

Community Services Block Grant (CSBG) Program Manual 2021

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Commonly-Used Acronyms

ACF	Administration for Communities and Families
ACSI	American Community Survey Index
CAA	Community Action Agency
CCAP	Certified Community Action Professional
CAP	Community Action Program OR Community Action Plan
CAPLAW	Community Action Program Legal Services
CAR	Comprehensive Administrative Review
CNPI	Community-level National Performance Indicator
COE	Center of Excellence
COI	Conflict of Interest
CSBG	Community Services Block Grant
DCL	Dear Colleague Letter
DOE	US Department of Energy
EAP	Energy Assistance Program
EE	Eligible Entity, as in CSBG Eligible Entity
FFATA	Federal Funding Accountability and Transparency Act
FFY	Federal Fiscal Year
FMV	Fair Market Value
FNPI	Family-level National Performance Indicator
FPG	Federal Poverty Guidelines
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
HHS	US Department of Health and Human Services
IC	Indiana Code
IHCDA	Indiana Housing and Community Development Authority
IM	Information Memoranda
INCAA	Indiana Community Action Association
LIHEAP or EAP	Low-Income Home Energy Assistance Program
MOA	Memorandum of Agreement, a.k.a. Memorandum of
MQIP	Modified Qualified Improvement Plan
NASCSP	National Association for State Community Services Programs
NCAF	National Community Action Foundation
NCRI	Nationally Certified ROMA Implementer

NCRT	Nationally Certified ROMA Trainer
NPI	National Performance Indicator
OCS	Office of Community Services (within HHS)
OGM	Office of Grants Management (within HHS)
OHS	Occupational Health and Safety
OLDC	Online Data Collection system
OMB	Office of Management and Budget
OS	Organizational Standards
PY	Program Year
QIP	Qualified Improvement Plan
ROMA	Results-Oriented Management and Accountability
T/TA	Training and Technical Assistance
TOC	Theory of Change
WAP or Wx	Weatherization Program

1. Introduction

1.1 About the Community Services Block Grant (CSBG) Program

The Community Services Block Grant Act (CSBG) (49 U.S.C. 9901 et seq.) is a non-competitive federally funded block grant offered through the U.S. Department of Health and Human Services (HHS). The program is meant to support the national network of Community Action Agencies (CAAs) and their work to alleviate the causes and conditions of poverty.

The federal Community Action Program was founded in 1964 by the Economic Opportunity Act (EOA), as part of President Lyndon B. Johnson's War on Poverty. Originally, federal Community Action Program funds flowed directly to local public and private CAAs. In 1981, Congress repealed the federal Community Action Program and replaced it with CSBG, a state-administered block grant.

The CSBG Act, which constitutes Section II of the federal Community Opportunities, Accountability, and Training and Educational Services Act of 1998, also known as the Coats Act, is the most recent federal reauthorization of the CSBG program. The CSBG Act is available online [here](#).

As a block grant, federal funds are allocated to States on a formula basis. States are then directed to pass at least 90% of those funds to CAAs to address the local issues of poverty within their communities. Every county in the Indiana is served by one of these agencies.

CAAs operate under the direction of a tripartite board comprised of elected officials, business representatives, and low-income individuals. These boards are charged with identifying the specific problems in the community and developing action plans and programs to address local poverty issues. CSBG provides a funding source flexible enough to cover a wide variety of those issues, often in conjunction with other federal, state, and local funding.

At the federal level, the CSBG program is administered by the Office of Community Services (OCS), which is situated within the Administration for Children and Families (ACF) of the U.S. Department of Health and Human Services (HHS). Each state has an office designated by the governor to oversee the CSBG program in that state. In Indiana, that office is the Indiana Housing and Community Development Authority

1.2 CSBG Eligible Entities and Community Action Agencies

The CSBG program does not accept rolling or annual applications for funding. Instead, the funding is allocated to pre-determined organizations, usually referred to as Community Action Agencies or Eligible Entities. Not all Community Action Agencies

receive CSBG funding; some may have been defunded from the CSBG program in the past but decided to continue as a community action agency in name and/or practice. However, since most CAAs do receive CSBG funding, IHCD and many federal partners consider the two organization types to be the same and use the names interchangeably. This manual will use Community Action Agency or CAA from here moving forward, unless referring directly to federal legislation or guidance (which usually use Eligible Entity).

