risk. ADECA encourages this communication when planning a single audit of an ADECA sub recipient to be performed in accordance with this Policy. One method that can alert auditors of high risk or potential high risk ADECA federal programs will be through the periodic letters to auditors of ADECA subrecipients from the ADECA Chief Auditor.

- ❖ Audit Follow-Up. The auditor shall follow-up on prior audit findings, perform procedures to assess the reasonableness of the summary schedule of prior audit findings prepared by the sub recipient in accordance with A-133 §.315(b), and report, as a current year audit finding, when the auditor concludes that the summary schedule of prior audit findings materially misrepresents the status of any prior audit finding. The auditor shall perform audit follow-up procedures regardless of whether a prior audit finding relates to a major program in the current year.
- ❖ Reporting on Single Audits of Subrecipients. The auditor's reports shall conform to the guidance provided in SOP 98-3 and any subsequent revision and state that the audit was conducted in accordance with A-133 and Government Auditing Standards (the Yellow Book). The minimum reporting requirements for a single audit conducted in accordance with A133.§505 are as follows:
 - ❖ An independent auditor's report (opinion or disclaimer of opinion) on the financial statements and the supplementary schedule of expenditures of federal awards which states whether they are presented fairly in all material respects in conformity with generally accepted accounting principles.
 - ❖ The financial statements required by generally accepted accounting principles.
 - ❖ The notes to the financial statements reflecting all the necessary information essential to fair presentation of the financial statements.
 - ❖ A schedule of expenditures of federal awards that meets the minimum requirements of A-133 §.310 (b) and includes the applicable activity defined in A-133 §.205.
 - ❖ An independent auditor's report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133 and, when applicable.
 - ❖ An independent auditor's report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with the Government Auditing Standards (the Yellow Book).
 - ❖ A schedule of findings and questioned costs which shall include the following three (3) sections:

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

- ❖ The type of report the auditor issued on the financial statements (i.e., unqualified opinion, qualified opinion, adverse opinion, or disclaimer of opinion).
- ❖ A statement whether any material weaknesses in internal control were disclosed by the audit of the financial statements.
- ❖ A statement whether any reportable conditions in the internal control were disclosed by the audit of financial statements that were not considered material weaknesses.
- ❖ A statement as to whether the audit disclosed any noncompliance which is material to the financial statements.
- ❖ A statement whether any material weaknesses in internal control over major programs were disclosed by the audit.
- ❖ A statement whether any reportable conditions in the internal control over major programs were disclosed by the audit.
- ❖ The type of report the auditor issued on the subrecipient's compliance with major programs (i.e., unqualified opinion, qualified opinion, adverse opinion, or disclaimer of opinion).
- ❖ A statement as to whether the audit disclosed any audit findings which the auditor is required to be reported in accordance with A-133 §.510(a).
- ❖ An identification of major programs.
- ❖ The dollar threshold used to distinguish between Type A and Type B programs as defined in A-133 §.520.
- ❖ A statement as to whether the sub recipient qualified as a low-risk sub recipient as defined in A-133 §.530.

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

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

- ❖ **Audit Finding Presentation.** The auditor shall present audit findings in sufficient detail for the sub recipient to prepare a corrective action plan and take corrective action and the State Lead Agency to arrive at a management decision. The following specific information shall be included, as applicable, in audit findings:
 - ❖ Federal program title, CFDA number, DHS award number (if applicable) and year, name of federal agency, and name the pass-through entity (i.e., DHS/DCO/OCS), if applicable.
 - ❖ The criteria or specific requirements upon which the audit finding is based, including statutory, regulatory, or other citation.
 - ❖ The condition found, including facts that support the deficiency identified in the audit finding.
 - ❖ Identification of questioned costs and how they were computed.
 - ❖ Information to provide proper perspective for judging the prevalence and consequences of the audit findings (for example, whether the audit findings represent an isolated instance or a systemic problem). Where appropriate, instances identified shall be related to the universe and the number of cases examined and is quantified in terms of dollar value. (VI) The possible asserted effect to provide sufficient information to the sub recipient and the State Lead Agency to permit them to determine the cause and effect to facilitate prompt and proper corrective action.
 - ❖ Recommendations to prevent future occurrences of the deficiency identified in the audit finding.
 - ❖ Views of responsible officials of the sub recipient when there is disagreement with the audit findings, to the extent practicable.
 - ❖ Each audit finding in the schedule of findings and questioned costs shall include a reference number to allow for easy referencing of the audit findings during follow-up

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

Summary schedule of prior audit findings.

If applicable, the sub-recipient shall prepare a summary schedule of prior audit findings and submit the summary schedule with the reporting package defined in paragraph (6) below. The

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summary schedule shall report the status of all audit findings included in the prior audit's schedule of findings and questioned costs relative to federal awards. The summary schedule shall also include audit findings reported in

the prior audit's summary schedule of prior audit findings except audit findings listed as corrected in accordance with paragraph (a) of this section, or audit findings listed as no longer valid or not warranting further action in

accordance with paragraph (d) of this section. (a) When audit findings were not corrected or were only partially corrected, the summary schedule shall describe the planned corrective action as well as any partial corrective action taken. (b) When audit findings were fully corrected, the summary schedule need only list the audit findings and state that corrective action was taken. (c) When corrective action taken is significantly different from corrective action previously reported in a corrective action plan or in the federal agency's or pass-through entity's management decision, the summary schedule shall provide an explanation. (d) When the sub-recipient believes the audit findings are no longer valid or does not warrant further action, the reasons for this position shall be described in the summary schedule. A valid reason for considering an audit finding as not warranting further action is that all of the following have occurred:

- ❖ Two years have passed since the audit report in which the finding occurred was submitted to the federal clearinghouse.
- ❖ The federal agency or pass-through entity (i.e. DHS/DCO/OCS) is not currently following up with the sub-recipient on the audit finding.
- ❖ A management decision was not issued.

Corrective Action Plan.

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

Due Date/Submittal of Audit Report.

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

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

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DHS/DCO/OCS Responsibilities.

Audit Resolution and Management Decision.

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

Disallowed Costs.

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

Debt Collection.

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

Section XII- Monitoring

Desk and Field Reviews

The CSBG Act SEC. 678B

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

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

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

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

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

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

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

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

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

Monitoring may also include:

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

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

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

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

Responses must include appropriate documentation.

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

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

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

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

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

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

Monitoring Corrective Action Plan

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

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

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

Actions (Items) that require additional monitoring

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

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

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

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

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

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

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

**Section 1: CSBG Lead Agency, CSBG
Authorized Official, CSBG Points of Contact,
and Official State Designation Letter**



STATE OF ARKANSAS

**ASA HUTCHINSON
GOVERNOR**

September 13, 2017

**Ms. Janelle George, Acting Director
Office of Community Services
U.S. Department of Health and Human Services
Administration for Children and Families
370 L'Enfant Promenade, SW, 5th Floor
Washington, DC 20447**

Dear Ms. George,

Pursuant to 42 U.S.C. § 9908(a), the Governor, as the chief executive of the state, is required to designate an appropriate state agency to act as the lead agency for administration of the Community Services Block Grant.

As Governor of the State of Arkansas, I hereby designate the Department of Human Services, Division of County Operations, Office of Community Services (OCS) as the lead agency to administer the Community Services Block Grant in Arkansas.

The points of contact for program issues and award notices for the Community Services Block Grant will be the Division(DCO/OCS) Assistant Director and the Community Services Block Grant Manager.

Their contact information is as below:

**Lorie Williams, Assistant Director
501-682-8714
Lorie.Williams@dhs.arkansas.gov**

**Beverly Buchanan, CSBG Manager
501-682-8720
Beverly.Buchanan@dhs.arkansas.gov**

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Asa Hutchinson".

Asa Hutchinson

Section 2: State Legislation and Regulation

Attachment VII
ARKANSAS CSBG STATE LAW
(ACT 345 OF 1985)

State of Arkansas
73rd General Assembly
Regular Session, 1985
By: Senator Hardin

ACT 345 1985
A BILL

SENATE BILL 348

For An Act To Be Entitled

1 THE COMMUNITY SERVICES AND COMMUNITY ACTION PROGRAM ACT OF
2 1985; TO RECOGNIZE COMMUNITY ACTION ORGANIZATIONS OPERATING
3 WITHIN THE STATE AND VARIOUS PROGRAMS ADMINISTERED BY SUCH
4 AGENCIES; TO DEFINE OPERATIONAL JURISDICTIONS OF COMMUNITY
5 ACTION AGENCIES; TO PRESCRIBE PROCEDURES FOR THE ALLOCATION
6 AND EXPENDITURE OF FUNDS APPROPRIATED TO THE DIVISION OF
7 COMMUNITY SERVICES FOR THE PROGRAM; TO REQUIRE THAT FUNDS
8 RECEIVED BY THE STATE FROM THE FEDERAL GOVERNMENT UNDER THE
9 COMMUNITY SERVICES BLOCK GRANT BE DISTRIBUTED TO THOSE
10 NON-PROFIT ORGANIZATIONS WHICH ARE DEFINED AS COMMUNITY
11 ACTION AGENCIES BY ACT 477 OF 1977 AND THE COMMUNITY SERVICES
12 BLOCK GRANT ACT OF 1981; AND FOR OTHER PURPOSES."

