



COLORADO
Department of Local Affairs

COMMUNITY SERVICES BLOCK GRANT (CSBG) PROGRAM IMPLEMENTATION MANUAL for ELIGIBLE ENTITIES

(County or Organization staff that manage CSBG grant funds)

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Introduction	2
Colorado CSBG Pass-Through Structure, Formula Allocation, and Public/Non-Profit/MCSA	3
Pass Through	3
Formula Allocation	3
Family/Agency/Community and Flexibility of Funding	3
Public/Non-Profit/MCSA Service Areas	4
Multi-County Service Agencies (MCSA)	4
MCSA Goals	4
Equity, Diversity, Inclusion and Accessibility	4
Federal and State Ongoing Guidance	5
CSBG Program Oversight Guiding Principles	5
POLICIES AND PROCEDURES	5
Documentation Policies	6
Documents Related to Program Administration	6
Client Intake	6
Client Income Eligibility Verification	7
Requirements for Proof of Residency	8
Discrimination on the Basis of Race, Color, or National Origin (including Limited English Proficiency)	9
Client Eligibility Recertification	9
Three-Year Application and Contract Cycle	10
Community Needs Assessment (CNA)	11
Community Action Plan (CAP)	11
Results Oriented Management and Accountability (ROMA)	12
Organizational Standards	14
GOVERNANCE	15
Tripartite Board Requirements	15
Advisory Boards/Committees as the Tripartite Board	16
Board Composition	16
Board/Committee Bylaws Requirements	18
Board Code of Ethics/Conflict of Interest	18
Filling Board/Committee Vacancies	19
Electronic Signatures	21
Personnel Policies and Procedures	21
FISCAL POLICIES AND PROCEDURES	23
Allocating Direct and Administrative Costs	26
Shared Direct Costs	27

Indirect Administrative and Facilities Costs	27
Federally Negotiated Indirect Cost Rate	27
Direct Allocation of Administrative and Facilities Expenses	28
Budgets	29
Budget Revisions	29
Matching Funds	29
Eligible Period for Use of Grant Funds	30
Service Date Guidelines for Operational Expenses	30
Ineligible Expenses	31
Personnel Expenses	31
Capital Purchases	32
CSBG Monitoring Guiding Principles	33
Audits and Financial Reviews	34
Risk Assessment	34
MONITORING	35
Three-Year Onsite Monitoring	36
Monitoring Letter	37
Termination of an Eligible Entity	39
2022 Revision	46
10/25/2021 Revision	46
7/20/2021 Revision	46

INTRODUCTION

This manual is a Community Services Block Grant (CSBG) program implementation guide developed by the Department of Local Affairs (DOLA), Division of Local Government (DLG) to assist Colorado CSBG eligible entities in the administration of federal CSBG funds.

The manual has three distinct programmatic purposes:

1. To give an overview of the CSBG program and its administration by CSBG Eligible Entities/CSBG subrecipients.
2. To provide guidance to CSBG program administrators to assist in developing policies and procedures appropriate to their specific programs.
3. To provide guidance on the three elements that govern program oversight by the Department of Local Affairs (DOLA or department): CSBG statute, contract with DOLA and federal organizational standards applied to the program.

This manual also describes how monitoring processes are used to support eligible entities in achieving successful program implementation in compliance with Community Services Block Grant (CSBG) statute, their contracts with DOLA and federally mandated organizational standards. The section was developed by the Department of Local Affairs (DOLA) Division of Local Government (DLG) to assist Colorado CSBG eligible entities in understanding the risk assessment and monitoring process used to evaluate program compliance.

The monitoring section has two distinct purposes:

1. To describe the risk assessment content and process used to assign a risk status to eligible entities.
2. To describe monitoring content and process for eligible entities, as well as the progression of steps engaged at the state level to seek resolution of compliance issues: corrective action, training/technical assistance plan and quality improvement plan. And to describe the organizational standards, content and process used as part of risk assessment and monitoring eligible entities.

Colorado CSBG Pass-Through Structure, Formula Allocation, and Public/Non-Profit/MCSA

Pass Through

The Colorado Department of Local Affairs (DOLA) is the pass-through entity for the federal Community Services Block Grant (CSBG) with the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Community Services (OCS).

Formula Allocation

Per statute, 90% of CSBG funds are allocated to the eligible entities via a formula, while up to 5% is used for state administration, and up to 5% can be retained by the state for discretionary awards. DOLA prioritizes the training, technical assistance and capacity needs of CSBG eligible entities as the primary priority for discretionary funding.

The 90% formulaic allocation is determined by a ratio that measures a service area's percentage of residents experiencing poverty as compared to Colorado's overall percentage of the population experiencing poverty (90%) and an inverse population density ratio (10%) that is maintained by the State Demographer's Office and is automatically updated regularly.

Family/Agency/Community and Flexibility of Funding

CSBG funds are allocated to eligible entities who work at the local level to fund specific CSBG allowable activities at the Family, Community, and/or Agency levels. Funding can address a variety of needs as identified in the Community Needs Assessment and Community Action Plan, making CSBG a flexible source of funding which can be used in a myriad of ways to alleviate the causes and conditions of poverty.

Public/Non-Profit/MCSA Service Areas

As the pass-through entity for the CSBG Program in Colorado, DOLA designates agencies throughout the state to serve as eligible entities for the program. These eligible entities are considered Public Community Action Programs (County Government or Council of Governments) or Community Action Agencies (Private Nonprofit 501c3 organizations). Requirements, policies, and procedures may differ slightly for Community Action Programs versus Community Action Agencies. In addition to these designations, eligible entities may also be considered **Multi-County Service Agencies (MCSA's)** which act as the CSBG eligible entity for multiple counties.

Multi-County Service Agencies (MCSA)

DOLA encourages collaboration between eligible entities that meet the following criteria:

- have existing geographic and/or programmatic synchronicities
- have existing relationships between service agencies
- may already be collaborating on other, similar programs in their respective service areas
- are interested in sharing administrative, fiscal and/or program duties

MCSA Goals

1. Reduce the administrative burden while maintaining accountability systems for eligible entities. Relative administrative burden is the highest for eligible entities with smaller CSBG allocations since there is typically less staff and other capacity available to administer the grant program.
2. Ensure the necessary resources via the formulaic distribution and in discretionary funds to ensure performance in the service area, especially more rural areas. The incentive of MCSA funds recognizes the additional effort leadership counties put into administering the program for multiple counties.
3. Provide support, training and technical assistance for MCSA's to be able to meet performance requirements and encourage regional approaches to issues of poverty. Collaboration can improve both service delivery and efficiency of grant programs. Larger counties often have more resources to meet the rigorous organizational standards set by the federal government to drive CSBG performance.

Equity, Diversity, Inclusion and Accessibility

The Department of Local Affairs establishes, maintains, and demonstrates equity, diversity, and inclusion as core agency values and proactively implements policies that foster these values and reflect our communities, which translates to a more positive customer experience for our diverse clientele.

Additionally, the Community Services Block Grant program staff at DOLA are committed to ensuring the program is accessible for eligible entities and clients and relevant parties to reach out with any accessibility needs or suggestions they may have.

Federal and State Ongoing Guidance

Federal agencies including the Office of Management and Budget (OMB) and OCS (through Dear Colleague Letters and Information Memorandums), and Presidential Administrations through Executive Orders, may provide additional guidance on federal program requirements and rules which should be followed as appropriate. DOLA CSBG staff also periodically release guidance through updates to this Program Manual, and Colorado CSBG Information Memorandums (IM's) which should be referenced for program changes, clarifications, and best practices.

This program manual along with DOLA Staff IM's and Correspondence attempts to clarify and outline major federal, state, and CSBG program requirements at a high level, however eligible entities are responsible for ensuring adherence to applicable regulations.

CSBG Program Oversight Guiding Principles

In keeping with Colorado's model of local control, DOLA works within the framework of federal program requirements from the U.S. Department of Health and Human Services to support eligible entities in implementing the CSBG program at the local level. Local program implementation should be in alignment with all applicable local policies and procedures, community needs, leadership and governance structure. DOLA recognizes that CSBG program implementation will vary across organizations due to differences in geography, areas served, community needs, capacity and local processes.

DOLA expects, however, that CSBG Eligible Entities will utilize this document to develop and implement written program policies and procedures to ensure effective administration of the CSBG program locally. Eligible entities with subrecipients subcontractors and/or subrecipients must also oversee their subrecipient agencies' compliance with the policies and procedures listed in this document. CSBG state staff are available to provide informal guidance, sample documents and training and technical assistance as needed.

POLICIES AND PROCEDURES

Each CSBG eligible entity must provide to DOLA a current, dated copy of local CSBG policies and procedures upon request and in the annual Organizational Standards assessment, which includes the date accepted/approved and minutes from the tripartite board meeting at which the policies and procedures were approved. Eligible entities will be monitored to ensure they are fulfilling their own local policies and procedures.

Policies and procedures must include:

1. Documentation Policies and Procedures
2. Client Intake and Client Income Verification Policies and Procedures
3. Performance Reporting
4. Human Resources Policies and Procedures
5. Nondiscrimination policies
6. Grievance Policies

7. Financial Policies and Procedures
8. Policies to Ensure Maximum Public Participation

DOCUMENTATION POLICIES

Documents Related to Program Administration

The following documents must be made available for public inspection at the eligible entity's central office at a reasonable time.

- Approved CSBG applications as submitted to DOLA.
- Articles of Incorporation, bylaws and board membership list.
- All contracts (including funding, consulting, goods and services and delegate contracts) pertaining to CSBG funds.
- All final reports (including audits) made to DOLA on projects funded with CSBG funds.
- Minutes of the meetings of the tripartite board or advisory council.
- Position titles, salary ranges and job descriptions for all compensated positions.
- All other information required by DOLA to be maintained by the eligible entities not otherwise exempt under Colorado Open Records Act (CORA).

If a CORA requests copies of a document, the eligible entity may request a reasonable fee not to exceed 7 cents per page after the first 20 pages, and/or \$30.00 per hour with the first hour of work being free. CORA recognizes that certain records contain private or privileged information. Content identified by the Act as exempt need not be disclosed.

Additionally, filing and records systems shall be put in place to ensure continual access to program and fiscal documents by leadership and program staff, including through staff emergency coverage and staff transitions.

Client Intake

CSBG eligible entities and subrecipients are expected to maintain files on clients served by the CSBG program for DOLA to confirm client eligibility and review use of funds in monitoring visits or upon request. Files are only required for clients who receive support through CSBG funds. However, programs may also make local decisions about whether to track applicants who are declined, what need they applied for and reason for denial (did not income qualify, lack of grant funds available, etc.) to use as part of community needs assessment and/or program evaluation. Please consult DOLA Information Memorandums (IMs) for further guidance on income qualification and verification requirements.

Client intake documents must solicit the following information:

- Date of application for support
- Applicant name and address
- Applicant gender, date of birth, disability status, health insurance status, education level (for household members whose age is equal to or greater than 24), family size, income and income types (source) for all household earners
- Applicant signature
- Income certification documents
- Name and title of the person performing the intake

A record of service provision must be included in the applicant/participant files of each eligible applicant/participant. The record must include the initial date of service and the services provided, as well as the date and services provided for on-going or repeated services. Records of service provision may be maintained electronically as long as the agency is able to maintain separate records on each program participant. DOLA encourages the incorporation of client assessments into the record of service provision.