Community Action Agencies are non-profit or public agencies that meet the requirements of Section 673(1)(A) and Section 676B of the CSBG Act:

- Has a tripartite board that fully participates in the development, planning, implementation, and evaluation of the program to serve low-income communities and that has the following makeup:
 - No fewer than 1/3 low-income representatives that are democratically elected
 - 1/3 are public officials or their representatives
 - The remainder are from the private sector

AND

- Was a designated eligible entity on the day before the enactment of the Coats Human Services Reauthorization Act of 1998, which was the last reauthorization of the CSBG program OR
- Is designated by the Governor to serve a currently unserved area of the state.

Indiana state legislation (IC 12-14-23-2) further defines Community Action Agencies as:

- Any of the following:
 - A private nonprofit organization that is geographically located within a community OR
 - A private nonprofit organization that is located in a county or counties contiguous to or within reasonable proximity of a community OR
 - A political subdivision, if there is no qualified nonprofit organization identified that meets the criteria set forth in clause A or B.
- An entity that has the authority under state or federal law to receive money to support the community action programs described in IC 12-14-23-3 and IC 12-14-23-4 (described in Section 2.1 of this Manual)
- An entity that is designated as a community action agency by the governor or by federal law.

There are currently no areas in the State of Indiana that are unserved by a CSBG-funded Community Action Agency, so IHCD is not accepting applications for new Community Action Agencies. The list of current CSBG-funded Community Action Agencies can be found [here](#).

1.3 Indiana Housing and Community Development Authority (IHCDA)

Pursuant to Indiana Code 4-4-33-1-(2), in 2007, the Governor of the State of Indiana, Mitchell E. Daniels, Jr., designated IHCDA as the Lead Agency for the purposes of carrying out State activities for the Community Services Block Grant program (CSBG). IHCDA has continued to be designated the lead agency with each new governor, most recently in July 2017 by Governor Holcomb.

As the lead agency, IHCDA has the following responsibilities:

- 1. Accept CSBG funds from HHS and distribute at least 90% directly to all 22 CAAs in Indiana.** IHCDA sends grant agreements and amendments to CAAs for the funds within 30 days of the funds being received from OCS, although the initial funds are not made available until the start of the state program year (January 1). Once the agreements are finalized and their term has begun, the funds are made available on a reimbursement basis. Please see Section XXXX for more information on the fund distribution process.
- 2. Disseminate, interpret, and build on federal regulations and guidance.** CSBG funds are subject to multiple levels of federal regulations and guidance: the CSBG Act, OMB regulations, information memorandums, etc. Part of IHCDA's role is to provide state-level guidance based on new releases of federal regulations and guidance. As necessary, IHCDA also can and does establish program rules that go beyond federal or state regulations or recommendations, to ensure CAAs meet performance goals, administrative standards, and financial management requirements, as directed by the CSBG Act (Section 678B).
- 3. Monitor CAA use of CSBG funds as well as compliance with federal and state rules and regulations.** IHCDA uses a modified version of the COE Organizational Standards in its monitoring, which includes both federal and state-mandated standards that CAAs must meet in order to receive CSBG funding. The majority of monitoring happens during an on-site visit that IHCDA makes to each CAA once every three years for a Comprehensive Administrative Review (CAR), although some monitoring happens annually via the Community Action Plan or monthly with CAA reimbursement claim submissions. If it is found that an agency is not in compliance with a certain number or type of standards, or that their use of funds is out of compliance with federal or state regulations, IHCDA must ensure that corrective actions are taken. Please see [Section XXX](#) for more information on the monitoring process, and [Appendix XXX](#) for a list of the IHCDA-adopted Organizational Standards.
- 4. Provide opportunities for training and technical assistance to CAA Executive Directors, staff, and board members.** Training opportunities can cover a number of topics, ranging from CSBG-specific processes to general best practices for program or agency management, and are usually led by partners, such as the Indiana Community Action Agency (INCAA). Technical assistance is

often provided by IHCD staff, although outside contractors can and have been utilized, to help CAAs address issues identified during monitoring, an audit or at any other time. How to request agency-specific training or technical assistance is explained in [Section XXX](#).

5. **Collect and submit performance-based data from CAAs and submit to HHS.** This happens each year via the Annual Report, which is explained in [Section XXX](#).

The processes and procedures IHCD use to fulfill these responsibilities are detailed in the biennial State Plan, which is posted to the CSBG web page on IHCD's website. Updates on how IHCD has met these responsibilities each year are detailed in the Module 1 section of Annual Report, which is also posted to IHCD's website.