14 WHEREAS, community action organizations have been organized and are
15 operational as non-profit corporations serving the low-income citizens of
16 Arkansas; and

17 WHEREAS, such agencies have been, and are now, providing human services
18 in such fields as aging, health, transportation, nutrition, housing, home
19 weatherization, developmental child care, family planning and other related
20 activities which the General Assembly considers as vital to the well-being of
21 lower-income persons of the State,

22 NOW THEREFORE,

23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

24 SECTION 1. (a) This Act shall be known as the "Community Service and
25 Community Action Program Act of 1985". The purpose of this Act is to
26 encourage non-profit community action organizations which have been formed to
27 provide basic and essential human services to low-income and elderly citizens
28 of Arkansas in the areas of health, transportation, housing, home repair and

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William H. Hardin
President of the Senate

D. Gray Landrum

1 weatherization, aging programs and aging alternatives to institutionalization,
2 developmental child care and enrichment, youth opportunity programs, low
3 income home energy assistance programs, and other related activities which the
4 General Assembly recognizes as beneficial to a large number of Arkansas citi-
5 zens. In furtherance of the purposes of this Act, the General Assembly hereby
6 recognizes community action organizations in their efforts to provide services
7 beneficial to low-income citizens of this State, and establishes a program of
8 financial assistance to recognized Community Action Agencies to enable them to
9 continue and expand such aforementioned activities and programs.

10 (b) It is further the purpose of this Act to encourage and promote the
11 operations and activities of Community Action Agencies whether such activities
12 are conducted by one Agency or by two or more cooperating Agencies.

13 SECTION 2. (a) The General Assembly of the State of Arkansas hereby
14 recognizes as Community Action Agencies and their jurisdiction, the following
15 nineteen (19) existing community action organizations:

16 (1) Arkansas River Valley Council consisting of Franklin, Scott, Yell,
17 Johnson, Pope, Conway, Perry, Logan and Polk Counties;

18 (2) Black River Area Development Corporation, consisting of Randolph,
19 Clay and Lawrence Counties;

20 (3) Central Arkansas Development Council, consisting of Saline, Hot
21 Spring, Clark, Pike and Montgomery Counties;

22 (4) Community Action Program for Central Arkansas, consisting of White,
23 Faulkner and Cleburne Counties;

24 (5) Crowley's Ridge Development Council, Inc., consisting of Craighead,
25 Greene, Jackson and Poinsett Counties;

26 (6) Crawford-Sebastian Community Development Council, Inc., consisting
27 of Crawford and Sebastian Counties;

28 (7) Community Services Office, Inc., consisting of Garland County;

29 (8) East Central Arkansas Economic Opportunity Corporation, consisting
30 of Cross, St. Francis, Woodruff, Crittenden and Lee Counties;

31 (9) Economic Opportunity Agency of Pulaski County, consisting of Pulaski
32 and Louisa Counties;

33 (10) Economic Opportunity Agency of Washington County, consisting of
34 Washington County;

35 (11) Mississippi County, Arkansas Economic Opportunity Commission, Inc.

Wendell H. ...
President of the Senate

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- 1 consisting of Mississippi County;
- 2 (12) Mid-Delta Community Services, Inc., consisting of Phillips, Monroe
- 3 and Prairie Counties;
- 4 (13) Northcentral Arkansas Development Council, consisting of Fulton,
- 5 Izard, Sharp, Stone and Independence Counties;
- 6 (14) Office of Human Concern, consisting of Benton, Carroll and Madison
- 7 Counties;
- 8 (15) Ozark Opportunities, Inc., consisting of Van Buren, Searcy, Boone,
- 9 Marion, Baxter and Newton Counties;
- 10 (16) Pine Bluff-Jefferson County Economic Opportunities Commission,
- 11 Inc., consisting of Jefferson, Grant, Arkansas, Lincoln and Cleveland
- 12 Counties;
- 13 (17) South Central Community Action Authority, consisting of Ouachita,
- 14 Columbia, Calhoun, Dallas and Union Counties;
- 15 (18) Southeast Arkansas Community Action Corporation, consisting of
- 16 Bradley, Drew, Desha, Ashley and Chicot Counties; and
- 17 (19) Southwest Arkansas Development Council, Inc., consisting of Little
- 18 River, Hempstead, Miller, Lafayette, Howard, Sevier and Nevada Counties.
- 19 (b) The Department of Human Services, Division of Community Services is
- 20 hereby authorized to change the boundaries and the number of officially
- 21 recognized Community Action Agencies, provided that concurrence therein is
- 22 obtained of the governing boards of each of the affected existing Agencies as
- 23 recognized in subsection (a) of this Section.
- 24 (c) Nothing in this Act is intended to change or in any way conflict
- 25 with the status, boundaries, or functions of regional or metropolitan planning
- 26 commissions or councils of governments established under Act 26 of 1953 (Ark.
- 27 Stats. Ann. 19-2820 through 19-2824), as amended, nor the status, boundaries,
- 28 and functions of Planning and Development Districts as established and
- 29 recognized under Act 118 of 1969 (Ark. Stats. Ann. 9-324 through 9-328), as
- 30 amended.
- 31
- 32 SECTION 3. (a) The governing boards of directors of the nineteen (19)
- 33 existing community action organizations are recognized as the representative
- 34 organizations of the Community Action Agencies as recognized in Section 2 (a)
- 35 of this Act.
- 36 (b) The Department of Human Services, Division of Community Services is

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1 hereby authorized, whenever Agency boundaries have been changed in accordance
2 with Section 3 (b), to recognize the representative organizations of the new
3 Community Action Agencies.

4 (c) In order to qualify for recognition and further benefits under this
5 Act, a Community Action Agency shall have been organized and constituted under
6 the provisions of the Community Service Block Grant Act of 1981, and shall
7 have a governing board whose members are elected, and are representatives of
8 specific community interests in accordance with the Community Service Block
9 Grant Act of 1981.

10
11 SECTION 4. The Governor shall appoint a nine person Community Services
12 Advisory Board to advise him and make recommendations to him concerning mat-
13 ters affecting low-income persons in the State. The Board shall provide to
14 the Governor an annual report on poverty conditions in the State. Board mem-
15 bers shall serve terms concurrent with the Governor's term of office. The
16 Board shall be made up as follows:

17 (1) Three (3) Executive Directors of Community Action Agencies, one of
18 whom must be the President of the Arkansas Community Action Agencies
19 Association;

20 (2) Three (3) members from the Boards of Directors of Community Action
21 Agencies;

22 (3) Three (3) members from the public who have received assistance or
23 services from the Community Action Agencies;

24 (4) The Director of the Division of Community Services shall serve as an
25 ex-officio member of the Board.

26 The Board shall elect a chairperson and other officers it deems
27 necessary. The Board shall meet at the call of the Chairperson but no less
28 than quarterly. The Division of Community Services shall provide technical
29 assistance and reimbursement for the expenses of the Board.
30

31 SECTION 5. (a) The Department of Human Services, Division of Community
32 Services, is hereby authorized to make payments from time to time to offi-
33 cially recognized organizations of Community Action Agencies from State funds
34 appropriated for such purpose. Payments shall be scheduled to begin as nearly
35 as possible on July 1 of each fiscal year and on the first day of each calen-
36 dar quarter thereafter.

President of the Senate

Donald R. Rogers

D. Gary Sanders

1 (b) Funds appropriated for payments to such organizations of Community
2 Action Agencies shall be allocated on the basis of equitable criteria
3 established by the Department of Human Services, Division of Community
4 Services based upon application for programs.

5 (c) If, in the future, any change occurs in the jurisdictions of any of
6 the officially recognized nineteen (19) Community Action Agencies, as
7 authorized in Section 2 (b) of this Act, the first allocation of appropriated
8 funds to the former Agency or Agencies, which comprise counties reorganized
9 under the jurisdiction of a newly recognized Agency, shall be apportioned to
10 the new Agency or Agencies in accordance with equitable criteria established
11 by the Department of Human Services, Division of Community Services.