Client Income Eligibility Verification

Each eligible entity is responsible for establishing, documenting, and adhering to its own income qualification policies and procedures which include how income is calculated, how long clients' qualifications apply, policies regarding recertification if applicable, and subrecipient income verification policies and procedures if applicable.

Client files must contain copies of documents used to certify income along with the staff calculation used to determine eligibility. If such documentation is not included, the file must contain a statement detailing the documents reviewed and how the household income was calculated. In the case of applicants reporting zero income, the file must contain a written explanation of why there is no income. A staff member must sign off on the income evaluation.

In determining household income, self-declaration of income must be used only as a method of last resort. If this method is used, notation must be on file stating the reason(s) why other verification methods could not be used. The signature of the applicant must appear on the self-declaration statement. A staff member must sign off on the self-declaration.

Typically, one-time non-cash benefits which are provided to people who are likely to meet the CSBG income eligibility requirements do not require validation of income when circumstances make it impossible or impracticable to obtain income documentation. Examples include homeless shelters and food banks; or services to children receiving SNAP benefits; and/or services that facilitate linkages and coordination of services to low-income people in the community. Ongoing services such as case management, employment training or educational/health classes typically require income validation.

Per the CSBG Act, CSBG program eligibility is limited to individuals who earn an annual household income at or below 125% Federal Poverty Level, which is released by the U.S. Department of Health and Human Services annually as published in the Federal Register. The guidelines are calculated on a sliding scale based on the number of persons in a client's family.

Unique situations, such as the CARES Act, may change the FPL for eligibility. Eligible entities and subrecipients are to comply with the most up-to-date legislation pertaining to this requirement.

When case management activities and other non-direct financial aid are funded by multiple funding streams, it is recommended that a pro rata share of cases qualifying at the 125% level be equivalent to, or greater than, the percent of CSBG funding supporting the activities.

The most current [Federal Poverty Guideline published annually by the US Department of](#)

[Health and Human Services in the Federal Register](#), typically in January, is the sole and only acceptable method of establishing financial eligibility. Community level activities generally do not require income eligibility processes, but should have documented procedures for targeting populations, areas and/or neighborhoods that are made up of individuals and households that would be income qualified.

Household Size

Eligible entities must determine how they define a household for the purpose of administering the local CSBG program and evaluating eligibility. In general, DOLA defines a household as an individual or group of individuals who are living together in a dwelling unit as one economic unit. Children receiving foster care services are allowed to represent a household of one for the purpose of eligibility determination.

Household Income

CSBG staff must verify income as established by the eligible entity within the program policies and procedures.

- **In general, household income includes** gross (pre-tax) income from employment, net income if self-employed, public assistance cash benefits, alimony, child support, net rental income, gaming or lottery winnings, SSI, interest, and taxable income. It is calculated without consideration of taxes paid or anticipated.
- **Household income does not include** capital gains; any assets drawn down as withdrawals from a bank, the sale of property, a house or a car, or tax refunds, gifts, loans, lump sum inheritances, one-time insurance payments, or compensation for injury. Also excluded are non-cash benefits, such as the employer-paid or union-paid portion of health insurance or other employee fringe benefits; food or housing received in lieu of wages; the value of food and fuel produced and consumed on farms; the imputed value of rent from owner-occupied non-farm or farm housing; and such Federal **non-cash benefit** programs as Medicare, Medicaid, food stamps, school lunches, and housing assistance, and certain disability payments made to disabled children of Vietnam veterans as prescribed by the Secretary of Veterans Affairs.

Requirements for Proof of Residency

The Office of Community Services (OCS) provided guidance in Informational Memorandum #30 that CSBG is not a public benefit program and does not require an affidavit of legal residency or the verification requirements published in the Federal Register on August 4, 1998 (63 FR 41662) in order to provide services to individuals. [OCS IM #30](#) also specifies that “non-citizens, regardless of their [immigration] status, should not be banned from Community Services Block Grant programs based solely on their [immigration] status unless such exclusion is already authorized by another statute.”

Residency in the service area of the eligible entity is not a requirement of the CSBG Program but may be a requirement of the eligible entity (as outlined locally in the eligible entity policies and procedures).

Discrimination on the Basis of Race, Color, or National Origin (including Limited English Proficiency)

[Title VI](#) protects people of every race, color, or national origin from discrimination in programs and activities that receive federal financial assistance from the U.S. Department of Health and Human Services (HHS). Section 1557 of the Affordable Care Act (ACA) also prohibits discrimination on the ground of race, color, or national origin, under “any health program or activity, any part of which is receiving Federal financial assistance ... or under any program or activity that is administered by an Executive agency or any entity established under [Title I of ACA]...”

A recipient of federal financial assistance (eligible entity, subrecipient) may not, based on race, color, or national origin:

- Deny services or other benefits provided as a part of health or human service programs
- Provide a different service or other benefit, or provide services or benefits in a different manner from those provided to others under the program
- Segregate or separately treat individuals in any matter related to the receipt of any service or other benefit
- Utilize criteria or methods of administration which subject individuals to discrimination
- Select a facility’s site or location that excludes individuals or denies them benefits
- Deny an individual an opportunity to participate on a planning or advisory board

Client Eligibility Recertification

All requirements applicable to eligibility certification, including income verification, apply to recertification. The criteria established by the eligible entity for income verification should be used for income recertification. Other pertinent information, such as household size, and address, should be updated as applicable.

The time period for which an applicant/participant is eligible for CSBG funded services and direct financial aid must be defined in the eligible entity’s written procedures and be uniformly applied. In lieu of a published definition of “eligibility period”, the eligible period is the same length as the period used for income verification, which is 12 months from the date of income verification.

Appeal Procedures

CSBG programs must notify clients whose applications are determined to be ineligible. Notification must include reason(s) for ineligibility. For those activities and services for which eligible applicants exceed capacity, the eligible entity must provide and follow a documented process for prioritizing applicants and for notifying applicants of their status.

Recipients must offer an appeal procedure which includes the process through which applicants for service are made aware of their right to appeal a decision related to their determination of eligibility or other official grievances.

Services to Ineligible Applicants

CSBG funded services provided for clients who are determined to be ineligible because their household income exceeds 125% (or current unique specified rate) of Federal Poverty Level may receive information, referrals and linkages.

Coordination of Services

CSBG eligible entities must assure coordination between anti-poverty programs in their community and emergency energy crisis intervention programs. DOLA requires the following:

- CSBG programs with relevant programs must maintain regular communication with area offices that distribute Low Income Home Energy Assistance (LIHEAP) and Workforce Innovation and Opportunity Act (WIOA) funds.
- CSBG programs must make reasonable efforts to establish procedures for sharing information on recipients of energy assistance services with local LIHEAP programs so that a duplication of services can be avoided.
- CSBG programs must make reasonable efforts to establish procedures for sharing information on recipients of employment services with local WIOA programs so that a duplication of services can be avoided.
- CSBG programs must identify and inform custodial parents in single-parent families that participate in CSBG programs about the availability of child support services, and refer eligible parents to the child support offices of State and local governments

DOLA staff may review efforts to coordinate services by working with State program administrators and through its monitoring of eligible entities.

Performance Requirements

The Community Services Block Grant Act requires each eligible entity to create and publish a Community Needs Assessment and Community Action Plan at least every three-years. The CSBG ACT 1998 Sec.676(b)(11) states “The State will secure from each eligible entity in the State, as a condition to receipt of funding by the entity through a community services block grant made under this subtitle for a program, a community action plan that includes an assessment for the community served.

Eligible entities are been charged with:

- Identifying community needs (as they relate to the elimination of poverty)
- Identifying community resources
- Developing a Community Action Plan that indicates what we will do and what we will accomplish, specifically with CSBG funds.

Three-Year Application and Contract Cycle

The CSBG application process for CO DOLA occurs every three years (October 2023 for the 2024-2026 Contract Cycle). Contracts include three program years and three federal fiscal years. Program years run from January 1 to December 31 of each calendar year.

2024-2026 Contract Cycle:

FFY 2024 Funds: Jan. 1, 2024 -December 31, 2024

FFY 2025 Funds: Jan. 1, 2025 - December 31, 2025

FFY 2026 Funds: Jan. 1, 2026 - December 31, 2026

Community Needs Assessment (CNA)

As required by the [CSBG Act Reauthorization of 1998](#), which updated the statutory requirements for CSBG, and as a condition of funding, eligible entities must submit a community needs assessment with their CSBG application. Community needs assessments align with Colorado CSBG core values in local control and create a pathway for the uniqueness of program design at the local level, based on specific community needs. A community needs assessment must contain all elements listed in the CSBG organizational standards, Category 3. These standards apply to both private (organization) and public (department) eligible entities. Category 3 standards are:

3.1 The organization/department conducted a community assessment and issued a report within the past 3 years.

3.2 As part of the community assessment, the organization/department collects and includes current data specific to poverty and its prevalence related to gender, age, and race/ethnicity for their service area(s).

3.3 The organization/department collects and analyzes both qualitative and quantitative data on its geographic service area(s) in the community assessment.

3.4 The community assessment includes key findings on the causes and conditions of poverty and the needs of the communities assessed.

3.5 The board/committee formally accepts the completed community assessment.

An addendum to the full community assessment detailing significant variances may be provided in intervening years. Legislation allows that the assessment may be coordinated with community assessments conducted for other programs.

Community Action Plan (CAP)

Eligible entities must have a community action plan (CAP) approved by its board/committee prior to submission to DOLA. The CAP should be completed and submitted at least every three years, usually in alignment with the 3-year contract application cycle.

The CAP must contain:

- Description of the expected outcome for the client or community
- Description of the measurement tool and process that will be used to determine success
- Description of how coordination will occur with other programs
- Description of how CSBG funds will be leveraged with other resources
- Description of any innovative initiatives being undertaken
- Outcome-based, anti-poverty focused and ties directly to community needs assessment

- Demonstrates full use of the ROMA cycle and use of a ROMA certified trainer (Organizational Standard 4.3)
- Accepted by tripartite board as documented in board minutes
- Contain a process for evaluating elements within the plan, summarized in a Results Oriented Management and Accountability (ROMA) Logic Model or some other planning document

Strategic Planning

Strategic planning is an organization/department-wide process that is led by the board/committee and is ongoing. Unlike the community action plan which looks specifically at the CSBG programs offered and draws from the community needs assessment, the strategic plan is an overarching document that looks at both internal functioning and the community's needs. The strategic plan sets the tone for how the organization/department will operate, the goals that will be achieved, identifies the person(s) responsible and includes how success will be measured. Strategic planning must encompass all elements listed in the CSBG organizational standards category 6 (see below). These standards apply to both private (organization) and public (department) eligible entities. For public eligible entities, the approved strategic plan may be focused on the purview of the advisory committee or the CSBG program specifically.

Organizational Standards in Category 6 that should be met:

- 6.1 The approved strategic plan or comparable document addresses the reduction of poverty, revitalization of low-income communities, and/or empowerment of people with low incomes to become more self-sufficient.
- 6.2 The approved strategic plan or comparable document contains family, agency and/or community goals.
- 6.3 Customer satisfaction data and consumer input, collected as part of the community assessment, is included in the strategic planning process, or comparable planning process.
- 6.4 The board/committee has received an update(s) on progress meeting the goals of the strategic plan or comparable planning document within the past 12 months.