1.3.1 IHCD Contacts

For issues and questions regarding CSBG, please email CSBG@ihcda.in.gov. Several IHCD staff have access to that inbox and will help ensure your email is answered in a timely manner.

For questions about IHCDOnline, including about submitted claims, please email Claims@ihcda.in.gov. That inbox is handled by IHCD's Financial Operations department, which reviews all CSBG claims for reimbursement; CSBG program staff access to the claims system is limited.

If you have a CSBG-related question that you know needs to be addressed by a specific IHCD staff member, please use the email addresses listed below, and CC CSBG@ihcda.in.gov.

Name	Title	Email	Phone Number	To contact for...
Veronica Watson	Community Programs Manager – CSBG, IDA, NAP	vwatson@ihcda.in.gov	(317) 234-5825	General CSBG policy questions; requests for purchase approval
Veda Morris-May	Community Programs Analyst – CSBG, IDA, NAP	vmorrismay@ihcda.in.gov	(317) 232-0912	Grant agreements, including amendments, carryover and closeout
Steve St. John	Community Programs Manager - Monitoring	sstjohn@ihcda.in.gov	(317) 234-7577	Operational monitoring

Justin Bruce	Community Programs Fiscal Monitor	jubruce@ihcda.in.gov	(317) 234-7793	Fiscal monitoring
Emily Krauser	Director of Community Programs	ekrauser@ihcda.in.gov	(317) 232-2447	Questions that involve a combination of CSBG and other programs

1.3.2 When to Contact IHCDA: Staff Changes, Updated Contact Information and Fraud

There are three situations in which it is vital that a CAA contact IHCDA asap: 1) when there is a change in staff leadership, 2) when its address and/or phone number(s) change AND 2) when a CAA discovers fraud within the CSBG program.

- **Staff Leadership Changes:** an email should be sent to the CSBG@ihcda.in.gov inbox if a change occurs in any of the following staff positions:
 - Executive Director
 - Chief Financial Officer
 - CSBG Program Manager / Main Contact
 - Staff person in charge of the CSBG Community Action Plan and/or Annual Report
- **Change in Contact Information:** if a CAA moves and its address changes and/or its phone numbers (main and staff numbers) change, an email must be sent to CSBG@ihcda.in.gov explaining the change.
- **Fraud:** if fraud is discovered within the CSBG program or a program supported with CSBG funds, the CAA must email both IHCDA's Director of Community Programs and the Community Programs Manager for CSBG.

1.3.3 IHCDA Website and Email Notices

IHCDA CSBG Staff will share major program updates and news through an emailed CSBG Notice. That notice is managed through a listserv system, and will be sent by ihcda@subscriptions.in.gov. To be added to that listserv, new staff should email csbg@ihcda.in.gov and request to be included.

In case CAA IT security makes it difficult to receive listserv emails, previous notices will be posted to the CSBG web page on IHCDA's website. Other important information will be posted to that page, including program documents and important deadlines. CAA staff are encouraged to review the webpage every few weeks to check for any new information. The website can be accessed here: <https://www.in.gov/ihcda/4095.htm>

CSBG staff also include important updates in the Community Programs monthly email that is sent to all CSBG, EAP and Wx staff at CAAs and state partners. If CAA staff receive the CSBG notices, they should receive the Community Programs monthly email. If that is not the case, please contact IHADA staff to rectify the situation.

2. Use of CSBG Funds

2.1 Goals of CSBG and Community Action Programs

At the federal level, the CSBG program was created with the following overarching goals:

- the reduction of poverty
- the revitalization of low-income communities
- the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient

In order to accomplish those goals, the federal legislation highlights several actions it expects the community action network to take:

- strengthen community capabilities for **planning and coordinating the use of Federal, State, local, and other assistance** for the elimination of poverty, so that this assistance can be used in a manner responsive to local needs and conditions;
- organize a range of services related to the needs of low-income families and individuals, so that these services may have **a measurable and potentially major impact on the causes of poverty** in the community and may help the families and individuals to achieve self-sufficiency;
- use **innovative and effective community-based approaches** to attack the causes and effects of poverty and of community breakdown;
- strive for the **maximum participation of residents of the low-income communities** and members of the groups served by programs assisted through the block grants to empower such residents and members to respond to the unique problems and needs within their communities; and
- broaden the resource base of programs directed to the elimination of poverty so as to **secure a more active role in the provision of services** for:
 - private, religious, charitable, and neighborhood-based organizations; and
 - individual citizens, and business, labor, and professional groups, who are able to influence the quantity and quality of opportunities and services for the poor.