12 (d) At least ninety percent (90%) of the funds received and appropriated
13 by the State from the United States Government under the Community Services
14 Block Grant shall be allocated to Community Action Agencies, as defined in
15 this Act, under a formula to be determined by the Department of Human
16 Services, Division of Community Service, which is hereby designated as the
17 disbursing agency for Community Services Block Grant funds. The powers of
18 every Community Action Agency governing board shall include the power to
19 appoint persons to senior staff positions to determine major personnel,
20 fiscal, and program policies to approve overall program plans and priorities,
21 and to assure compliance with conditions of and approve proposals for finan-
22 cial assistance under this Act. No more than five percent (5%) of the
23 Community Services Block Grant may be used by the disbursing agency for admi-
24 nistrative purposes. Any subsequently remaining funds may be used for pur-
25 poses to be determined by the disbursing agency.

26 In the event the Community Services Block Grant is eliminated, each Com-
27 munity Action Agency shall be funded, subject to the restrictions of appli-
28 cable law or regulation, in the distribution of other federal funds which can
29 be used to support anti-poverty programs.
30

31 SECTION 6. Whenever the General Assembly shall have appropriated funds
32 in order to make payments to officially recognized Community Action Agencies
33 as authorized in this Act, the Department of Human Services, Division of
34 Community Services, shall notify the respective governing boards of such
35 Agencies, of the amount allocated to such Agency as provided in Section 4
36 hereof, and shall notify the respective boards that application for such funds

Wendell G. ...
President of the Society

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1 may be made upon forms provided therefor by the Department of Human Services,
2 Division of Community Services. Upon the receipt of application for such
3 funds, the Department of Human Services, Division of Community Services, shall
4 determine that the following conditions have been met before disbursing such
5 payments:

6 (1) That the community action organization is an officially recognized
7 Community Action Agency, in accordance with Section 2 of this Act, and has
8 been constituted in accordance with Section 3 (c) of this Act;

9 (2) The Agency board of directors shall certify that a proposed budget
10 has been established for the expenditure of State funds for purposes con-
11 sistent with the purpose of this Act; and

12 (3) At the end of each fiscal year, an audited report of each Community
13 Action Agency shall be submitted to the Department of Human Services, Division
14 of Community Services. Any amounts of State funds unexpended or unobligated
15 by June 30th shall be returned by the Agency to the State Treasury. If any
16 Community Action Agency shall have expended any State funds for any purpose
17 not within the purpose and intent of this Act, such amount shall be reimbursed
18 by such Agency to the State of Arkansas before any additional payments may be
19 made to such Agency.

20
21 SECTION 7. State funds appropriated by the General Assembly to the
22 Department of Human Services, Division of Community Services, for payments to
23 be made to recognized Community Action Agencies in accordance with this Act,
24 shall used by such Agencies for funding antipoverty programs designated by
25 State regulations.

26
27 SECTION 8. If any provision of this Act or the application thereof to
28 any person or circumstance is held invalid, such invalidity shall not affect
29 other provisions or applications of the Act which can be given effect without
30 the invalid provision or application, and to this end the provisions of this
31 Act are declared to be severable.

32
33 SECTION 9. All laws and parts of laws in conflict with this Act are
34 hereby repealed.

35
36 SECTION 10. EMERGENCY. It is hereby found and determined by the General

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President of the Senate

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1 Assembly that Community Action Agencies provide services which are basic and
2 essential to the well-being of low-income and economically disadvantaged per-
3 sons of this State. It is further determined that the delivery of such ser-
4 vices should be officially recognized in order to assure the continuation of
5 such services, and to promote the development of new services to solve
6 existing human service problems. Therefore, an emergency is hereby declared
7 to exist and this Act being necessary for the preservation of the public
8 peace, health and safety shall be in full force and effect from and after its
9 passage and approval.

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36

Paul Harrison

Wendell
President of the Senate

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

H. P. ...

Section 3: State Plan Development and Statewide Goals

State Plan Goals

The State Lead Agency has established the following Community Services Block Grant goals and strategies:

Administration of the Community Services Block Grant

Goal: to administer the State of Arkansas Community Services Block Grant Program

Strategies: to provide assistance to local communities through a network of eligible entities (Community Action Agencies) for the reduction of poverty and the revitalization of low-income communities, as well as the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient; and to support other Federal Statutory purposes and goals of the CSBG Act.

Workforce Systems

Goal: to increase workforce development opportunities for CSBG participants

Strategies: To partner with the Department of Workforce to coordinate the Workforce Investment and Opportunity Act activities to provide a one-stop approach to workforce development services by partnering CSBG eligible entities with the Workforce offices to address barriers to employment.

Organizational Standards

Goal: To ensure that all eligible entities are 100% compliant with the CSBG Organizational Standards as prescribed in CSBG IM 138.

Strategies: to partner with the Arkansas Community Action Agencies Association to provide peer-to-peer assistance and training resources to assist with the development and implementation of deficient standards:

- ❖ Organization-wide comprehensive risk assessment
- ❖ Uniform Guidance
- ❖ Succession Planning
- ❖ ROMA
- ❖ Strategic Planning

CSBG Monitoring

Goal: to strengthen CSBG Program and Fiscal monitoring

Strategies: Update all CSBG monitoring tools to incorporate the CSBG organizational standards, ROMA Next Generation and Financial Management requirements to ensure eligible entity compliance.

State Lead Agency Professional Development

Goal: To increase the professional development of the State Lead Agency staff

Strategies: All three CSBG Grants Analysts become Nationally Certified ROMA Implementers during the period of this State Plan. Ensure that all State Lead Agency Staff have access to and are utilizing current educational materials (as related to CSBG), and are exposed to professional growth opportunities, by means of training on the local, state and national level.

State Distribution Formula to the eligible Entities

Goal: to revise the state distribution formula

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

State wide Data Collection System

Goal: to implement a state wide data collection system for Arkansas eligible entities

Strategies: Coordinate with the eligible entities and the State Association to identify, purchase and implement a state wide data collection system for eligible entities by the end of FY 2019.

Section 4: CSBG Hearing Requirements

ies of the website's General... Policy issued from this... will be unmarked with... word "Proposed". All con... must be included in writ... at the above address no late... September 12, 2017.

Information for Bidders, Bid... Forms, Form of Contract, Plans... and Specifications, Bid Bond... Form, Performance and Payment... Bonds, and other Contract... Documents may be examined at... the office of the Engineer, or at...

opened at 1:00 pm the same day... this must include unit number... bid price, and buyer contact in... formation, including email ad... dress. Full payment will be due... by 4:00 pm on August 30. Pur... chased books must be removed...

Attorney for the Estate
P.O. Box 505
Russellville, AR 72011
(479) 989-5333
742301089
IN THE CIRCUIT COURT OF
POPE COUNTY, ARKANSAS

(501) 688-3375
742371798

Notice of Rulemaking
The Arkansas Department of Human Services/Division of County Operations/Office of Community Services intends to adopt a State Plan for distribution of Community Services Block Grant funds for fiscal years 2018 and 2019, covering the period from October 1, 2017 to September 30, 2019. Funding is expected to be approximately \$9,128,181 in federal monies annually.

Parties who wish to comment on the proposed plan may attend a public hearing at 10:00 a.m. on August 23rd, 2017 at the Bryant Senior Activity Center, 6401 Boone Road, Suite 3, Bryant, AR or may review the document via the Arkansas Department of Human Services website (www.arkansas.gov/dhs/homepage.html) and submit comments in writing: Arkansas Department of Human Services, Post Office Box 1437, Slot 6-33G, Little Rock, AR 72203-1437. The State Plan also will be available for review at the DHS/DCCO/Office of Community Services during normal business hours.

The deadline to submit comments to the DHS/DCCO/Office of Community Services is 4:30 p.m. September 12, 2017.

For more information, please call the DHS/DCCO/Office of Community Services at (501) 682-8714. If you need this material in a different format, such as large print, contact our American with Disabilities Act coordinator at (501) 682-8839 (voice) or 501-682-8833 (TDD).