Results Oriented Management and Accountability (ROMA)

All CSBG grant administrators should complete at least 8 hours of ROMA training in order to effectively manage the program. This requirement extends to all CSBG agencies, including both eligible entities and their subrecipients.

Performance Reporting Requirements

Performance reports consist of semiannual reports on program achievements and a year-end report known as the Annual Report that collects and reports data on the calendar program year.

Annual Report

Each CSBG eligible entity must submit annual reports in systems provided by DOLA on activities supported by CSBG grant funds.

- Non-profit eligible entities that receive CSBG funding directly from DOLA should report on all funds expended and all activities taking place during the program year, to include CSBG and other sources.
- Public entities, Councils of Governments, and subrecipient partners receiving CSBG funds should report only on activities directly connected to the CSBG funding within the agency.

Annual reports are due the last business day of February every year for the program period of January 1 to December 31 of the previous year.

Upon submission, the data review process will commence. Data will be validated by CCAA/DOLA prior to submission to OCS in March of the year of submission. OCS will then review the data and follow-up questions as needed. The timeline for this follow up and finalization by OCS varies from year to year. Additional guidance on the annual report can be found on the DOLA Grantee Resources page.

Semi Annual Report

Semiannual program reports are due on the last business day of July and January for the prior 6-month period. The CSBG Annual Report is typically due on the last business day of February in an online reporting system and covers the previous calendar year's reporting period. Agencies using CSBG funds must maintain documentation that can validate the information submitted in the program reports and Annual Report submission.

Consumer Input, Involvement and Community Engagement

Maximum feasible participation is a key aspect of CSBG which is rooted in the belief that people with low-income are in the best position to express what they need to make a difference in their lives. CSBG programs are required to demonstrate the participation of people with low-income in its activities, not just as clients, but as partners in program development. Consumer input and customer satisfaction efforts must encompass elements listed in the CSBG organizational standards.

Effectively partnering with public, private, and nonprofits in a community ensures that services are unduplicated and creates a system of services available to residents of the community with low-income. Partnerships may be accomplished through board representation as well as formal and informal partnerships. Community engagement efforts must encompass elements listed in the CSBG organizational standards.

Subrecipients

The ability for eligible entities to work with subrecipients in each community allows for specific needs to be supported directly and through linkages, and through localized support via subrecipients already familiar with the community's needs.

CSBG requirements pass-through the Eligible Entity to the subrecipient (other than Tripartite Board/Advisory Committee requirements). Eligible entities must monitor subrecipients annually around client income eligibility and programmatic and financial documentation. Subrecipients, at a minimum, should maintain client files that mirror the requirements for the eligible entities as detailed in the "Client Intake" section.

Organizational Standards

Under the block grant framework established in the CSBG Act, States have both the authority and the responsibility for effective oversight of eligible entities that receive CSBG funds. In 2012, the federal Office of Community Services (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. CSBG [Information Memorandum 138](#), issued by OCS in January 2015, states the process for implementing the standards and requires states to use the organizational standards to assess eligible entities beginning in 2016.

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

The Organizational Standards Annual Assessment is compiled by each eligible entity as they continually collect and update information to demonstrate they meet the CSBG Organizational Standards. The annual assessment requires that each Organizational Standard have documentation provided to show compliance and must be submitted to DOLA annually through the online system. Eligible Entities will need to demonstrate they meet all Standards annually. Many individual Standards require action on an annual basis, while others do so on a biannual, triennial, or even five-year span. There will be materials eligible entities will need to collect that may not change over a five-year period (e.g. bylaws, strategic plan). In addition, there will be documents that will need to be collected that may be created monthly (e.g. board minutes). There are certain documents that will be used to demonstrate the eligible entity meets multiple Standards. This tool is provided to be a guide to help agencies think about how to collect, store, and report needed materials over time, limiting duplication of effort.

Organizational Standards are due annually on the last business day of July in the online T.H.O. Software Solutions reporting system. An initial review will then be completed with notes on standards being found as “unmet” provided back to the eligible entity. The eligible entity will then have 30 days to respond and/or provide additional documentation. After this response to

the initial review is submitted the annual assessment will be finalized and the aggregated compliance rate will be used for the OLDC Annual Report Data by March 31st of the following year.

Complete compliance across all standards all the time is not expected. There should be continuous improvement to maintain compliance with the standards and to meet standards that are out of compliance. Some standards being unmet will require immediate action, such as not maintaining proper structure of the Tripartite Board/Committee. Continuous improvement and/or maintaining compliance with standards will be supported through Organizational Standards Compliance Plans developed by DOLA and the CCAA.

Organizational Standards use non-universal terms that need additional clarification to be applied to public entities administering a CSBG program such as Department, Strategic Planning, Low-Income Representative and Democratic Selection Process (all documented locally). Often Organizational Standards will be met through Tripartite Board/Advisory Committee Policies, Meeting Agendas, and/or Meeting Minutes.

Some Standards do not apply to Public Entities and are not assessed altogether (example Standard 8.8 payroll withholdings), while other Standards may not be applicable to Public Entities and can be marked as “Met” with a comment of “Not Applicable”. These standards will be noted during the annual training and technical assistance process for the Organizational Standards.

GOVERNANCE

Organizational leadership includes the board, executive and support staff and volunteers who interact with the CSBG program in an organization or department. Organizational leadership structure and processes must encompass all elements listed in the CSBG organizational standards, including Category 4. These standards apply to both private (organization) and public (department) eligible entities except where noted.

Tripartite Board Requirements

Per Section 676B of the CSBG Act Reauthorization of 1998, CSBG eligible entities are required to have governing boards (or in the case of a public eligible entity, an advisory committee). By statute, board of directors/advisory committees of CSBG eligible entities must fully participate in the development, planning, implementation and evaluation of programs and operations supported by CSBG funds.

Because the structure, roles and responsibilities of Tripartite Boards for private nonprofit governing boards, and public advisory boards and committees vary greatly, some of the organizational standards in this area differ for public agencies. Board structure and processes must encompass all elements listed in the CSBG organizational standards, including Category 5. These standards apply to both private (organization) and public (department) eligible entities except where noted.

The board/committee must be aware of CSBG’s role within the agency or organization and must receive all pertinent information related to CSBG grant operations, monitoring and reporting. The board/committee, as applicable, must be immediately informed of any sanctions or disciplinary action that DOLA takes against the eligible entity.

Eligible entities will provide DOLA with a current, dated copy of local CSBG board bylaws, policies and procedures upon request. Eligible entities will be monitored to ensure they are fulfilling their own local policies and procedures.

Advisory Boards/Committees as the Tripartite Board

In those communities where a political subdivision such as a county has been designated as the eligible entity, the governing officials are required to establish an advisory board or committee for the CSBG program. The advisory board/committee is constituted in the same manner as a governing board. Unlike the governing board, the advisory board/committee is not the source of all authority in the agency, nor is it the legal embodiment of the agency. The board's actual authority depends on the powers delegated to it by the governing officials of the political jurisdiction.

Advisory boards/committees must also demonstrate that members actively participate in the development, planning, implementation and evaluation of the community action plan. In some cases, the advisory board/committee may also oversee other programs for the County.

Board Composition

To receive or continue to receive CSBG funds, all eligible entities must comply with certain requirements pertaining to board composition and operation. Tripartite boards/advisory committees must have a minimum of three members chosen in compliance with the following:

1. No less than 1/3 of the members are representative of low-income individuals and families in the neighborhood/community served by the member. Representatives of low-income persons must be chosen in accordance with democratic selection procedures adequate to assure that they represent low-income persons in the geographic area served by the eligible entity.

Eligible entities must retain records documenting the democratic selection of low-income representatives seated on the board/committee. Among the selection procedures which may be used, either separately or in combination, are the following:

- Publication of the tripartite board/advisory committee vacancy in places that reach low-income community members such as program materials, agency lobbies, flyers distributed by case managers or other public venues.
 - Nominations and elections within the neighborhood, agency or community as a whole.
 - Selection at a meeting or conference of low-income persons, when the date, time and place of the meeting or conference have been adequately publicized to ensure access.
 - The process for selection of low-income community members must be consistent with local Boards and Commissions processes including announcement of vacancy, application, interview, recommendation and selection of board members.
2. One-third of the members are elected/public officials, holding office on the date of selection, or their representatives. Examples of elected officials and/or their offices

might include, but are not limited to, board of county commissioners, school boards, sheriff's office, town council, and other local offices as appropriate.

If the number of elected officials reasonably available and willing to serve on the board is less than one-third of the membership, another appointed public official or their representative may be counted in meeting such one-third requirement.

Both the elected and the appointed public officials selected to serve on the board must have either executive government responsibilities, or responsibilities which require them to be involved with poverty-related matters. Each public official may choose one representative to serve on the board, full-time on their behalf. This member need not be a public official themselves, but they assume the elected (or appointed) official's seat on the board.

Eligible entities that plan to seat an appointed public official or their representative, rather than an elected public official or their representative, must demonstrate reasonable attempts to seat an elected official and document the reason that an elected official is not available to serve.

3. The remaining 1/3 of the members are representatives of business, industry, labor, law enforcement, religious groups, welfare, education and other groups or interests in the community. These members are referred to as private sector representatives.

Each member of the board selected to represent a specific geographic area within the community must live or work within the area they represent. No person may serve on the eligible entity's board/committee that is an employee of the eligible entity or an employee of the eligible entity's CSBG subrecipients unless written conflict of interest procedures exist that require board members to absolve themselves from voting on decisions concerning their respective agency.

To ensure an independent body, board members may not be related to one another or to the executive director. The following individuals meet the definition of "related": domestic partner and biological, adoptive, foster or step-father, mother, brother, sister, aunt, uncle, first cousin, son, daughter, mother-in-law, father-in-law, brother-in-law, sister-in-law and grandparent.

Prospective board members should be informed of the eligible entity's expectations of their board and its members prior to their election or appointment to the board. New board members should receive an orientation and/or materials that include at minimum a program overview, schedule of meetings, Board bylaws, policies and procedures, current financial statements, community needs assessment, strategic plan, and community action plan within six months of being seated.

The appointment of advisory board members for public eligible entities must be consistent with local Boards and Commissions processes including announcement of vacancy, application, interview, recommendation and selection of members.

The appointment of tripartite board members for private eligible entities must be consistent with board bylaws including announcement of vacancy, application, interview, recommendation and selection of members.

Board/Committee Bylaws Requirements

Eligible entities will ensure that DOLA is provided a current, dated copy of approved bylaws upon request. Eligible entities will be monitored to ensure they are fulfilling their own local bylaws. The board/committee will develop and approve bylaws by which the board/committee will operate. Bylaws should include:

- Total number of seats on the board/committee and the allotment of seats to public officials, representatives of low-income individuals and private sector representatives.
- Defined terms for each member position. Term limits, if applicable, may be expressed as multiple terms.
- The quorum for a meeting should be at least fifty (50) percent of the non-vacant seats on the board, unless otherwise stated in bylaws. Establishing a quorum for each meeting should be a standard notation in board/committee meeting minutes.
- Procedures for the recruitment and selection of board/committee members should ensure that the low-income community will be represented as feasible.
- Requirement that governing boards elect (vote to seat) all members, no matter the selection method used to identify prospective members. Procedures limit votes to one per person. Advisory committees may be seated by the Board of County Commissioners without the vote of the committee based on local policies and procedures.
- Representatives of the Low-Income sector of the board/committee should be seated based upon a democratic selection process based on local policies and procedures.
- Performance standards such as attendance and standards of conduct for members of the board, the violation of which may be grounds for removal.
- Specific procedures to be followed for the removal of board members.
- Procedures for recruiting and selecting new board members in the case of a vacancy on the board.
- Conflict of Interest policy and process that is conducted at least every two years for seated board/advisory members, and upon initial seating of new board/advisory members.