Indiana state legislation (IC 12-14-23-3) further highlights the expectation that CAAs design and manage programs that directly address the causes of poverty by defining community action programs as:

- a program that provides a range of services and activities that have a **measurable and potentially major impact on causes of poverty** in:
 - the community; or
 - those areas of the community where poverty is a particularly acute problem.

2.2 General Uses for CSBG Funds

According to federal legislation, CAAs are to use CSBG funds to support programs that accomplish one or more of the following goals:

- To assist low-income individuals and families including those that are on Social Security, homeless, elderly and/or migrant or seasonal farmworkers to
 - Become more self-sufficient
 - Secure and maintain employment
 - Attain an education
 - Make better use of available income
 - Obtain and maintain adequate housing and a suitable living environment
 - Obtain emergency assistance through loans, grants, or other means
 - Achieve greater participation in the affairs of the communities involved, including the development of public and private grassroots partnerships with local law enforcement agencies, local housing authorities, private foundations, and other public and private partners
- To address the needs of youth in low-income communities through youth development programs that
 - support the primary role of the family
 - give priority to the prevention of youth problems and crime
 - promote increased community coordination and collaboration in meeting the needs of youth,
 - have demonstrated success in preventing or reducing youth crime
- To make more effective use of, and to coordinate with, other programs related to the activities listed above

Indiana State Legislation (IC 12-14-23-4) highlight many of the same uses, by charging community action programs with the goal to assist clients, particularly “the poor and near poor, persons with disabilities, farmworkers, the elderly, and youth” to do the following:

- Secure and retain meaningful employment.
- Attain an adequate education.
- Make better use of available income.
- Provide and maintain adequate housing and a suitable living environment.
- Obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs, including the need for:
 - health services
 - nutritious food

- housing
- employment related assistance.
- Remove obstacles and solve personal and family problems that block the achievement of self-sufficiency.
- Achieve greater participation in the affairs of the community.
- Make more frequent and effective use of other programs related to the purposes of this chapter.

State legislation also adds the following goals to the goals outlined in federal legislation:

- Undertake family planning consistent with personal and family goals and religious and moral convictions.
- Obtain services for the prevention or rehabilitation of narcotics addiction and alcoholism.
- Obtain emergency assistance to meet the need for health services and nutritious food.

While these are the federal and state goals for community action agencies, CAAs are NOT required to provide programming that addresses all goals; they are required instead to focus on the goals that align with their community's specific needs, as identified by their community needs assessment.

2.3 Income Limits

When CSBG funds are used to serve clients, the CSBG Act limits the use of those funds to individuals at or below 100% of the federal poverty guidelines, unless the State decides to allow services for individuals up to 125% of the poverty line. Indiana has elected to use 125% of the federal poverty guidelines.

The Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, raised that limit to 200% through Federal Fiscal Year 2021 (September 30, 2021), for all active CSBG funds.

2.4 Federal Regulations on Eligible Expenses/Allowable Costs

Beyond the broad goals of CSBG funds, when it comes to specific eligible expenses, CAAs must also consider federal regulations such as the Federal Uniform Administrative Requirements, Cost Principles and Audit Requirements. CAAs must have their board approve policies and procedures that are in alignment with all applicable federal requirements, and that staff follow those policies and procedures.

2.5 Procurement Policies

Agencies are required to create and adopt (via board approval) a procurement policy that is in accordance with Federal Uniform Administrative Requirements, Cost Principles

and Audit Requirements. Agencies must ensure their staff follow the agency's written procurement policy while it is in effect (i.e. until the board approves a new policy).

2.6 Purchases that Require Prior IHCD A Approval

The vast majority of purchases made with CSBG funds can be completed without IHCD A review or approval outside of the claims review process. The following list represents exceptions to that; claims for the following expenses that are submitted without documented prior approval from IHCD A's Community Programs Manager- CSBG will result in a denied claim. If a CAA is unsure if a purchase they are considering is an allowable CSBG expense or if it requires prior approval, they are encouraged to contact IHCD A to discuss.

All requests for purchase approval must be sent to csbg@ihcda.in.gov. Approval or follow-up questions will be emailed back from the same address.