The Arkansas Department of Human Services is in compliance with Titles VI and VIII of the Civil Rights Act and operates, manag-

742371798 (501) 372-4
we also... service without regard to race, religion, disability, political affiliation, veteran status, sex, nationality or national origin.
Lynette P. ...
Lynette P. ...
742371798

Section 5: CSBG Eligible Entities

OFFICE OF COMMUNITY SERVICES COMMUNITY
ACTION AGENCIES

	<u>Agency & Contact Information</u>	<u>Counties Served</u>
ARVAC	Stephanie Ellis, Executive Director Arkansas River Valley Area Council, Inc. Post Office Box 808 613 North 5 th Street Dardanelle, Arkansas 72834 Telephone: (479) 229-4861 FAX: (479) 229-4863 E-Mail: sellis@arvacinc.org	Conway Franklin Johnson Logan Perry Polk Pope Scott Yell
BRAD	James Jansen, Executive Director Black River Area Development Corp. 1403 Hospital Drive Pocahontas, Arkansas 72455 Telephone: (870) 892-4547 FAX: (870) 892-0707 E-Mail: jjansen@bradcorp.org	Clay Lawrence Randolph
CADC	Larry Cogburn,, Executive Director Central Arkansas Development Council Post Office Box 580 321 Edison Benton, Arkansas 72015 Telephone: (501) 315-1121 FAX: (501) 778-9120 E-Mail: lcogburn@cadc.com Web: www.cadc.com LR Office Number: (501) 603-0909 Lonoke Number: (501) 676-0019	Calhoun Clark Columbia Dallas Hot Spring Lonoke Montgomery Ouachita Pike Pulaski Saline Union

CAPCA **Jenifer Welter, Executive Director** Cleburne
Community Action Program for Central Arkansas, Inc. Faulkner
707 Robins Street, Ste. 118 White
Conway, Arkansas 72034
Telephone: (501) 329-3891
FAX: (501) 329-8642
E-Mail: Jennifer.Welter@capcinc.org
Web: www.capcainc.org

CRDC **Tim Wooldridge Executive Director** Craighead
Crowley's Ridge Development Council, Inc. Crittenden
Post Office Box 16720 Cross
Jonesboro, Arkansas 72401 Greene
Telephone: (870) 802-7100 Jackson
Fax: (870) 935-0291 Poinsett
E-Mail: twooldridge@crdenea.com St. France
Web: www.crdenea.com Woodruff

C-SCDC **Marc Baker, Executive Director** Crawford
Crawford-Sebastian Community Development Sebastian
Council, Inc.
Post Office Box 180070
Fort Smith, Arkansas 72918-0070
1617 South Zero
Fort Smith, Arkansas 72901
Telephone: (479) 785-2303
FAX: (479) 785-2341
E-Mail: mbaker@csedccaa.org
Web: www.csedccaa.org

CSO **Leslie Barnes, Executive Director** Garland
Community Services Office, Inc.
Post Office Box 1175
600 West Grand Ave.
Hot Springs, Arkansas 71901
Telephone: (501) 624-5724
FAX: (501) 624-1645
Cell: (901) 389-0162
E-Mail: exectivedirector@csarkansas.org

EOAWC **Michael Lanier, Executive Director** Washington
Economic Opportunity Agency of Washington Co., Inc.
614 East Emma Avenue, Suite M401
Springdale, Arkansas 72764
Telephone: (479) 872-7479
FAX: (479) 872-7482
E-Mail: mlanier@eoawc.org
Web: www.eoawc.org

MCAEOC **Priscilla Johnson, Interim Executive Director** Mississippi
Mississippi County, Arkansas Economic
Opportunity Commission, Inc.
Post Office Box Drawer 1289
1400 North Division Street
Blytheville, Arkansas 72342
Telephone: (870) 776-1054 Ext: 22
E-Mail: cilla.johnson@sbcglobal.com

M-DCS **Bobbie Salter, Executive Director** Lee
Mid-Delta Community Services, Inc. Monroe
Post Office Drawer 745 Phillips
Helena, Arkansas 72342 Prairie
Telephone: (870) 338-6406
FAX: (870) 338-3629
E-Mail: bsalter@m-dcs.com

NADC **Charlie Morris, Executive Director** Fulton
Northcentral Arkansas Development Council, Inc. Independence
Post Office Box 3349 IZARD
550 9th Street Sharp
Batesville, Arkansas 72503 Stone
Telephone: (870) 793-5765
FAX: (870) 793-2167
E-Mail: cmorris@nadcinc.org

OHC **Susan Moore, Executive Director** Benton
Office of Human Concern, Inc. Carroll
Post Office Box 778 Madison
506 East Spruce Street
Rogers, AR 72757
Telephone: (479) 636-7301
FAX: (479) 636-7312
E-Mail: smoore@ehc.org

OOI **Richard T. Atkinson, Executive Director** Baxter
Ozark Opportunities, Inc. Boone
Post Office Box 1400 Marion
701 East Prospect Avenue Newton
Harrison, Arkansas 72601 Searcy
Telephone: (870) 741-9406 Van Buren
FAX: (870) 741-0924
E-Mail: rtatkinson@ozarkopp.org

Note: **Physical Address Zip Code is 72601**
 P.O. Box Address Zip Code is 72602

PB-JCEOC Anthony Powell, Interim Executive Director
Opportunities Commission, Inc.,
Post Office Box 7228
817 So. Cherry
Pine Bluff, Arkansas 71611
Telephone: (870) 536-0046
FAX: (870) 535-7558
E-Mail: apowell@pbjceoc.com

Arkansas
Cleveland
Grant
Jefferson
Lincoln

SEACAC Alethea Dallas, Interim Executive Director
Southeast Arkansas Community Action Corp.
Post Office Box 312
1208 North Myrtle Street
Warren, Arkansas 71671
Telephone: (870) 226-2668
FAX: (870) 226-5637
E-Mail: adallas@seacac.com

Ashley
Bradley
Chicot
Desha
Drew

SWADC James McPhaul, Executive Director
Southwest Arkansas Development Council, Inc.
3902 Sanderson Lane
Texarkana, Arkansas 71854
Telephone: (870) 773-5504
FAX: (870) 772-2974
E-Mail: jimMcPhaul@SWADC.org

Hempstead
Howard
Lafayette
Little River
Miller
Nevada
Sevier

Section 6: Organizational Standards for Eligible Entities

Organizational Standards for CSBG Eligible Entities – Background

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

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

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

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

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

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

The COE-developed Organizational Standards

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

1. Maximum Feasible Participation

- Consumer Input and Involvement
- Community Engagement
- Community Assessment

2. Vision and Direction

- Organizational Leadership
- Board Governance
- Strategic Planning

3. Operations and Accountability

- Human Resource Management
- Financial Operations and Oversight
- Data and Analysis

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

All of the COE-developed organizational standards work together to characterize an effective and healthy organization. Some of the standards have direct links to the CSBG Act, such as the standards on the tripartite board structure and the democratic selection process. Some standards link with U.S. Office of Management and Budget (OMB) guidance, such as the standards on audits. As a whole, the standards reflect many of the requirements of the CSBG Act, applicable Federal laws and regulations, good management practices, and the values of Community Action. The purpose of the organizational standards is to ensure that all eligible entities have appropriate organizational capacity, not only in the critical financial and administrative areas important to all nonprofit and public human service agencies, but also in areas of unique importance for CSBG-funded eligible entities. To fulfill the promise of the standards, States must provide consistent and high-quality oversight and technical assistance related to organizational standards. In addition, based on information about organizational capacity, States must work with the eligible entities to make informed programmatic decisions about how the agencies can best meet the needs of local low-income families and communities.

State Oversight

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

Assessment of Standards

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

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

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

Corrective Action

During the assessment process, if a State finds an eligible entity is not meeting a standard or set of standards, the State’s response will depend on the circumstances. In cases where the eligible entity may be able to meet the standard in a reasonable time frame contingent on some targeted technical assistance, the State and entity may develop a technical assistance plan to target training and technical assistance resources and outline a time frame for the entity to meet the standard(s). If appropriate in other situations, the State may initiate action in accordance with section 678C of the CSBG Act (42 U.S.C. § 9915), including the establishment of a Quality Improvement Plan (QIP) with clear timelines and benchmarks for progress.

Section 7: State Use of Funds

State Use of Funds

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

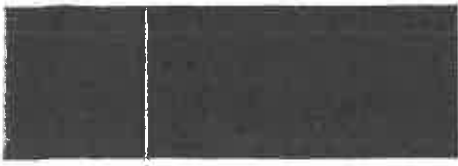
The State Lead Agency is required to make available to eligible entities, no less than 90 percent of the funds received through the Community Services Block Grant to accomplish the goals set forth in the programmatic assurances. No more than 5 percent may be utilized for administrative costs.