Procedures must be established within bylaws under which a low-income individual, community organization or religious organization or representatives of low-income individuals that consider their organization or low-income individuals to be inadequately represented on the board of the eligible entity, may petition for adequate representation.

Board Code of Ethics/Conflict of Interest

Eligible entities must develop written policies which observe Colorado state Code of Ethics as set forth at 24-18-101, C.R.S., et. Seq. concerning public employees and the following minimum standards governing the conduct of board/advisory members, employees and their immediate families.

Board/advisory members, employees and members of their immediate families may not solicit or accept gifts, gratuities, or favors of a monetary value which exceeds state law limits and in accordance with the Colorado ethics laws, from:

- Any contractor, potential contractor or subcontractor of the eligible entity.
- Any person applying for or receiving benefits or services through or from the eligible entity.
- Any person in a position to benefit otherwise from the activities of the eligible entity.

Any board/advisory member, employee or member of their family having a financial interest in a contract with the eligible entity which is supported by CSBG funds must make complete disclosure of such interest to a responsible and objective eligible entity official.

A board/advisory committee member or employee of an eligible entity will refrain from all participation in any matter involving CSBG funds which affect, to their knowledge, the financial interest of:

- Their business partner(s) or a business organization with which they are associated.
- Any person or organization with whom they are negotiating or has any arrangement concerning prospective employment.

All members of the tripartite board/committee must disclose any conflict of interest to the tripartite board/committee staff representative and must not vote on any matter or make any recommendations or influence the decisions of other members when a conflict of interest exists as set forth in the bylaws. Members and employees of eligible entities must refrain from conduct which violates any of the above standards or gives the appearance of violating the standards.

Filling Board/Committee Vacancies

A vacancy occurs on the tripartite board/advisory committee when a term has expired, a member has been notified of their official removal by the board/committee, a member submits their resignation, a member dies, a member who is an elected public official leaves office, or a member who is an appointed public official is removed from office, or a member is the representative of a public official and the public official leaves office. Eligible entities will notify DOLA in their next Semi Annual Program Report and will actively work to fill the position within 90 days. If the position cannot be filled within 90 days, the eligible entity will submit to DOLA an explanation and action plan for filling the vacancy with their Semi Annual Program Report. Tripartite Board/Advisory Committee vacancies must be filled within 18 months. If the vacancy is not filled within 18 months the eligible entity will be considered out of compliance with the CSBG Act requirements and a Technical Assistance Plan will need to be put in place.

When the seat of a representative of a public official becomes vacant, the board may request that the public official, or appointing authority, name a replacement. Alternatively, they may request a different public elected official to fill the position themselves or identify a designee to fill the position.

When the seat of a representative of low-income persons becomes vacant, the bylaws may include the following methods for filling a vacancy: the selection procedure may be repeated or alternately, the remaining low-income representatives may select a replacement to serve for the remainder of the term. In the latter case, the person selected will, to the maximum extent possible, represent the same constituency as the original representative.

When the seat of a representative of the private sector becomes vacant, the board/committee may consider its skill set requirements and recruit accordingly.

Frequency of Meetings

It is recommended that the board/committee meet on a regular basis. At a minimum, the

board/committee must meet two (2) times during the CSBG program year unless more meetings are required in the bylaws. The board/committee must keep written minutes for each meeting, even if a quorum is not present. Minutes are to be made available to the public upon request.

Meeting notices, agendas, minutes, and financial reports received by the board, must be submitted to DOLA with the annual Organizational Standards assessment. Voting by proxy is not permitted at meetings of the board/committee.

Any decision, policy change or action by the staff/board/advisory committee which would result in a change in the contracted program scope of work or in the approved budget categories, beyond the allowable variance of 10% of annual amount, must be reported to DOLA within ten business (10) days of the board/committee action. Examples of such policy changes or actions can include, but are not limited to, addition or deletion of programs or staff positions supported wholly or partly with CSBG funds. These changes will not go into effect until a request for contract amendment is submitted, agreed upon by all parties, and fully executed.

Each eligible entity should establish and maintain a calendar of activities which will ensure that the board/committee annually participates actively in the development, planning and implementation and evaluation of programs funded with CSBG. Items requiring annual review/updates include:

- Eligible Entity's accomplishments and the community action plan along with analyzing outcomes and making strategic program adjustments/improvements.
- Board/committee bylaws and membership updates along with annual certification of board/committee compliance with CSBG Act Tripartite Board/Committee Structure requirements.
- Annual performance appraisal and approval of annual compensation of the eligible entity's CEO/executive director (public agencies exempt).
- An analysis of customer satisfaction data.
- An update(s) on progress meeting the goals of the applicable strategic plan.
- Program and Financial Reports should be provided at every board/committee meeting
- The agency or public entity's Audit/Financial Review along with any CSBG related findings and/or corrective actions required.
- Annually approves an organization-wide budget (public agencies exempt).

Allowable Board Costs

Board/committee members and their families should not enjoy any financial gain from their position, including receipt of salary, goods or special services for their board/committee participation.

The following board/committee costs are allowed:

- Board/advisory committee members may be reimbursed for expenses associated with board service, such as incidental costs of supplies, or mileage, per diem, and lodging expenses incurred while attending out of town conferences or training.
- Reasonable cost of necessary meals furnished by the eligible entity for participating in scheduled meetings. Such costs are allowable only if the board/committee members are not reimbursed as per diem or otherwise.

Information Memorandum #82 recommends against paying board/advisory members. An eligible entity should also consider the implications of paying board/committee members under local laws and government policies with an attorney licensed in Colorado.

Board/Committee Training

Eligible Entities should have a documented process that ensures initial and continued board/committee training to include, as applicable: board/committee responsibilities including program oversight and fiduciary responsibilities, results oriented management and accountability (ROMA), program and services information, the causes and effects of poverty, emerging issues and the origin, source and impact of CSBG funding.

Board Oversight of Nonprofit Management Processes (not applicable to public entities)

The governing board of each private, non-profit eligible entity will conduct an annual performance evaluation of the eligible entity's executive director. Evidence of the evaluation should appear in Tripartite Board meeting minutes.

A succession plan for the position of CEO/executive director must be included in an eligible entity's operating documents. This plan must, at a minimum, address a hiring process to be used to employ an executive director and a current job description for the position. Board approval of the plan is required of private, non-profit eligible entities.

OPERATIONS

Electronic Signatures

Electronic signatures (or e-signatures) are permitted on agreements, program documents, and client documentation instead of a manual signature to the extent permitted by law.

Personnel Policies and Procedures

Upon request, each eligible entity must provide DOLA with published personnel policies and procedures that outline consistent and equitable treatment of employees and ensure that all employees fully understand the terms and conditions of their employment. Eligible entities will be monitored to ensure they are fulfilling their own local policies and procedures. Personnel policies and procedures must contain all elements listed in the CSBG Organizational Standards including:

- Agency rules governing vacations, sick leave, periodic salary increases, and other conditions of employment.
- A description of any benefit plans with details on eligible entity and employee contributions to those plans.
- Any rules governing promotion, separation, resolution of grievances, and employee conduct.

- Orientation and regular professional development and training opportunities.

Eligible Entities must adhere to the following standards governing the selection of personnel for employment in CSBG-supported programs.

- Each eligible entity will employ persons who can perform their duties with competence.
- Every consideration must be given to providing employment opportunities to qualified low-income persons.
- Eligible entity hiring practices should be informed and guided by Diversity, Equity, Inclusiveness, and Belonging (DEIB) principles.
- No eligible entity will discriminate in its hiring and personnel procedures against any applicant for employment or any employee because of race, color, religion, national origin, age, sex, marital status, ancestry, physical or mental disability, veteran status, gender identity, sexual orientation, or any other legally protected characteristic.

Eligible Entities must adhere to the following practices:

- The salary for each position should be in accordance with prevailing practice in comparable local public or private nonprofit agencies
- Time sheets and time allocation records for all employees must be maintained and must be signed by both the employee and the employee's supervisor
- An eligible entity may provide for periodic salary increases that are in accordance with prevailing practice in comparable local public or private nonprofit agencies
- Eligible entities must have an established employee grievance procedure. Employee grievances must be given prompt and fair consideration. Eligible entities will make provision for review of personnel actions by the governing body in any case in which there is a claim of unfair treatment or of dismissal without cause.

Eligible entities will maintain an employee-signed and dated job description indicating current tasks for which the employee is held accountable. Eligible entities must make available the [Community Action Code of Ethics](#) to staff and board/committee members working on the CSBG Program.

Responsible Administrators and Key Personnel

Following a voluntary resignation or involuntary termination or the hire of key leadership positions listed below, DOLA should be informed when it occurs if it is the responsible administrator. Otherwise, the eligible entity must advise DOLA of the change in the subsequent Semi Annual Program Report. Key personnel include (but are not limited to):

- Chief Elected Official
- Responsible Administrator
- Executive Director/ CEO
- Program Fiscal Officer
- Program Manager
- Executive Director
- Chief Financial Officer
- Tripartite Board or Advisory Committee Chair

The Responsible Administrator is listed in the contract. The individual in that role carries responsibility for administering the program effectively and is authorized to sign program and

financial reports. In the case that the Responsible Administrator changes, the organization's Board of Directors Chair/President (in the case of a private non-profit eligible entity) or Department Head (in the case of a public or quasi-public eligible entity) should provide a signed letter identifying the new Responsible Administrator for the CSBG contract. In the same letter, the Board of Directors Chair/President (private non-profit eligible entity), Department Head (public or quasi-public eligible entity), or someone designated to sign on their behalf can identify other individuals they authorize to sign request for reimbursement forms, program reporting forms, or request contract amendments.

FISCAL POLICIES AND PROCEDURES

Eligible entities will provide DOLA with operations/accounting policies and procedures that detail all fiscal policies and procedures for the eligible entity, including maintenance of records, procedures for disbursement, procurement procedures, and all other relevant policies and procedures, upon request. Eligible entities will be monitored to ensure they are fulfilling their own local policies and procedures as well as federal uniform guidance found in [45 CFR Part 75](#) and [2 CFR Part 200](#). Follow HHS' version of UG (45 CFR Part 75). HHS' version of UG was approved by the Office of Management and Budget (OMB) and is aware of differences adopted by HHS.

As a condition for receipt of CSBG funds, eligible entities must have a financial management system that meets the following standards. Financial systems must ensure that each eligible entity will:

- Be able to make accurate, current, and complete disclosure of each CSBG award.
- Maintain records that adequately identify the source and application of funds for each CSBG award.
- Maintain effective control of all funds, property, and other assets, adequately safeguard all such assets, and assure that they are used solely for authorized purposes.
- Have established procedures for determining the reasonability, allowability, and allocability of costs in accordance with the provisions of the applicable cost principle and terms of the contract.
- Make comparison of actual outlays with budget amounts for each grant or other agreement.
- Maintain accounting that is supported by source documentation.
- Have in place a systematic method to assure timely and appropriate resolution of audit findings and recommendations.
- Provide assurance that any agency sub-awarded CSBG funds by the eligible entity must have a financial system which meets these CSBG financial systems requirements.