1. **Any subcontracts or subgrants over \$25,000.** The CAA must email a request for approval to the CSBG inbox with an explanation of services to be provided by the subcontractor or subgrantee, an explanation of the type of agreement the CAA plans to enter into and an explanation of any bid or application process the CAA followed. If the services are to be provided directly to CSBG clients, the CAA must explain how income qualification will be completed. The CAA will require all subcontractors and subgrantees to comply with the provisions set forth in the IHCD A CSBG grant agreement; the CAA will remain responsible to IHCD A for and monitor the services provided by any subcontractor or subgrantee.
2. **Capital expenditures over \$5,000.** When emailing a request for approval of a capital expenditure, CAAs must explain the need for the equipment, three different bids for the equipment to be purchased and an explanation of the bid process that the CAA followed. This is for individual capital expenditures, and not entire orders, even if the order is for multiple of the same piece of equipment. Ex: a CAA would need prior approval for a single computer that costs over \$5,000, but not for a purchase of 5 computers each worth \$1,500.
 - a. CAAs should take care with purchases of multiple pieces of equipment. If each piece can function separately from all other pieces that are being purchased, then each piece can be considered separately, and prior approval is only required if individual pieces cost more than \$5,000. However, if individual pieces can only function together and altogether cost more than \$5,000, prior approval IS required, even if each individual piece costs less than \$5,000.
 - b. **Vehicles:** in addition to following the rules for capital expenditures, CAAs must have IHCD A listed as a lienholder on the title for any vehicle purchased with CSBG funds. That title must then be sent to IHCD A to keep until the CAA needs to dispose the vehicle. When the CAA is ready to dispose

- c. For more information about capital purchases and management, please see the Weatherization Policy Manual, Section 808.
3. **Disposition of equipment worth over \$5,000.** If a piece of equipment purchased with CSBG funds has a current value over \$5,000, a CAA must have IHCD's approval for their disposition plans. If the equipment was purchased with funds from the current CSBG award, the CAA must submit a Repayment claim on the award for any funds raised from the sale of the equipment. If the equipment was purchased with funds from an award whose performance period has ended, the CAA must use the funds from any sale for CSBG-allowable activities, but a Repayment claim should not be submitted.
4. **Home Repair Measures over \$1,000.** CSBG funds may be used for home maintenance, upkeep or repair measures that cost less than \$1,000. Any measure that does not permanently improve or extend the life of an asset, but costs more than \$1,000, must be pre-approved by IHCD's CSBG Manager, unless completed as a part of the Weatherization program. Approval is required even if the CSBG portion of the repair is less than \$1,000.

2.7 Unallowable CSBG Uses

The following expenses are not allowable for CSBG funds:

1. Purchase or improvement of land or the purchase, construction or permanent improvement of any building or facility, other than low-cost residential weatherization or other energy-related home repairs. However, ordinary maintenance and repair is allowable as a CSBG expense; any maintenance or repair measure that is over \$1,000 must receive pre-approval from IHCD's CSBG Manager.
2. Leasing of space, buildings, and/or other assets not associated with a CSBG purpose or allowable activity; and
3. Political activity such as:
 - a. Any partisan or nonpartisan activity or any political activity associated with a candidate or contending faction or group, in an election for public or party office,
 - b. Any activities to provide voters and prospective voters with transportation to the poll or provide similar assistance in connection with an election, or
 - c. Any voter registration activity.
4. Services for individuals over the CSBG income limits.
 - a. While CAAs can and should serve individuals over 125% of the Federal Poverty Guidelines, according to the CSBG Act they may not use CSBG funds to do so directly.

For further guidance on allowable uses for CSBG funds, public agencies should refer to the Office of Management and Budget's (OMB) *Uniform Administrative Requirements*,

Cost Principles, and Audit Requirements for Federal Awards (commonly called “Uniform Guidance”), 2 C.F.R. 200, which provides a framework for grants management.

3. CSBG Awards

The CSBG Award process begins when IHCDCA receives CSBG funding and the corresponding award letter from OCS. Using those, IHCDCA staff calculate the allocation for Indiana CAAs and create the necessary grant agreements following the processes explained below.