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

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

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

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



COMMUNITY SERVICES BLOCK GRANT DISCRETIONARY GRANT APPLICATION

CSBG Discretionary Application

Community Services Block Grant
Discretionary Grant Application

The Community Services Block Grant (CSBG) Program is funded by the U.S. Department of Health and Human Services and is administered by the Arkansas Department of Human Services, Division of County Operations, and Office of Community Services. Per 42 U.S.C. 106 (the CSBG Act) the Secretary of the Department of Health and Human Services received authority to make grants to the States with the intent to ameliorate the causes of poverty in communities. Under the CSBG Act, the state may utilize five (5) percent of the federal allocation as discretionary funding to support a wide range of activities and programs conducted by community action agencies or other non-profit organizations to eliminate poverty, promote self-sufficiency, and promote community revitalization. Additionally, the funds may be used to provide training and technical assistance for and support coordination and communication among community action agencies.

**Community Services Block Grant
Discretionary Grant Application**

Eligible Applicants:

Entities eligible to apply include Community Action Agencies, nonprofit organizations that serve or target individuals and families that have incomes at or below 125% of poverty, and nonprofit organizations who support and serve the Arkansas Community Action Agencies. The applicant's proposed program must display measurable outcomes which help families and individuals move toward self-sufficiency or the role that a request for technology upgrades will play in achieving those outcomes.

Eligible Projects and Activities:

Eligible projects include:

- Training and Technical Assistance Programs that provide Arkansas' Community Action Agencies with quality training, technical assistance, best practices, and tools to build capacity and strengthen the role of Community Action Agencies in the provision of anti-poverty initiatives.
- Asset Building/Volunteer Income Tax Preparation Program (local or statewide) targeting innovative programs that provide asset building services as well as expanding the awareness and utilization of the EITC and other tax credits among working families.
- Jobs Initiatives, including green jobs and other targeted employment training.
- Innovative Programs to address poverty on a community level.
- Technology upgrades to assist in achieving agency outcomes to move families and individual toward self-sufficiency.
- Educational Scholarships
- State-wide Data Collection System

Eligible Activities include:

- Case management
- Promotional outreach costs
- Disaster Assistance

Funding

Approved applicants will receive a grant award with purchase order information and grant assurances and guidelines. **Please note that these grants will be monitored the same as the regular CSBG grant awards.**

Community Services Block Grant
Discretionary Grant Application

PART 1 - Applicant Information

Agency Name
Federal ID and Duns #
Agency Address
City and State
Phone #
SUB-GRANTEE CONTACT INFORMATION
Contact Person
Contact Address (if different from above)
City and State (if different from above)
Phone # (if different from above)
Email Address:

**Community Services Block Grant
Discretionary Grant Application**

PART 3 – PROPOSAL INFORMATION

Keep responses for each question to 2500 words or less.

1. Describe the history and mission of your organization.
2. Describe the goals of the project and scope of work. Be specific, including identifying target population or organizations. (CAA Network, low-income youth, homeless population, etc.). Provide specific deliverables related to the project.
3. Provide project timeline with key dates for deliverables.
4. Describe how the requested grant would enhance the mission the requesting organization and the organizations' efforts to assist Arkansans to eliminate poverty, increase self-sufficiency, and promote community revitalization.
5. What key outcomes will be expected from the project? Include a narrative along with the chart(only indicate outcomes that are applicable to your request)

Project/Activity

Estimate Total # of Participants

6. Describe key partnerships and how they will support the proposed project or activity.

Community Services Block Grant
Discretionary Grant Application

PART 4 – PROPOSAL BUDGET

Please provide a budget for the requested project. Include any additional sources of income to support the project.

Application Format and Submission Information

Please provide two (2) copies of the Discretionary Grant Application.

Applications should be mailed or delivered to:

*The Arkansas Department of Human Services
DCO/OCS
ATTN: Lorie Williams, Assistant Director
PO Box 1437, Slot S330
Little Rock, AR 72203-1437*

Section 8: State Training and Technical Assistance

State Training and Technical Assistance Plan

The State Lead Agency will provide training and technical assistance as needed and requested by the eligible entities in FY 2018 and in FY 2019. State CSBG staff, State Association staff and other outside consultants will provide training and technical assistance in areas to include, but not limited to reporting (monthly, quarterly and annual in the areas of fiscal and programmatic), risk assessment, ROMA and the changes in the National Performance Indicators, monitoring, OMB requirements and financial management.

The State Lead Agency and the State Association have identified that training and technical assistance will be on the whole agency approach to effectively increase the level of skills of the Board, executive staff, front line staff and other agency staff in areas to include, but not limited to: governance and tripartite board training, community needs assessments, community action plans, community strategic planning, technology, financial management, data collection, and data analysts.

The eligible entities (by answering questions included in the annual CSBG Application) have requested training and technical assistance in the areas of family development, basic computer skills, ethics, health and safety, human resources, financial management, leadership, governance and board training, case management and risk assessment.

Focus will also continue to be on training and technical assistance for each of the eligible entities to reach 100% compliance on all the CSBG Organizational Standards; but with a special emphasis on Organizational Standards 1.3; 3.1; 4.6; 6.1 and 9.3. These standards center on Risk Assessment, Comprehensive Community Needs Assessment, Agency-wide Strategic planning, Data analysis, Community Action Plan Development and customer satisfaction data analysis. Intense technical assistance will also be provided for entities with unmet standards that will require a Technical Assistance Plan or Quality Improvement Plan.

The State Lead Agency will outsource to provide technical assistance in the form of Entity Reviews (formerly called Peer Reviews) and any state or entity mechanism identified as needed by the State Lead Agency.

The State CSBG staff will create individual staff development plans that will include receiving formal training from local, state, regional, and national sources.

Section 9: State Linkages and Communications

State Linkages and Coordination

The Arkansas Department of Human Services, DCO/Office of Community Services administers the CSBG grant along with the Low-Income Home Energy Assistance Program (LIHEAP). DHS/DCO/OCS also administers the State's Emergency Solutions Grant. The DCO/Office of Community Services is in contact with regional Head Start Offices and share information during the monitoring process. DCO/Office of Community Services plans to become involved in improving coordination between CSBG and WIOA programs to provide better services to the eligible entity clients.

CSBG Law requires CSBG eligible entities to coordinate funds at the local level. The annual community action plan has to describe how the entities coordination efforts with city, county, schools, non-profits, and other organizations. Eligible entities coordinate services and work to avoid duplication of services with other providers. The eligible entities also participate in local social service and homeless coalitions whose goal is to coordinate services.

Section 10: Monitoring, Corrective Action, and Fiscal Controls

Arkansas Community Services Block Grant Policy and Procedures Manual

Monitoring

Desk and Field Reviews

The CSBG Act SEC. 678B

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

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

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

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

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

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

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

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

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

Arkansas Community Services Block Grant Policy and Procedures Manual

Monitoring may also include:

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

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

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

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

Responses must include appropriate documentation.

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

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

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

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

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

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

Monitoring Corrective Action Plan

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

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

Arkansas Community Services Block Grant Policy and Procedures Manual

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

Actions (Items) that require additional monitoring

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

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

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

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

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

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

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

Section 11: Eligible Entity Tripartite Board

Policies of Governing Boards

Legislative Mandate

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

- (A) One-third of the members of the board are elected public officials, currently holding office, or their representatives, except if the number of elected officials reasonably available and willing to serve is less than one-third of the membership of the board, membership on the board of appointed public officials may be counted in meeting such one-third requirement;
- (B) At least one-third of the members are persons chosen in accordance with democratic selection procedures adequate to assure that they are representative of the low income in the area served; and
- (C) The remainder of the members is composed of representatives of business, industry, labor, religious, welfare, education, or other major groups and interests in the community. Strict adherence to these requirements is necessary to be eligible for receipt of Community Services Block Grant funding and for continued designation as an eligible entity.

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

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

Board Composition

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

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

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

Residence Requirements

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

Conflict of Interest

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

Limitations on Board Service

Each individual on an eligible entity governing board, regardless of sector represented, must be elected in accordance with an 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 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 as long as the public official is currently holding office, and is subject to the eligible entity selection process and term of service.

The State life-time term limit of ten 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 sectors, Public, Private and Low-Income.

Governing Power of the Board of Directors

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

Bylaws Requirements

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

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

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

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

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

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

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

Agencies must maintain documentation of the selection/election process.