Eligible Entities are recommended but not required by DOLA to procure fidelity bonding or other protection covering those who are authorized to sign checks, certify vouchers and/or handle or control funds (beyond petty cash), checks, securities, or property.

Insurance Requirements

Each eligible entity shall maintain at all times during the term of this Grant such liability insurance, by commercial policy or self-insurance, as is necessary to meet its liabilities under the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S. (the "GIA"). Eligible

entities shall ensure that any Subcontractors maintain all insurance customary for the completion of the Work done by that Subcontractor and as required by the State or the GIA.

All public eligible entities must maintain at all times liability insurance to meet the Colorado Governmental Immunity Act either by purchase through a commercial policy or self-insurance. Additionally, the local government must maintain:

- **Workers' Compensation Insurance**
- **Commercial General Liability** needed if the work is being completed under the direction of a General Contractor
- **Automobile Liability Insurance**
- **Professional Liability Insurance**
- **Builder's Risk Insurance** needed on construction or rehabilitation of real property.
- **Umbrella/excess liability insurance** needs to be maintained for construction projects exceeding \$10,000,000 in total
- **Property insurance**
- **Flood insurance** only applies to buildings and improvements on real property in federally designated flood areas.
- **Pollution Liability** only needed if grant addresses pollution or environmental hazards.
- **Additionally Insured** - the State needs to be added if the eligible entity is completing work
- All evidence of insurance must be kept on file by the eligible entity and made available for inspection if requested by DOLA.

Request for Reimbursement

Eligible entities must report CSBG expenditures using the Request for Reimbursement Form as provided by DOLA to summarize financial information and transactions for each CSBG award, report the status of grant cash received and requested reimbursements.

DOLA provides eligible entities with a standard [reimbursement request form](#) (cover sheet), [instructions](#), and a DOLA-approved monthly expense summary. Requests for reimbursement are to be submitted in the grants portal along with a cover sheet and backup documentation.

Quarterly reimbursement requests/reports are due the last business day of April, July, October, and January for the prior 3-month period. Eligible entities receiving more than \$100,000 annually are requested to submit monthly on or by the last business day of every month.

Backup documentation consists of:

- Request for Reimbursement Form (cover sheet).
- General Ledger from the time period of the reimbursement request. This should include date of invoice, date of payment, vendor, amount and purpose of expense.
- Monthly Cost Summary - identifying each item by category (salary, fringe, indirect costs, rent, etc.), if this detail is not captured in the General Ledger.
- General Ledger payroll detail with fringe benefits from the time period of the reimbursement request, if claiming reimbursement for payroll costs.

If you are requesting reimbursement for subrecipients, please also include:

- Proof of payment to subrecipients by the County or Organization.
- Detailed invoice from the subrecipients, listing specific expenditures via general ledger and/or monthly cost summary.

Regarding additional information:

- *Do not include program or client information in monthly submissions.* This includes items such as copies of intake forms, affidavits of legal residency, letters from landlords/utility companies/medical providers or other client-specific forms. These forms should be retained in client files and be available for review if there are questions about client or expense eligibility. [See HHS Privacy Act for additional details.](#)

Requests for Reimbursement that are late or require correction or additional information delay the processing of payments. In the event that a report is late or inaccurate, payment may not be made until the report is corrected, received, and verified as accurate.

At the point that all funds for a particular contract have been requested for reimbursement, the eligible entity must submit a grants portal request for reimbursement which clearly identifies that this is a “FINAL” Request to DOLA by checking the box in the portal. Additionally, funding spent-down for each federal fiscal year should be tracked by the eligible entity.

Retention of Records

Financial records, supporting documents, statistical records and all other records, in whatever format pertinent to a CSBG grant award are covered by these retention requirements:

- Records must be retained for a minimum of five (5) years, or longer if required by law.
- If any litigation, claim or audit has not been fully resolved before the expiration of the five (5) year period, all relevant records must be retained until one (1) year after the resolution of such litigation, claim or audit.
- The retention period starts ninety (90) days after the end date of the grant period.
- Eligible entities and their subrecipients must provide appropriate DOLA staff with access to all books, records, documents and compilations of data relating to CSBG supported activities.

Carry-over Funds

The CSBG program year is January 1 - December 31. Any funds not obligated by an eligible entity at the conclusion of the grant period must be rolled over into the following grant year. These funds must be fully expended no later than March 30 of that year; if an eligible entity does not spend the full allocation by March 30, they must submit a spending plan by that date which includes monthly projections to ensure those funds will be spent by the federal deadline of September 30.

DOLA may recapture and redistribute funds distributed to an eligible entity that are unobligated at the end of a fiscal year if such unobligated funds exceed 20 percent of the amount so distributed to such eligible entity for such fiscal year.¹

¹ [CSBG Act Reauthorization of 1998](#), Section 675C.a.3.A

Allocating Direct and Administrative Costs

Direct costs are expenses that are associated with the delivery of the projects, services, or activities of the CSBG program that are directly attributable to CSBG programming. These direct costs could include salaries and benefits of program staff and managers, equipment, training, supplies, conferences, travel and contracts, and other expenses as long those expenses are reasonable and necessary for carrying out the CSBG program. All direct costs must adhere to the HHS grant guidance (45 CFR Part 75). These costs may include cost-allocated expenses such as facilities, legal, accounting, information/technology or other program costs as outlined in [CSBG Information Memorandum \(IM\) 37](#) as long as such costs are not included in an indirect cost rate. Notably, this IM also asserts that “CSBG funds do remain subject to the standard grant policy prohibition against “cost shifting.”

The CSBG Act allows for a broad range of activities to meet the goals of helping low-income families move towards self-sufficiency and the revitalization of low-income communities, including programs to “strengthen community capabilities for planning and coordination, organizing a range of services, and broadening the base of resources” to address poverty. This allows for CSBG funds to be used for expenses with characteristics that are typical of administrative costs but should be considered as direct costs for CSBG purposes. Informational Memorandum #37 provides additional guidance on the CSBG specific distinctions between direct and administrative costs and includes these specific examples of costs that should be considered direct costs.

- CSBG funds used to create and maintain a computer network among multiple service providers
- CSBG funds used to develop and operate a one-stop family center that houses multiple providers

Allocating Direct Costs

Direct and Cost Allocated Personnel: Salary, wages, and benefits may be substantiated by timesheets directly tracking time spent on CSBG eligible activities and general ledger payroll detail with fringe benefits from the time period of the reimbursement request.

- Alternatively, a cost allocation method (not tracked by timesheets) may be substantiated by another connection to benefit of the CSBG program, for example basing time and effort on percentage of population served that is income qualified for CSBG, which must be clear, documented, and/or included in a cost allocation plan.

Travel and Training: Travel and training costs related to CSBG activities may be cost allocated or may be charged directly to CSBG based upon the activity furthering the purposes of the federal CSBG program locally.

Supplies (including computer purchases below capital expenditure threshold): Supplies costs related to CSBG activities may be cost allocated or may be charged directly to CSBG based upon the activity furthering the purposes of the federal CSBG program locally.

Services: Under certain circumstances, individual level determination of income eligibility may not be required. For example, services which are provided on an individual basis, but

circumstances make it infeasible or unreasonable 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 food pantry open to individuals and families living in a census tract with area median income at or below the CSBG income eligibility limit, may have a cost sharing basis that is not based on family level income verification. Some transportation services may also fit this description.

Direct client services and subrecipient client services costs related to CSBG activities may be cost allocated or may be charged directly to CSBG based upon the activity furthering the purposes of the federal CSBG program locally. Cost sharing may be based upon the percentage of the population served that is eligible for the CSBG program or other method such as square footage, clients served, etc.

Shared Direct Costs

Shared direct costs are direct costs that benefit multiple programs. In cases where programs or expenses benefit both CSBG eligible and non-CSBG eligible customers, eligible entities will need to provide documentation to support the allocation of CSBG eligible expenses to the CSBG program.

Indirect versus Direct Allocation of Administrative and Facilities Costs

Indirect Administrative and Facilities Costs

Indirect facilities and administrative costs are expenses that can be assigned to a specific purpose or funding source based on their actual benefit to each program using an federally negotiated indirect cost rate, 10% de minimis, or cost allocation plan. These costs relate to the general management of the organization such as strategic direction, accounting, and facilities costs. Eligible entities may use any of the following methods to request reimbursement for their facilities and administrative costs. *Please see the Subrecipient section of the Program Implementation Manual for guidance on indirect costs as they pertain to subrecipients.*

Federally Negotiated Indirect Cost Rate

Eligible entities that have negotiated an indirect cost rate with a federal entity must use that rate to request reimbursement for their administrative expenses. DOLA is unable to accept an indirect cost rate that was negotiated with another state agency at this time. Therefore, a subrecipient may not have a negotiated indirect cost rate with one state agency and the 10% de minimis rate with DOLA for CSBG. As such, if an eligible entity has a negotiated rate with another state department, the Colorado Department of Local Affairs will negotiate its own rate with the eligible entity. For further information reference [2 CFR 200 Frequently Asked](#)

[Questions.](#)²

10% De Minimis Indirect Cost Rate - HHS grant guidance allows entities that have never had a federally negotiated indirect rate to use the 10% de minimis as an indirect cost rate. The base for this rate must be the Modified Total Direct Costs as defined in 45 CFR Part 75.2.

Per 45 CFR Part 75.414:

(f) In addition to the procedures outlined in the appendices in paragraph (e) of this section, any non-Federal entity that has never received a negotiated indirect cost rate, except for those non-Federal entities described in paragraphs (c)(1)(i) and (ii) of this section and section (D)(1)(b) of appendix VII to this part, may elect to charge a de minimis rate of 10% of modified total direct costs (MTDC) which may be used indefinitely. As described in § 75.403, costs must be consistently charged as either indirect or direct costs, but may not be double charged or inconsistently charged as both. If chosen, this methodology once elected must be used consistently for all Federal awards until such time as a non-Federal entity chooses to negotiate for a rate, which the non-Federal entity may apply to do at any time.

Once the entity chooses a negotiated rate, it cannot go back to the de minimis rate. The entity may elect to negotiate a rate with OCS if they choose. As stated in Uniform Guidance, the de minimis rate must be used consistently for all Federal awards.

Direct Allocation of Administrative and Facilities Expenses

HHS grant guidance allows eligible entities to directly allocate organizational administrative costs. Eligible entities that use this method must provide sufficient documentation to support allocations being made, which should include a Cost Allocation Plan. Eligible entity cost allocation plans should include the following information:

- How expenses are allocated
- When expenses are allocated and how frequently the cost allocation plan is updated
- Who determines allowability and allocability
- What costs are being allocated and the basis used to allocate those administrative costs across funding sources

Additionally, to carry out the requirement of the federal uniform guidance and federal programs, a cost allocation plan should:

- List the sources of federal and other revenue for the program, supported by historical or other data to substantiate the amounts
- Describe how many of the cost allocation basis units (ie: recipients, building space, etc) are covered by federal funds in the cost allocation plan if the agency is utilizing funds from more than one source
- Describe the methods used to determine the allocation of the costs of shared resources to various funding sources
- Specify the basis for allocating costs within specific cost categories (e.g., personnel, space, supplies) and provide a description for how expenditures within the major cost categories will be allocated and recorded in the eligible entity's accounting system

Elect Not to Recover Administrative Costs

² Updated: July 2017 For The Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (FAQ .331-9 Negotiating Indirect Costs with State Agencies).

