

Appendix

Reference Items in CSBG Act, Civil Rights and Uniform Guidance used to document and establish CSBG Eligibility Section 673(2) of the CSBG Act, 42 U.S.C. § 9902(2)

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

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

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

- 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;
- 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;
- A greater use of innovative and effective community-based approaches to attacking the causes and effects of poverty and of community breakdown;
- 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
- A broadening of the resource base of programs directed to the elimination of poverty so as to secure a more active role in the provision of services for: private, religious, charitable, and neighborhood-based organizations; and individual citizens, and business, labor, and professional groups, who are able to influence the quantity and quality of opportunities and services for the poor.

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

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

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

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

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

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

45 C.F.R. § 1050.3(e)

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

Child Support Enforcement:

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

Confidentiality of Client Information:

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

Conflict of Interest:

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

Documentation and Record-Keeping Processes:

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

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

Performance Reporting Requirements:

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

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

Monitoring:

The [CSBG Act of 1998 Section 678B\(a\)\(1\)](#) of the CSBG Act requires that the State shall conduct a full onsite review of each CSBG recipient at least once every three (3) years. Monitoring is among the many block grant management responsibilities held by the State CSBG office. Monitoring can assist CSBG eligible entities, predominately CAAs, to continually improve outcomes as they strive to adopt high-impact strategies to end poverty. It is an important part of a strong partnership that should be forged between State CSBG offices and the CAAs to build capacity at the local level and to provide training and technical assistance to CAAs in working to eliminate poverty. State Associations are also an important part of the training and technical assistance needs that may arise from monitoring. Community Action leaders at the national, state, and local levels work together to ensure the Network is strong. Monitoring of CAAs is a state responsibility but strengthening the capacity of CAAs to develop a high-performing network is a shared responsibility among all members of the CAA Network.

Definition of Monitoring:

Monitoring is the review process used to determine a subrecipient's compliance with the requirements of a state or federal program, applicable laws, and regulations, and stated results and outcomes. Monitoring also includes the review of a subrecipient's internal controls to determine if the financial management and the accounting system are adequate to account for program funds in

accordance with state and federal requirements. Monitoring should result in the identification of areas of non-compliance with the expectation that corrective action will be taken to ensure compliance.

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

To increase accountability and achieve results, HHS/OCS launched several initiatives in 2012 that ultimately developed the current Performance Management Framework. The framework includes a set of organizational standards for CAAs, a new emphasis on analysis of data and achievement of results under ROMA, and the development of state and federal accountability measures. All elements of the framework are important for monitors to know and understand, the Organizational Standards which were released in January 2015. The Standards reflect many of the requirements of the CSBG Act, applicable Federal laws and regulations, good management practices, and the values of Community Action.

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

Audit Requirement:

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

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

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

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

Fiscal and programmatic review and monitoring are conducted throughout the year through a

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

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

Fiscal Review:

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

Training, Technical Assistance, and Other Activities:

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

Termination and Reduction of Funding:

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

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

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

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

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

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

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

Designation and Re-Designation:

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

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

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

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