- c. **Private Sector**- Private sector members shall be selected in such a manner as to assure that the board will benefit from broad community involvement. Such representation shall come from members of business, social service agencies, industry, labor, religious and educational institutions or other major groups or constituencies of the low-income population concerned with specific problems of the community. Once an organization is selected, it shall nominate its own representative on the board in accordance with the bylaws. Each representative shall be empowered to speak and act on behalf of the organization which he/she represents regarding the business of the board.
3. **Petition by Other Groups for Adequate Representation on the Board**: The community action agencies shall establish and include in their bylaws procedures allowing community agencies and representative groups of the low income who feel themselves inadequately represented on the board to petition for adequate representation. The bylaws shall specify in these procedures the channel of communication to be used, the number of signatures required for a valid petition and the action required of the board in response to a petition for more adequate representation. The board bylaws shall include provisions for adjusting its composition in cases where a petition is granted, in order to maintain the proper percentage of public officials and of representatives of the low income.
4. **Removal of a Board Member**: The bylaws must include a description of the grounds for removal of a board member and the procedures to be followed for removing that member.
5. **Alternates**: The Arkansas Non-profit Corporation does not address the use of alternates to represent board members in their absence; therefore, alternates are prohibited.
6. **Vacancies**: A vacancy on the board exists when: (1) a member has been notified of his/her official removal by action of the board for cause; (2) a member notifies the board of his/her resignation; (3) a

member dies; or (4) a public official leaves office. When the seat of a public official is vacant, the board shall ask the designating officials to select another public official to fill the seat. When the seat of a representative of a private sector is vacant, the board shall ask that organization to name another representative to finish out the term. When the seat of a representative of the low income is vacant, the board may include in its bylaws either of two options: (1) it may repeat the democratic selection procedures; or (2) it may allow the remaining representatives of the low-income population to select a person to finish out the term, with the condition that the person selected represents the same constituency as the original representative.

7. **The board must fill all vacancies within 90 days after the vacancy occurs.**
8. **Quorum:** A quorum for a meeting of the board shall be over fifty (50) percent of the board total as established in the agency's bylaws.
9. **Schedule and Notice of Meeting:**
 1. The board shall have not less than four (4) regular meetings per program year with a quorum. The annual meeting may count as one of these meetings. The schedule shall be defined in the agency's bylaws.
 2. The board shall provide notice of the agenda in writing to all of its members for any meeting as specified in its bylaws.
 3. All board of directors' meetings shall be posted in places in the community frequented by the public to ensure the public is informed of the time and date of each meeting in accordance with the Arkansas Open Meetings Act. If a preliminary agenda is not available, the posted notice shall include a general description of the nature and purpose of the meeting." Agencies should identify in the posted notices whether the meeting to be conducted is a full board or committee meeting.
10. **Minutes:** The agency shall maintain a roster of attendance and written minutes for board and committee meetings including a record of votes on all motions. The members making and seconding motions must be identified in the minutes. If motions are not unanimous, there must be a record of each member's vote. A record of attendance or sign-in sheet must be maintained along with the minutes
A signed copy of the minutes, roster of attendance, and any written material distributed at the meeting must be submitted to the State Lead Agency within 30 days after the next meeting has occurred and the minutes have been approved by the board.
11. **Committees on the Board:** The board may establish any committee it considers necessary for conducting its business. The composition of these committees shall fully reflect the composition of the full board. Public notices and quorums for committee meetings are required to be the same as those for full board meetings. Notices are in accordance with The Arkansas Open Meetings Act and a quorum is over fifty (50) percent of the established membership of the committee.
12. **Compensation:** Regular compensation to members for their services on the board is not permitted. However, travel reimbursement to all members of the board for expenses to attend the meetings is permitted. Reimbursement for a meal is allowed if no meal is provided during the board meeting.
13. **Officials of the Board:** Define the responsibilities of the officers of the board, e.g., the chairperson, vice chairperson, secretary, and treasurer.
14. **Evaluation of Executive Director:** Define the responsibility and authority of the board in regard to the hiring and firing of the Executive Director, and the responsibility of the performance of the Executive Director. All timesheets and travel requests for the Executive Director must be approved and signed by the Board Chair or his/her designee.

Section 12: Individual and Community Eligibility Requirements

D. Income Eligibility

To be eligible for CSBG services or benefits, clients must be at or below 125% of the federal poverty line as determined by the federal Office of Management and Budget (OMB) based on the most recent federal Census data and as revised annually by the U.S. Department of Health and Human Services. The guidelines are calculated on a sliding scale based on the number of persons in a client's family. To calculate 125% of the federal poverty line, use the amount stated in the poverty guidelines relating to the number of persons in the client's household and multiply that number by 1.25.

The community action agencies may adopt its own written procedures for determining client eligibility for CSBG services. These procedures may, based on the eligible entity's community needs assessment, give priority to certain populations within the applicable income limit such as: people with disabilities; people who are homeless; the elderly; people who are unemployed; and people with children under age 18.

The State Lead Agency recognizes that neither the HHS poverty guidelines, the federal CSBG Act, nor applicable HHS regulations define the term "family." Following are two examples of how the term family might be defined. Other reasonable definitions are also acceptable.

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

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

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

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

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

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

Income includes total annual cash receipts before taxes from all sources, with the exceptions noted below.

Specifically, income includes:

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

Income does not include:

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

Neither the HHS poverty guidelines, the federal CSBG Act, nor applicable HHS regulations specify the period to be used when determining a client's income. For the purpose of consistency, the State Lead Agency recommends the following methods:

- The period for determining the annual income must not be more than 12 months nor less than 90 days preceding the request for assistance.
- Total monthly or annualized gross household income should be used to determine eligibility. The monthly income should be calculated for the 30-day period preceding and including the date of application.

There is no prescribed look-back period for income assessment. Depending on an individual client's circumstances and the documentation available, it may be reasonable to calculate client income based upon the household's gross income in the past 30 days (multiplied by 12) or based upon a review of the past year. (For example, if a client has become unemployed or was the victim of domestic violence and has left the abusive household within the past year, it may be inaccurate to use the data of the past year to assess income, and the use of a shorter period of time—perhaps several months—may be a more appropriate and accurate assessment of the client's income. In addition, case-by-case circumstances such as seasonal employment or an isolated and temporary spike or decline in earnings may require an eligible entity to exercise reasonable discretion to determine on a case-by-case basis the most appropriate time period to review to most appropriately and accurately assess income). It is recommended that no time period shorter than the past 30 days or longer than the past year should be used, however. In exercising this reasonable discretion, the eligible entity's goal in each case should be to most accurately determine a client's actual financial position at the time of assessment.

Neither the CSBG Act nor applicable HHS regulations specify how often a client's income should be re-determined. Following is one example of a possible re-determination policy:

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

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

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

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

Before an applicant is determined to be eligible on the basis of family income, the applicant must submit information to the program concerning the family's income. Verification must include examination of documents such as individual income tax forms, W-2 forms, pay stubs, pay envelopes, or written statements from employers (if individual income tax forms, W-2 forms, pay stubs, or pay envelopes are not available).

When appropriate, in cases in which no documentation regarding the income eligibility of the applicant has been received by the eligible entity, or when it is either more efficient or reliable to do so rather than to search for eligibility documentation, eligible entities may seek information from third parties who have first-hand knowledge about the applicant's eligibility, and document each such third party's name, title, organizational affiliation (if any) and relationship to the applicant in the applicant's record. Eligible entities also may seek third party information in cases where documents are not submitted to prove a claim that an applicant has no income.

If eligible entities plan to seek third party verification from one or more parties regarding an applicant's eligibility, staff must inform the applicant about each party that they intend to contact. In addition, the applicant must sign a consent form permitting the eligible entity to contact specified third parties; this provides applicants the opportunity to withhold their consent for third party verification from one or more parties. An applicant must be given the opportunity to withhold consent related to each party the eligible entity would like to contact. If applicants do not sign the consent form, the eligible entity may not contact that party and the applicant remains responsible for providing appropriate documentation.

Neither the CSBG Act nor applicable HHS regulations specify the records an eligible entity should keep regarding the determination of an applicant's eligibility for CSBG benefits/services. At a minimum, an eligible entity should retain documentation sufficient to demonstrate that, where an individualized determination of income was required, staff screened applicants for income eligibility. Following are two possible examples of the records that could be kept to document the fact that an eligible entity reviewed a client's income and determined the client to be eligible for CSBG services/benefits:

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

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

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

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

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

- Services are provided on a group, rather than individual, basis and circumstances indicate that those benefiting are likely to meet the CSBG income eligibility requirements. For example, a financial literacy class provided to parents of children in the eligible entity's Head Start program, or a job skills class provided to residents of a homeless shelter.
- Services are provided on an individual basis but circumstances make it impossible or impracticable to obtain income documentation and indicate that those benefiting are likely to meet the CSBG income eligibility requirements and/or that the services facilitate linkages and coordination of services to low-income people in the community. For example, a community resource hotline that provides referrals to local health and human services providers; general information and referrals regarding benefits and services available to low-income people in the community; and disaster response and relief (such as emergency shelters or provision of food and clothing during or immediately following a disaster).
- Services are intended to increase community awareness of or involvement in poverty issues. For example, an eligible entity sponsors a community forum on improving health care access for low-income people, convenes a meeting of organizations in the community serving homeless clients to discuss coordinating service delivery, or holds an open house to publicize the availability of its programs to members of the low-income community.