Eligible entities may elect not to recover funds for the administrative costs associated with managing the CSBG program and cover those expenses with local resources.

For CSBG eligible entities using one of the above methods to claim administrative expenses, DOLA will review budgets to ensure proper cost allocation.

Financial Documentation

Budgets

Budgets are used for planning purposes and are submitted prior to the CSBG Program Year (January 1 - December 31) for the Federal Fiscal Year Allocation (or anticipated allocation) using the template provided by DOLA. The budget categories in the budget template correspond with the eligible expenses in Exhibit B of the contract. Expenses listed in the budget should be specific enough to allow DOLA staff to understand the planned expenditures prior to the start of the year and provide feedback to eligible entities on the allowability of the planned costs. Any capital expenditures planned for the program year should be listed clearly in the budget and will require a response from DOLA approving the budget before those items are purchased, as approval for capital expenditures are required by the HHS grant guidance (45 Part 75.439(b)(1)). See Capital Purchases section below for further guidance.

Eligible entities must be able to develop reports to compare actual expenditures with the CSBG budget submitted to DOLA, as required by the HHS grant guidance (45 Part 75.302(b)(5)).

In the budget, eligible entities will be required to identify how they will request reimbursement for the facilities and administrative expenses associated with implementing the CSBG program and provide documentation to support it.

- **Federally Negotiated Indirect Cost Rate** - Entities using a federally negotiated indirect rate must submit their documentation for that rate with the budget.
- **10% de minimis** - Entities using the 10% de minimis must submit a letter from their finance department confirming that they are using that method and are eligible to do so.
- **Direct Allocation of Administrative Expenses** - Entities using a direct allocation method to request reimbursement for their administrative expenses must submit their cost allocation plan along with their budget.
- **No Administrative Cost Recovery** - Entities who will not be requesting reimbursement for administrative expenses will not be required to submit any supporting documentation with their budget.

Budget Revisions

Eligible entities can make revisions to the budget and will be required to submit a revised budget to DOLA if the entity will be moving more than 10% of their total annual amount between budget categories or the budget changes include any new capital expenditures. Eligible entities should follow their own policies and processes for involving the Tripartite Board or Advisory Committee in the budget change, understanding the requirement in the CSBG Act that the board or advisory committee “fully participates in the development,

planning, implementation, and evaluation of the program.”

Matching Funds

The use of federal funds such as CSBG as matching of funds for another federal program is not permitted unless explicitly allowed by federal statute. [CSBG Information Memorandum \(IM\)135](#) gives guidance for using CSBG funds to match McKinney Vento Act funds for the purpose of homelessness assistance programs. Eligible entities are not required to provide a local match for the purpose of applying for and accepting CSBG funds.

Eligible Expenditures

Expenditures must be in accordance with the eligible expense categories listed in the contract scope of work as detailed in Exhibit B. Expense categories must be listed in the contract scope of work to be eligible for reimbursement even if they are listed in the budget submitted annually. Expenses must be within the period of performance, necessary and reasonable, consistent with the policies and procedures of the eligible entity, and adequately documented. Additional factors that affect allowability are found in the HHS grant guidance (45 Part 75.403).

If an eligible entity expends grant funds contrary to the provision of the grant award, such action will be denied or require the repayment of those funds if the expenditure violated statutory provisions. DOLA may require repayment of expenditures that do not conform to the provisions of the grant award even if the expenditures are determined allowable by statutory provisions. DOLA has final authority to approve expenditures.

Eligible Period for Use of Grant Funds

CSBG funds may only be used for costs that are incurred during the period of performance for those funds (45 Part 75.309). The period of performance for the funds awarded under each budget line is specified within the Option Letter. The definition for the date the cost is incurred is when the organization becomes responsible for paying an expense or when a service is provided to it. This is also known as the service date and is referred to as such through this section.

Service Date Guidelines for Operational Expenses

For direct organizational or operating expenses the service date is when the organization receives a service or is obligated to pay for that expense. Some examples are below and additional guidance can be requested from CSBG program staff if needed.

- **Employee wages and benefits** - For employee wages and compensation, the service date is when the work is performed by the employee and is the pay period for wages or salary, not the date that the payment to the employee is made.
- **Rent** - If the organization is renting a building or office space, the service dates for those costs would be the period of time the payment is for, not the date that the rent payment is completed.

- **Utilities** - For utility expenses for the organization, the service date is the time period in which those utilities were used or received, not the invoice date from the vendor or payment date.

Service Date Guidelines for Client Services and Program Activities

For program expenses or services provided to clients the service date is when a service is provided to the client or when the organization is obligated to pay an expense. Some examples are below and additional guidance can be requested from CSBG program staff if needed.

- **Rental Assistance to Clients** - For rental assistance to clients, the service date is when the services are provided to the client. Particularly when assistance is provided to cover rent arrearages, the service date is when that client receives the assistance, not for the time period they occupied the residence and incurred those unpaid rent expenses.
- **Food purchases** - The service dates for food purchases for program activities and nutrition assistance to clients are when the organization is obligated to pay for those food items, which could be the date the items are ordered or the invoice date.

Service Date Guidelines for Subrecipients and Subcontractors

- **Subrecipient expenses** - Funds awarded to subrecipients are still federal grant dollars and are considered incurred when the subrecipient is obligated to pay an expense, receives a service, or provides a service.
- **Subcontractor expenses** - Subcontractor expenses are considered incurred when the contractor provides the service to the organization or to CSBG clients.

Legal Expenses

Routine legal expenses incurred by an eligible entity by way of consultation or the obtaining of legal interpretations are allowable. Legal consulting contracts must comply with the procedures established elsewhere in this section. Legal expenses incurred which are the results of any legal action taken by the eligible entity either as a plaintiff or respondent will be disallowed.

Ineligible Expenses

CSBG funds may not be used 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. *Regular maintenance, updates to address public health and safety measures, and accessibility accommodations may be allowable; please check with DOLA CSBG staff to determine eligibility of potential uses of funds.*

Costs that are not reasonable within the context of the overall budget may require additional documentation to verify eligibility. DOLA has the final authority in determining the eligibility of submitted expenses for the purpose of reimbursement.

Personnel Expenses

CSBG funds may be used to pay staff salary and fringe benefits for the delivery of CSBG services, however, CSBG funds may only be used to pay for the pro rata share of vacation, leave, sick leave, FMLA, retirement, and other fringe benefits allocated to CSBG. CSBG funds may not be used to pay staff who are on pre-disciplinary or disciplinary leave.

Eligible entities must reimburse staff and volunteers for travel at uniform rates. Mileage reimbursement may not exceed the approved federal (IRS) rate.

CSBG funds may not be used to pay the salary of any staff member or the expenses of any agency engaged in activities designed to influence legislation or appropriations. Employees, volunteers, and board members must not use CSBG funds for any political purpose or to influence any election for public or party office. The Federal Hatch Act outlines complete requirements regarding employee conduct in relationship to running for elected office or influencing legislation.

Subrecipients

Eligible entities who subaward or delegate any part of their CSBG grant for service or administration activity must receive prior approval from DOLA. Eligible entities should notify DOLA by specifically listing these subrecipients in their budget that is submitted annually and a response from DOLA approving the budget will constitute approval for those subrecipient activities. If an eligible entity would like to request approval for a new subrecipient mid-program year they may submit a revised budget with that subrecipient specified, and a response from DOLA approving the revised budget will constitute approval for those items.

Subawarded activity is bound by state and federal CSBG requirements. Indirect charges on subrecipients are limited to the first \$25,000 per award, as required by Uniform Guidance.

Subrecipients may be used when an eligible entity can better serve the needs of the community by partnering with another private or public agency. In some cases, multi-county service agency (MCSA) leadership counties administering the CSBG program in their local area may subaward to neighboring counties participating in the MCSA.

Eligible entities must review reimbursement requests from subrecipients to verify the eligibility of all submitted expenses prior to submitting those expenses to DOLA for reimbursement. Ineligible expenses will be disallowed by DOLA, even if the eligible entity has already reimbursed the subrecipient.

Eligible entities must monitor subrecipients on an annual basis to ensure compliance with all requirements, including Client Income Eligibility Verification, and provide a copy of

monitoring reports to DOLA upon request or upon identifying areas of non-compliance.

DOLA recommends that eligible entities develop a standard process for considering subrecipient applications which may include a notice of funds available (NOFA), application and/or interview process, review of applications, recommendation of awards to the tripartite board/advisory committee, and notification process for applicants. Approval of all subrecipients should be reflected in the board/ committee minutes, and awards should also be approved by the board of county commissioners if locally required.

Capital Purchases

The federal grant rules (45 CFR § 75.439) require prior approval for capital expenditures. The definition of capital expenditures (45 CFR § 75.2) is an item with a useful life of more than one year and that equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000. Eligible entities should notify DOLA by specifically listing these items in their budget that is submitted annually and a response from DOLA approving the budget will constitute approval for those items. If an eligible entity would like to request approval for a purchase mid-program year they may submit a revised budget with those expenses specified, and a response from DOLA approving the revised budget will constitute approval for those items.

Period of Performance

Federally, the period of performance for CSBG spans two-years from October 1 of the federal fiscal year that the award was approved to September 30th of the following federal fiscal year. State policies and procedures may differ; check DOLA contract language for specifics.

An eligible entity must liquidate all obligations incurred under the federal fiscal year award not later than 90 days after the end of the funding period. See **45 CFR 75.309(b)**.

Procurement

Recipients are to follow established local procurement procedures or adopt the State's procurement procedures for the purchase of supplies, equipment, and other materials. Procurement procedures should also address soliciting bids from contractors and/or consultants as applicable and should adhere to HHS grant guidance (45 CFR Part 75 and OMB Uniform Guidance 2 CFR Part 200). See [45 CFR Part 75.320](#) for HHS guidance regarding disposition of equipment.

CSBG MONITORING GUIDING PRINCIPLES

DOLA, as the Governor-designated lead agency for CSBG, has responsibility for providing eligible entities receiving CSBG funds with assistance and training to establish and maintain sound grants management and program practices. Assistance is available to all eligible entities at any time by request including the pre-application period, development of work plans, application and budget process, program implementation and grant management.

In addition, DOLA contracts with the Colorado Community Action Association (CCAA) to provide training and technical assistance to eligible entities. CCAA provides training and technical assistance on topics such as tripartite board requirements, Results Oriented Management and Accountability (ROMA), Annual Report data collection, and other topics as requested by DOLA, the eligible entities and/or their subrecipients. DOLA encourages CSBG eligible entities to become members of CCAA; however, training and technical assistance is available regardless of membership status.

DOLA provides several additional options for eligible entities to seek assistance including the CSBG Google Group for peer requests, quarterly teleconference calls on timely topics, individual assistance by phone or e-mail, topic-specific training webinars, onsite visits, and others as requested. DOLA and CCAA collaborate to schedule and provide a statewide tour of regional forums on timely topics of relevance every two years, with a statewide conference in rotating locations in the alternate years.

Audits and Financial Reviews

The Department of Health and Human Services grant guidance requires eligible entities expending \$750,000 or more in Federal funding during the non federal entity's fiscal year to complete an audit annually using the specific methodology outlined in the guidance (45 Part 75.501).

The audit must be distributed within thirty (30) days of its completion and not later than nine (9) months after the audit period (45 Part 75.512). Single audits must be submitted to the Federal Audit Clearinghouse. Each eligible entity must submit copies of the audit report package to DOLA within 30 days of receiving the report that include:

- A copy of the data collection form.
- Financial statements and schedule of expenditures.
- Auditor's reports on financial statements and schedule of expenditures, internal control and compliance as well as a schedule of findings and questioned costs.
- A summary schedule of prior audit findings.
- The corrective action plan, if applicable.
- A copy of the management letter, if issued.

When submitting a Single Audit to DOLA, eligible entities should notify CSBG Program staff if any of the findings were related to CSBG.

If a CSBG eligible entity does not meet the threshold requirements for a Single Audit but does complete a financial review or audit by an external entity, they should submit the final report from the review or audit within 30 days of receiving the report, and eligible entities should notify CSBG Program Staff if any of the findings were related to CSBG.

Risk Assessment

DOLA uses risk assessments as a tool to determine the extent to which an eligible entity is

high-risk, standard-risk or low-risk and as a result may need further testing/monitoring and may need greater support from the state CSBG program manager. The HHS Grant Guidance (45 CFR 75) requires that DOLA conduct a risk assessment process of each organization that is awarded CSBG funding. The levels of risk are described below, along with the changes in monitoring processes and requirements for eligible entities.

High-risk: Eligible Entities that are determined to be high-risk show significant program, fiscal and/or operational deficiencies that require additional support or training for effective administration of CSBG funds. High-risk eligible entities will be notified in writing and DOLA will conduct additional monitoring, including a virtual monitoring visit and a meeting with the board/advisory committee president or chair. From the information gathered through that process, DOLA will develop a monitoring plan specific to the issues that were identified and eligible entities may be required to complete a training and technical assistance plan and/or quality improvement plan depending on the severity and persistence of the performance issues.

Standard-risk: Eligible Entities that are determined to be standard-risk consistently meet deadlines and fulfill the majority of program, fiscal and operational requirements. Eligible entities assessed at standard risk will be required to complete the Request for Reimbursement Desk Monitoring twice per year, for March and September expenses, and the Semiannual Report.

Low-risk: Eligible Entities that are determined to be low-risk meet all deadlines and fulfill program, fiscal and operational requirements. Eligible entities assessed as low-risk will not be required to complete the Request for Reimbursement Desk Monitoring for March expenses, but are required to submit the Semiannual report.

Ratings are based on performance from the most recent program year and may include the timeliness, accuracy and completeness of requests for reimbursement, semiannual reports, requests for reimbursement, desk/onsite monitoring, organizational standards assessment, Annual Report, DOLA communications, and other relevant information. DOLA expects that most eligible entities will be standard-risk. All risk assessments are evaluated at least annually and may be adjusted at any time. A rating adjustment may be caused by:

- Increased/decreased performance, corrected/uncorrected compliance matters
- Progress on a training/technical assistance plan
- Change in personnel or program structure
- Change in responsiveness to ongoing communication and reporting deadlines
- Other compliance matters from statute, contract or DOLA policies and procedures

Eligible entities will be notified of their assessed risk level annually.

MONITORING

Monitoring for compliance is an on-going process and is not limited to the periodic “on-site monitoring visit”. The on-going process may include review of grant applications, semiannual and annual performance reports, reimbursement requests and backup documentation, organizational standards assessments, independent audit reports, financial reviews, and management letters, client files, governing/advisory board meeting notices, agendas and minutes, and the review of monitoring reports from other eligible entities, regular interaction

with DOLA CSBG Program Staff, or any other related material requested by DOLA.

Desk Monitoring

Based on the results of each eligible entity's risk assessment, DOLA requires a secondary review of all backup documentation for expenses requested for reimbursement which is considered desk monitoring.

Low-risk eligible entities are required to complete desk monitoring once annually for the month of September, due on the last business day of October.

Standard-risk eligible entities are required to complete desk monitoring twice annually. Once for the month of March, due the last business day of April, and once for the month of September, due on the last business day of October.

High-risk eligible entities must complete desk monitoring at least twice annually as specified, and/or as specified in their quality improvement plans depending on the areas of deficiency.

Please see your annual risk assessment letter for more information about required review and deadlines for your agency/organization.

Desk monitoring packets must include copies of receipts, payments, timesheets and any other relevant supporting documents supporting program expense allowability/ allocability. Any identifying client information will be blacked out or removed from documents submitted.

Three-Year Onsite Monitoring

The CSBG Act requires DOLA to perform an onsite monitoring visit with eligible entities at least every three-years. DOLA monitors to ensure compliance with the required elements of CSBG statute, the agency's contract with DOLA, and ROMA performance management framework. Monitoring visit schedules and agendas are based on the results from the Monitoring Tool from the eligible entity which is required to be completed and returned to DOLA Program Staff ahead of the visit. Monitoring visits are tailored to each individual eligible entity based on the unique program elements, geographic location, local sub recipient/partnerships and capacity needs of the eligible entity being monitored and on the results of the Monitoring Tool and monitoring visit discussions. Monitoring visits provide an opportunity for eligible entities to showcase the work they are doing to impact poverty at the local level, and for DOLA to learn more about work at the local level. A successful on-site monitoring visit includes both a review of required program elements as well as a deeper in-person or virtual conversation about local needs, observations, challenges and reflections on the CSBG program.

On-site monitoring may occur at any time. Typically, however, written notice of the monitoring visit will be provided one month or more in advance of the visit. CSBG grantees can anticipate, at a minimum, a tri-annual on-site review by DOLA staff for the purposes of monitoring. A typical visit will consist of a financial review section, a program review section, and a review of client files and compliance with client eligibility. For eligible entities that

have been assessed to be high risk, an interview with the board or advisory committee chair will be required.

The monitor will:

- Offer both an entrance and exit discussion
- Clearly identify areas of strength of eligible entity and/or program.
- Recommend areas of potential training and technical assistance, if applicable.
- Clearly identify areas in which a finding is observed, referencing the statute, contract or organizational standards requirement not being met, if applicable.
- Clearly identify areas in which a concern is observed, referencing the policy, procedure, and/or system that could be improved, if applicable.
- Communicate any required corrective action, training and technical assistance plan, or quality improvement plan necessary to maintain program compliance and establish a timeline for completion.
- Provide a written summary (monitoring letter) of the visit including areas noted above, generally no more than sixty (60) days following the visit. This summary will be mailed to the agency's chief elected official and/or executive director and an electronic copy of the letter will be sent to primary staff.
- The eligible entity will have 30 days to respond to the monitoring letter. The response should include steps to address any of the disallowances or findings identified in the letter and corrective action plan

Monitoring Letter

The monitoring letter will note the following discoveries:

- **Findings** - Findings will be issued when eligible entity processes or actions are out of compliance with specific requirements in the federal grant guidance, federal CSBG rules, or state policies. If a finding is listed in the monitoring letter DOLA will provide guidance on the steps necessary to remedy the issue.
- **Concerns** - Concerns will be identified in areas where the eligible entity is not out of compliance with specific rules or requirements but current practices or program structure are at risk of compliance issues or poor program performance.
- **Recommendations** - In some cases, state office staff may identify opportunities for program improvements or adjustments to better serve their communities but do not pose a significant compliance risk. In the monitoring letter these will be listed as recommendations.
- **Notable Practices** - An important part of the monitoring process is state office staff learning from the eligible entity about their strategies to address poverty, manage the administrative requirements of the CSBG program, and how they solve problems. In the monitoring letter DOLA will recognize these as notable practices.

Corrective Action Plan

Through the course of risk assessment, reimbursement requests, reporting, contracting, routine communication and/or monitoring (among other considerations), the CSBG Program

Manager may identify areas requiring quality improvement from an eligible entity to establish/ maintain compliance with CSBG statute, the eligible entity's contract with DOLA, organizational standards, or other program requirements. When this occurs, the CSBG Program Manager will send the eligible entity a written explanation of each correction needed, reference the requirement not being met, specify the documentation needed and/or communicate the corrective action required.

Corrective Action Plans should be resolved within 60 days from the date of the request. Eligible entities that are not able to satisfactorily complete the corrective action within 60 days may request an extension in writing, indicating progress made to date and the reason for the extension. DOLA may grant an extension, or may require a Technical Assistance Plan to support the eligible entity in making the requested changes.

Technical Assistance Plan (TAP)

Through the course of risk assessment, reimbursement requests, reporting, contracting, routine communication and/or monitoring (among other considerations), the CSBG Program Manager may identify areas requiring quality improvement from an eligible entity to establish/ maintain compliance with CSBG statute, the eligible entity's contract with DOLA, organizational standards, or other program requirements. Quality improvements that take longer than 60 days to correct require a formal Technical Assistance Plan (TAP) to support an eligible entity in implementing the changes needed. Eligible entities with one or more identified uncorrected deficiencies will also be required to develop and implement a Technical Assistance Plan.

Technical Assistance Plans allow a timeline for completion of up to six months. Eligible entities that do not satisfactorily fulfill the Technical Assistance Plan in the agreed upon timeline may request an extension in writing, indicating progress made to date and the reason for the extension. DOLA may grant an extension, or may require a Quality Improvement Plan in cases in which reasonable progress is not being made on the Technical Assistance Plan and/or the eligible entity's performance is consistently noncompliant.

Quality Improvement Plan (QIP)

Any eligible entity that does not satisfactorily complete a Technical Assistance Plan will progress to a Quality Improvement Plan (QIP) and will be assessed as an at-risk entity. Eligible entities that are unable to correct severe and/or persistent challenges through training and technical assistance may also progress directly to a Quality Improvement Plan and will be assessed as an at-risk entity.

Quality Improvement Plans "at the discretion of the State (taking into account the seriousness of the deficiency and the time reasonably required to correct the deficiency), allow the entity to develop and implement, within 60 days after being informed of the deficiency, a quality improvement plan to correct such deficiency within a reasonable period of time, as determined by the State; Additional program requirements may apply to eligible entities assigned at-risk status based on the specific needs identified in the Quality Improvement Plan."

Examples of additional requirements that may be requested include:

- Additional and/or more detailed financial and/or performance reports
- Required state approval prior to spending/ incurring expenses
- Additional desk and/or onsite monitoring
- A requirement to obtain technical and/or management assistance and subsequently demonstrate improvement
- The withholding of CSBG grant reimbursements until compliance matters are corrected
- Engagement in corrective actions with the Tripartite Board/Advisory Committee

CCAA will be notified of any eligible entity that is designated at-risk and a copy of the Quality Improvement Plan will be provided. Upon the successful completion of a Quality Improvement Plan, eligible entities emerging from at-risk designation will be notified in writing. A copy of this notification will be submitted to the CCAA.

Failure to emerge from at-risk status in accordance with established timelines may result in the termination of CSBG funding and the withdrawal of state designation as a CSBG eligible entity.

Suspension and Withholding of Financial Support

DOLA may suspend payment of CSBG funds to an eligible entity when it determines the Eligible entity voluntarily relinquishes CSBG funds for any reason or "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)"³.