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

The eligible entity should have a reasonable, documented basis for allocating the program costs between CSBG and the other funding source(s) based on the relative benefit each funding source receives. This can be done, for example, by demonstrating that either:

- the proportion of program clients who are CSBG-eligible is equal to or greater than the proportion of program costs paid with CSBG funds (e.g., if 70% of program costs are paid from CSBG funds and 30% are paid from another source, at least 70% of the clients served must meet CSBG eligibility requirements); or
- the proportion of program staff time devoted to serving CSBG-eligible clients is equal to or greater than the proportion of program costs paid with CSBG funds (e.g., if 70% of program costs are paid from CSBG funds and 30% are paid from another source, at least 70% of staff time must be allocated to serving CSBG-eligible clients)

An eligible entity must require documentation that applicants for CSBG services/benefits live in the eligible entity's CSBG service area.

Applicants provide documentation of their current residential address. Examples of acceptable documentation include: copy of utility bill; lease or rental agreement; receipt from landlord of rent received; copy of mortgage statement; written statement from landlord affirming residency; or a letter from homeless shelter. Applicants who live with someone else and do not receive mail at that address may provide a signed, notarized letter from that person and documentation of that person's current residential address.

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

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

Staff, Board Members and Members of their Families: There is no prohibition against an eligible entity providing CSBG-funded services/benefits to members of its tripartite board, its staff or members of their families who apply for those services/benefits, provided that:

- (1) the applicant meets all applicable eligibility criteria for the services/benefits;
- (2) the applicant does not receive preferential treatment in receiving the services/benefits due to his or her connection with the eligible entity; and
- (3) the services/benefits are provided on terms similar to those provided to individuals who are not so connected to the entity.

Neither the applicant nor a member of his/her family should make the determination of whether the applicant is eligible for the CSBG-funded services/benefits.

Non-Citizens: OCS Information Memorandum 30 (September 30, 1998) states that non-citizens should not be banned from CSBG programs based solely on their alien status unless the exclusion is authorized by another statute.

Substance Abusers: There is no prohibition on the use of CSBG funds to provide services/benefits to substance abusers. A number of eligible entities use CSBG funds to provide substance abuse treatment or to provide additional services to clients in their substance abuse treatment programs.

Convicted Felons: Convicted felons are eligible for CSBG services. Indeed, a number of eligible entities use CSBG funds to provide prisoner re-entry services.

CSBG funds may be used to provide general information on services/benefits available in the community to low-income people and referrals to other providers of those services/benefits without an intake and eligibility screening process.

CSBG funds may be used to provide information and referrals, assuming the services are targeted to those who are CSBG-eligible. The very purpose of information and referral services is to connect people quickly and effectively to community, health and disaster services. Requiring individuals seeking general information and referrals to complete a detailed eligibility application would likely result in their turning elsewhere, thus defeating the purpose of providing information and referral services.

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

Eligible entities must conduct CSBG eligibility determinations in a manner that does not discriminate against applicants on the basis of race, color, national origin, age or disability. In addition, eligible entities that are religious organizations are prohibited from discriminating against applicants on the basis of religion.

It is not recommended that eligible entities deny CSBG services/benefits to applicants because they may be receiving similar services/benefits from another organization.

Eligible entities should gather information that will permit them to coordinate services/benefits with those provided by other entities. If an eligible entity determines that the client has less need for services/benefits than other clients due to receiving similar services elsewhere, the eligible entity could use this factor in determining the priority of that client. In addition, an eligible entity must take steps (including denying CSBG-funded services or benefits) to ensure that clients are not receiving duplicated CSBG-funded services or benefits from the eligible entity (for example, receiving the same services or benefits at multiple sites).

An eligible entity could include questions on its intake form about whether applicants for services/benefits have recently received or are currently receiving services/benefits that are similar to those for which they are applying from the eligible entity and, if so, what organization(s) or entity(ies) provided those services. These questions would be asked of all applicants for services/benefits. Answers provided by applicants could then be used to determine whether there are specific organizations with which the eligible entity should coordinate in providing services/benefits and whether additional releases are needed from applicants or clients to enable the eligible entity to contact those organizations to coordinate the provision of services/benefits to those particular applicants or clients.

Section 13: Results Oriented Management and Accountability (ROMA) System

ROMA

The Department has incorporated ROMA principles in the areas of reporting, community action plans, strategic planning, community needs assessment, goal and target setting, case management, and board trainings. Eligible entities report quarterly on outcomes for family, agency and community goals. This report format will be updated to include the new national performance goals implemented in January, 2017 under ROMA Next Generation.

The State CSBG Manager is a Nationally Certified ROMA Trainer and the three (3) CSBG Grants Analysts (2 program and 1 fiscal) are positioned to enter the Fall, 2017 class for NCRI certification.

The Arkansas Community Action Agency Association has one (1) Master NCRT on staff and there are fourteen (14) NCRTs who are on staff at the eligible entity level. Arkansas also is preparing for the certification over the next two years of an additional twenty (20) NCRI candidates at the eligible entity level.

There will be multiple state-wide ROMA focused trainings over the next twenty-four months as the State prepares to fully implement the changes from ROMA I to ROMA Next Gen. All of the state eligible entities have access to a ROMA trainer through this network of NCRTs and NCRIs that will be coordinated by the State Association in collaboration with the State Lead Agency.

In year two of this State Plan, the State will assign entities a goal for the number of persons to transition out of poverty each year. This will be defined as the household achieving an income above the 125% threshold for CSBG eligibility through use of agency wide bundling of case management services and programs.

All of the eligible entities can request training and technical assistance at any time in addition to the regular planned trainings.

Section 14: CSBG Programmatic Assurances and Information Narrative

CSBG Programmatic Assurances and Information Narrative

FEDERAL AND CSBG STATUTORY ASSURANCES

As required by Section 676 of the Community Services Block Grant, as amended (42 U.S.C. 9901 et seq.), the Arkansas Department of Human Services, Division of County Operations, Office of Community Services, as the designated State Lead Agency, hereby agrees to the Assurances in Section 676 of the Act, which includes the following:

A. Programmatic Assurances

Assurance 1 – “Use of Funds” - Section 676(b) (1)

An assurance that funds made available to the State Lead Agency will be used to support activities designed to assist low-income families and individuals, including families and individuals receiving assistance under part A of Title IV of the Social Security Act (42 U.S.C. 601 et seq.), homeless families and individuals, migrant or seasonal farm workers, and elderly low-income individuals and families; and a description of how such activities will enable the families and individuals to:

- ❖ remove obstacles and solve problems that block the achievement of self-sufficiency (including self-sufficiency for families and individuals who are attempting to transition off a State program carried out under part A of Title IV of the Social Security Act);
- ❖ secure and retain meaningful employment;
- ❖ attain an adequate education, with particular attention toward improving literacy skills of low-income families in the communities involved, which may include carrying out family literacy initiatives;
- ❖ make better use of available income;
- ❖ obtain and maintain adequate housing and a suitable living environment;
- ❖ obtain emergency assistance through loans, grants, or other means to meet immediate and urgent family and individual needs; other means to meet immediate and urgent family and individual needs;
- ❖ achieve greater participation in the affairs of the communities involved, including the development of public and private grassroots partnerships with local law enforcement agencies, local housing authorities, private foundations and other public and private partners to:
 1. document best practices based on successful grassroots intervention in urban areas, to develop methodologies for widespread replication; and
 2. strengthen and improve relationships with local law enforcement agencies, which may include participation in activities such as neighborhood or community policing efforts.

CSBG Programmatic Assurances and Information Narrative

Section 676(b) (1) (B)

An assurance that funds are used to address the needs of youth in low-income communities through youth development programs that support the primary role of the family, give priority to the prevention of youth problems and crime, promote increased community coordination and collaboration in meeting the needs of youth, and support development and expansion of innovative community-based youth development programs that have demonstrated success in preventing or reducing youth crime, such as programs for the establishment of violence-free zones that involve youth development, and intervention models, as well as after-school child care programs.

Section 676(b) (1) (C)

An assurance that funds will be used to make more effective use of, and to coordinate with, other programs related to the purposes of this subtitle (including State Welfare Reform efforts).