The withholding of funds will be determined on an individual basis based on the seriousness of the circumstances after adequate training and technical assistance has been provided.

The eligible entity's executive director/signatory authority and chair of the tripartite board/advisory committee will be notified in writing of DOLA's intent to suspend payment of CSBG funds. The notification will include an identification of the grounds for the suspension and may define the quality improvement that is necessary to resolve the suspension.

If the eligible entity wishes to appeal the action, it must submit a written request, signed by the signatory authority and chair of the tripartite board/advisory committee, to the CSBG Program Manager seeking to remove the suspension and addressing the reasons for the suspension through an identification of quality improvement that has been or will be taken. This request must be received by DOLA via email no later than the close of business, ten (10) business days after the issuance of the suspension notice.

If DOLA removes the suspension, the eligible entity will be notified in writing. The notice will include any stipulations for such removal, if applicable.

3

Termination of an Eligible Entity

DOLA may pursue termination of the designation of an eligible entity when it determines that one or more of the following applies:

- Discontinued eligible programming, or no longer providing services to income eligible populations
- The eligible entity is engaged in fraudulent or illegal activity related to CSBG program management
- Eligible entity inaction pursuant to a formal suspension of payment of CSBG funds
- Severe and/or persistent deficiencies in management of the CSBG program

Non-voluntary termination of the designation of an eligible entity is pursued only when all attempts to resolve the issues through corrective action, training and technical assistance plans, and quality improvement plans have been exhausted in accordance with CSBG statute under 42 USC § 9915.

Unserved Areas

Short Term: When an area is unserved due to an existing eligible entity relinquishing funds, de-designation, or other circumstance, DOLA will seek to ensure the area receives services as soon as possible through an existing eligible entity, preferably one that is contiguous, though not necessarily.

Long Term: DOLA will release requests for proposals (RFP's) to designate new eligible entities. The selected eligible entity will complete the application process which includes a Community Needs Assessment, Community Action Plan, and DOLA application as soon as possible or by the next three-year application deadline.

For organizations that are designated as new eligible entities outside of the traditional three-year application cycle, DOLA may accept the use of any existing Community Needs Assessment and Community Action Plan.

GLOSSARY

Agency Level: A strategy that identifies and addresses agency capacity to act and produce outcomes. It can be about financial or other resources, such as staff, facilities, partnerships. It is also about the agency's ability to conduct Community Needs Assessments or Strategic Planning or to meet the Organizational Standards.⁴ (Mooney and Richmond Pg 68)

Annual Report: Federally required summary of all eligible entities' financial performance, activities, and outcomes over the prior program year. Eligible entities submit their information to the state, and the state submits the information to the Office of Community Services.

Chief Elected Official: For DOLA contracts, most often the Board of Directors Chair or County Commissioner.

Community Level: A strategy that identifies and addresses community outcomes for such things as changes in public policy, organizational effectiveness, or social and health conditions. It is often about increasing access to services or opportunities in low-income communities. Community outcomes can also be related to the involvement of persons with low-income in community organizations and activities. (Mooney and Richmond Page 68)

Cost Allocation Plan: The documented method used to reasonably and equitably divide shared costs of an organization to each of its programs. Identifies, accumulates and distributes allowable direct and indirect costs under subgrants and contract and identifies the allocation methods used for distributing the costs. A plan for allocating joint costs is required to support the distribution of those costs to the grant program. All costs included in the plan must be supported by formal accounting records to substantiate the propriety of the eventual charges. ("Cost Allocation Plan Definition")

Cost Objective: A program, function, activity, award, organizational subdivision, contract, or work unit for which cost data are desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, capital projects, etc. A cost objective may be a major function of the non-federal entity, a particular service or project, a federal award, or an indirect (Facilities & Administrative (F&A) cost activity, [as described in subpart E](#) of 45 CFR Part 75.

Democratic Selection Process: The Tripartite Board/Advisory Committee process by which representatives of low-income persons must be chosen in accordance with democratic selection procedures adequate to assure that they represent low-income persons in the geographic area served by the eligible entity.

Direct Cost: Those costs that can be identified specifically with a particular final cost objective, such as a federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.

⁴ Mooney, Barbara, and Fred Richmond. Guidance for Trainers on the Delivery of "Introduction to Results-Oriented Management and Accountability (ROMA) for the Community Action Network". ANCRT, 2020.

Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect (Facilities & Administrative) costs.

Elected Official: In reference to the Tripartite Board/Advisory Committee, this is any individual, or their appointed designee, who has been elected to a seat of authority in the community served. Examples may include county commissioners, school board members, city councilors, and others.

Eligible Entity: Organization, agency, department, or similar (County, Council of Governments, or Non-Profit) chosen to serve as the direct recipient from DOLA of the statutorily required 90% formulaic pass-through CSBG funds to serve a specific county or counties.

Family/Individual Level: Services administered directly from an eligible entity, subrecipient, or contractor to a family, household, and/or individual.

Federal Fiscal Year: October 1 - September 30.

HHS Grant Guidance 45 CFR Part 75: Uniform administrative requirements, cost principles, and audit requirements for U.S. Department of Health and Human Services (HHS) awards.

Household: *Local policies should clearly outline the methods used to determine household makeup and size for purposes of income-based eligibility determinations. (Example: intergenerational families living together, pregnant people, etc.)*

Income Verification: A review of the total household income of all household members and any other eligibility criteria required by the CSBG Act, plus a determination whether the total household income is below the eligibility threshold established by the CSBG Act or other statutory authority.

Indirect Cost: *Costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect (Facilities & Administrative) costs. Indirect (Facilities & Administrative) cost pools must be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived.*

Liquidate: Grant expenditures paid with proof of payment in records and systems.

Low-Income Sector Representative: Person of low income, or their selected representative, as defined by the eligible entity. Must be working and/or living in an area served by the eligible entity.

Multi-County Service Area/Agency (MCSA): Eligible entity which serves more than one county.

Obligate: A legal liability to disburse funds immediately or at a later date as a result of a series of actions.

Organizational Standards: A comprehensive set of standards developed with input from the entire CSBG Network through a three-year multi phase process led by the Center of Excellence. The Organizational Standards are organized in three thematic groups comprising nine categories and totals of 58 standards for private, nonprofit entities and 50 for public entities. The purpose of the organizational standards is to ensure that all agencies have appropriate organizational capacity, in both critical financial and administrative areas, as well as areas of unique importance to the mission and model of the Community Action network.

Private Sector Representative: Tripartite Board/Advisory Committee members who are representatives of business, industry, labor, law enforcement, religious groups, welfare, education and other groups or interests in the community.

Program Year: January 1 - December 31.

Results Oriented Management and Accountability (ROMA): *Based upon principles contained in the Government Performance and Results Act of 1993, ROMA provides a framework for continuous growth and improvement among local CAAs and a basis for state leadership and assistance. In 1998, the CSBG Reauthorization Act, Section 678E(a)(1), 42 U.S.C. § 9917(a)(1), made ROMA implementation a requirement for receiving federal CSBG funds, and established October 1, 2001 as the start date for reporting CSBG Network outcomes in the context of ROMA performance-based management principles.*

Subaward: An award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor/vendor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

Subrecipient: A non-federal entity that receives a subaward from a pass-through eligible entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency.

Subcontractor: An entity, including an individual or individuals, that contracts with an eligible entity and/or subrecipient to supply a service, either to the eligible entity and/or subrecipient or directly to a beneficiary, for which provider is reimbursed the cost of the service. See 45 CFR § 75.351 - Subrecipient and contractor determinations for details.

Termination: the ending of a Federal award, in whole or in part at any time prior to the planned end of period of performance.

Tripartite Advisory Committee: See Tripartite Board.

Tripartite Board: For non-profit eligible entities, the Tripartite Board must be its governing Board. The Board fully participates in the development, planning, implementation, and evaluation of the program to serve low-income communities. The law also requires that a minimum of one-third of tripartite board membership be composed of representatives of low income individuals and families who reside in areas served. One-third must be elected officials, holding office at their time of selection, or their representatives. If a sufficient number of elected officials or their representatives are not available to serve, appointive

public officials or their representatives may take the place of elected officials. The remaining board members must be chosen from business, industry, labor, religious, law enforcement, education, or other major groups and interests in the community served. Public eligible entities may seat a Tripartite Advisory Committee in lieu of a governing Board.

Uniform Guidance 2 CFR Part 200: Uniform administrative requirements, cost principles, and audit requirements for federal awards.

Vendor: A vendor is a person or a business who sells products, usually similar, to different customers.

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Eligible Entity FAQ's

Question: When do I need to complete a budget amendment?

Answer: Budget amendments should be completed when actual expenses will vary by more than 10% from the original budget or if new budget categories will be requested for reimbursement.

Question: When do I need to complete a contract amendment?

Answer: Contract amendments are required when an eligible entity's federal objectives, indirect cost rate, or eligible expenses are being changed or added. No reimbursements of activities that are not allowed in the current contract may be incurred prior to state release

of the amended contract.

Question: Does the Tripartite Board/Advisory Committee have to have representatives from all counties served?

Answer: No, as long as the Tripartite Board/Advisory Committee meets statutory requirements not all counties served by the eligible entity must have formal representation on the Board/Committee.

Question: Does the Tripartite Board/Advisory Committee Low-Income Sector Representative have to be income qualified to fill that position?

Answer: No, representatives of the Low-Income Sector may be self-declared low-income or self-declared as having experience with conditions of poverty or may be representatives of another organization whose primary population served experience conditions of poverty. The local policy should determine who is eligible to serve in this sector.

Question: What if we are not compliant with an Organizational Standard?

Answer: There is no requirement that 100% of the Organizational Standards are being met continuously. If an Organizational Standard is not being met, the eligible entity should put in place a plan to meet the standard as soon as possible and within any requirements outlined in the CSBG Program Manual.

Appendix I - Recent Program Manual Updates

2022 Revision

- **Complete Overhaul**
 - Combined previous “Program Manual” and “Training and Technical Assistance Manual” and “Organizational Standards Manual” into one Program Manual.
 - Elaborated on Shared Costs, Eligible Costs, Uniform Guidance Requirements.
 - Further outlined Programmatic and Governing Policies and Procedures.
 - Further clarified residency and non-discrimination policies.
 - Outlined Eligible Entity Types Specifically MCSA
 - Reconstituted Risk Assessment Process and Ramifications.
 - Added verbiage outlining CO’s commitment to EDI and Accessibility in the CSBG program

10/25/2021 Revision

- **Terminology Changes - multiple locations**

Minor changes in terms to be consistent with the terminology outlined by OCS in IM #162, replacing “eligible Entity” with “recipient” or “eligible entity.”

7/20/2021 Revision

- **Requirements for Proof of Immigration Status - page 5**

This policy change aligns the state position on proof of immigration status requirements with guidance provided by the Office of Community Services.
- **Tripartite Board/Advisory Committee Vacancies - page 12**

The updated Tripartite Board/Advisory Committee vacancy policy was updated to allow more time for agencies to fill tripartite board vacancies and to align reporting on actions taken to address board vacancies with existing reporting processes.
- **Responsible Administrators and Key Personnel - page 16**

The updated policy provides clarity on the changes in key personnel that should be reported to DOLA and aligns that reporting with existing processes.
- **Capital Purchases - page 19**

This section outlines the procedures for requesting approval for capital purchases required by the federal grant guidelines.