Assurance 2 – “Use of Discretionary Funds” - Section 676(b) (2)

An assurance that five percent of funds will be used in accordance with the Community Services Block Grant program, including innovative community and neighborhood-based initiatives related to the purposes of the Act such as:

- ❖ providing training and technical assistance to eligible entities in need of such training and assistance;
- ❖ coordinating State-operated programs and services, and at the option of the State, locally-operated programs and services targeted to low-income children and families, with services provided by eligible entities and other organizations funded under this subtitle, including detailing appropriate employees of State or local agencies to entities funded under this subtitle, to ensure increased access to services;
- ❖ supporting statewide coordination and communication among eligible entities;
- ❖ analyzing the distribution of funds made available under this subtitle within the State to determine if such funds have been targeted to the areas of greatest need;
- ❖ supporting asset-building programs for low-income individuals, such as programs supporting individual development accounts;
- ❖ supporting innovative programs and activities conducted by Community Action Agencies or other neighborhood-based organizations to eliminate poverty, promoting self-sufficiency, and promoting community revitalization;
- ❖ supporting State charity tax credits;
- ❖ supporting other activities, consistent with the purposes of this subtitle.

CSBG Programmatic Assurances and Information Narrative

Assurance 3 – “Secure Information From Eligible Entities” - Section 676(b) (3)

An assurance the State Lead Agency will provide the following information provided by eligible entities in the State, including:

- ❖ a description of the service delivery system, for services provided or coordinated with funds made available through grants made under 675C(a), targeted to low-income individuals and families in communities within the State;
- ❖ a description of how linkages will be developed to fill identified gaps in services, through the provision of information, referrals, case management and follow up consultations;
- ❖ a description of how funds made available through grants made under section 675(a) will be coordinated with other public and private resources; and
- ❖ a description of how local entities will use the funds to support innovative community and neighborhood-based initiatives related to the purposes of the Community Services Block Grant, which may include fatherhood initiatives and other initiatives with the goal of strengthening families and encouraging effective parenting.

Assurance 4 – “Nutrition and Emergency Assistance” - Section 676(b) (4)

An assurance that eligible entities in the State will provide, on an emergency basis, for the provision of such supplies and services, nutritious foods, and related services, as may be necessary to counteract conditions of starvation and malnutrition among low-income individuals.

Assurance 5 – “Coordination and Linkages” - Section 676 (b) (5)

An assurance that the State Lead Agency and eligible entities in the State will coordinate and establish linkages between governmental and other social services programs, to:

- ❖ assure the effective delivery of such services to low-income individuals and to avoid duplication of such services;
- ❖ coordinate the provision of employment and training activities in the State and in communities with entities providing activities through statewide and local workforce investment systems under the Workforce Investment Act of 1998.

CSBG Programmatic Assurances and Information Narrative

Assurance 6 - "Coordination of Anti-Poverty Programs" - Section 676(b) (6)

An assurance that the State Lead Agency will ensure coordination between antipoverty programs in each community in the State, and ensure, where appropriate, that Emergency Energy Crisis Intervention Programs under Title XXVI (relating to low-income home energy assistance) are conducted in such community.

Assurance 7 - "Cooperation With Federal Investigations" - Sections 676(b) (7)

An assurance that the State Lead Agency will permit and cooperate with Federal investigations undertaken in accordance with section 678D.

Assurance 8 - "Termination of Funding" - Sections 676(b) (8)

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

Assurance 9 - "Program Coordination and Partnerships" - Section 676(b) (9)

An assurance that the State Lead Agency and eligible entities will, to the maximum extent possible, coordinate programs with and form partnerships with other organizations serving low-income residents of the communities and members of the groups served by the State, including religious organizations, charitable groups, and community organizations.

Assurance 10 - "Petition for Board Representation" - Section 676(b) (10)

An assurance that the State will require each eligible entity in the State to establish procedures under which a low-income individual, community organization, or religious organization, or representative of low-income individuals that considers its organization, or low-income individuals, to be inadequately represented on the board (or other mechanism) of the eligible entity to petition for adequate representation.

CSBG Programmatic Assurances and Information Narrative

Assurance 11 – “Community Action Plan” - Section 676(b) (11)

An assurance that as a condition to receive Community Services Block Grant funding, the State Lead Agency will secure a Community Action Plan from each eligible entity in the State (which shall be submitted to the Secretary, at the request of the Secretary, with the State Plan) that includes a Community Needs Assessment for the community served, which may be coordinated with community-needs assessments conducted for other programs.

Assurance 12 – “Participation in ROMA” - Section 678E (b) of the Act.

An assurance that the State and all eligible entities in the State are participating in the Results Oriented Management and Accountability System as part of the Federal performance management system for the CSBG network.

Assurance 13 – “Implementation of Assurances- - Sections 676(b) (13)

An assurance that the State Lead Agency will provide information in this plan describing how the State will carry out the assurances in the Act.

Assurance 14 – “Child Support Referral”— Section 42 U.S.C. §9919(b)

An assurance that during each fiscal year for which an eligible entity receives a grant, such entity shall inform custodial parents in single-parent families that participate in CSBG-funded programs, activities, or services about the availability of child support services; and refer eligible parents to the child support offices of state and local governments

Section 15: Federal Certifications

CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grant, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Statement for Loan Guarantees and loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:
If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signature _____

Title _____

Organization DHS/DCO/Office of Community Services

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103227, Part C Environment Tobacco Smoke, also known as the Pro Children Act of 1994, requires that smoking not be permitted in any portion of any indoor routinely owned or leased or contracted for by an entity and used routinely or regularly for provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residence, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1000 per day and/or the imposition of an administrative compliance order on the responsible entity. By signing and submitting this application the applicant/grantee certifies that it will comply with the requirement of the Act.

The applicant/ grantee further agrees that it will require the language of this certification be included in any sub awards which contain provisions for the children's services and that all sub grantees shall certify accordingly.

Signature _____

Assistant Director _____

Title

DHS/DCO/Office of Community Services
Organization _____

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

Certification Regarding Debarment, Suspension, and Other Responsibility Matters—Primary Covered Transactions

Instructions for Certification

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant

may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

Certification Regarding Debarment, Suspension, and Other Responsibility Matters—Primary Covered Transactions

- (1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
 - (b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgement rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - (d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- (2) Where the prospective participant shall attach an explanation to this proposal.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transactions

Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered, transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, [[Page 33043]] should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it know that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transactions

- (1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Signature

Date

Section 16: Appendices

Appendix A

[CAA] Child Support Referral Policy

To ensure that the CSBG statute regarding child support referral procedures is being implemented within all CSBG supported programs, [CAA] has included this procedure in its intake process. During the client's initial intake, the client is asked if he or she is the custodial parent in a single-parent family. If this status is confirmed, then the caseworker/intake worker will:

- ❖ Inform the custodial parent about the availability of child support services.
- ❖ Refer the custodial parent to the [state child support enforcement agency].
- ❖ Have available for all clients the [state child support enforcement agency]'s [child support intake form & application for full child support services].

Staff should not act in a manner to be interpreted as giving legal advice but should assure that custodial parents in single-parent families are referred to the [state child support enforcement agency].

Appendix B

[CAA] Child Support Referral Procedure

If a client is a single parent, who has custody of a child under the age of 18 the client may be eligible for help from the state child support enforcement agency with obtaining child support from the father or mother of their child.

Assessing Eligibility

1. Your client indicated that they have custody of their child/children on the Intake Form:
2. Your client did NOT indicate that they are receiving child support as a source of income on the Income Verification Form
3. Provide the client with the following information about services provided by the state child support enforcement agency:
 - Locating a parent
 - Arranging for paternity testing
 - Establishing a support order
 - Enforcing a support order
4. Give the client a copy of the application for such services to be submitted to the [state child support enforcement agency]. www.childsupport@arkansas.gov
5. Fill out the For Staff Use Only portion of the entity Intake Form indicating whether a referral to the state child support enforcement agency was made and information regarding available services including a contact number for the agency and a copy of the application was provided to the client.
6. Enter any applicable tracking codes for the services rendered into entity's tracking software.

Appendix C

[CAA] Child Support Referral Notice

Are you a single parent who has custody of a child under the age of 18?

If you are, you may be eligible for help from the [state child support enforcement agency] with obtaining child support from the father or mother of your child.

What types of services would the [state child support enforcement agency] provide?

Some of the services the [state child support enforcement agency] provides to eligible parents include:

- Locating a parent
- Arranging for paternity testing
- Establishing a support order
- Enforcing a support order

How do I find out more?

We can provide you with information from the [state child support enforcement agency] which explains the services and eligibility requirements and includes a copy of the application to be submitted to the [state child support enforcement agency].

Ask a member of the [CAA] staff for more information or contact the [state child support enforcement agency] directly at:

State child support enforcement agency contact information www.childsupport@arkansas.gov.