3.1 CSBG Allocation

As a Block Grant, CSBG funding is distributed from OCS to the State (IHCDCA in this case), which has the responsibility to distribute the funds to CAAs. IHCDCA normally receives federal CSBG awards in quarterly amounts, although OCS may combine distributions in an effort to make funding available faster to the national network. Delays in the approval of a federal budget with CSBG funding could also lead to distributions being delayed as well as having more distributions that are smaller than previous years. IHCDCA normally receives the 1st Quarter funds between October and December; the exact date and the amount included in the first distribution varies depending on the Congressional budgeting process. Once IHCDCA receives the first official award letter, IHCDCA staff begin the allocation process to the CAA network. IHCDCA has 30 days to finalize the allocation and award process, starting from when it receives the funding from OCS.

Federal Legislation requires IHCDCA to allocate 90% of funds to CAAs to accomplish the goals set forth in the programmatic assurances. No more than 5% can be used for State administrative costs and any remainder may be used for the discretionary purposes allowed for in the CSBG Act; IHCDCA normally uses those funds for network Training & Technical Assistance as well as Impact Grants.

Using a first Quarter example from 2019, the \$2,603,351 CSBG distribution would go as follows:

	Total Award Amount	% of Allocation	Category Allocation
CAA portion to administer the CSBG program	\$2,603,351	90%	\$2,343,015.90
Highest Admin Allowed for IHCDCA	\$2,603,351	5%	\$130,167.55
Remainder for discretionary uses	\$2,603,351	5%	\$130,167.55

Once the total CAA portion has been determined, that amount must be allocated based on Indiana's approved funding formula. The current formula is as follows:

- 65% is allocated based on the percentage of individuals of the State's low-income population (individuals at or below 125% of the Federal Poverty Level) that a CAA serves
 - A CAA that serves 20% of the state's low-income population will receive a larger portion of funding than a CAA that serves 8% of the state's low-income population
- 35% is allocated using a base amount, and then any remaining funding based on the percentage of Indiana counties that a CAA serves
 - Each agency receives \$50,000 as a base amount. In individual distributions, this amount may be quartered or halved, based on the percentage of total funding that a federal award represents. Likewise the last distribution to agencies may not include any base funding at all, if previous distributions included the total \$50,000.
 - For any funding remaining after the base funding is calculated, the funds are allocated based on the percentage of Indiana counties that a CAA serves. So a CAA that serves 6 counties (or 6.5% of Indiana's total counties) will receive more funds than a CAA that serves 2 counties (or 2.2% of Indiana's total counties).

3.2 CSBG Subgrantee Agreements

After individual CAA allocations are calculated, award agreements are prepared and sent to CAA executive directors via email for e-signature. IHCD staff will email the network to inform them agreements are coming, and the agreements will be emailed from Veda Morris-May HCD echosign@echosign.com.

The agreement term is usually set for January 1, Year 1 through September 30, Year 2, which means that CAAs have 21 months to spend all funds allocated for the program year.

For example, the 2020 contract was set for January 1, 2020-September 30, 2021. All funds must be expended (invoices must be dated accordingly) by September 30, 2021.

The contract agreement should be read and reviewed in its entirety before the Executive Director (ED) signs. Particular attention should be paid to the Attachment A, which includes a financial summary of the grant.

The Contract will be sent electronically via Adobe sign. The contract must be signed from an original email and not a forwarded email. Once a CAA ED e-signs the agreement, it will be sent to IHCD's COO for signature; once that signature is completed, the CAA ED will receive a finalized copy of the agreement for their records via email.

Once the agreement is signed, there are several processes that CAAs must follow:

1. **Finalize Award Budget:** before IHCDAA can enter the award into IHCDAAOnline for the CAA to draw down funds from, the CAA must complete a budget template.
2. **Submit Claims:** once the award is in IHCDAAOnline, CAAs may make claims on it for reimbursement.
3. **Amend Agreement:** OCS normally sends CSBG funds via multiple allocations. As IHCDAA receives new allocations of funds, the original agreement will need to be amended, using the same process outlined above for the original agreement.
4. **Modify Budget:** If a CAA needs to change the line items for its budget, it must submit a budget modification request in order to have the budget updated in IHCDAAOnline.
5. **Complete Carryover Report:** CSBG funds are awarded annually, but CAAs may spend the funds over the course of two federal fiscal years. Funds that remain at the end of the first federal fiscal year and are spent in the second federal fiscal year are considered “carryover.” IHCDAA must report on carryover amounts to OCS each year; to help distinguish carryover from regular funds, CAAs must submit a Carryover Report once they’ve submitted all their expenses from the first federal fiscal year of their award.
6. **Complete Closeout Report:** Once a CSBG award has been completely expended, CAAs must submit a closeout report. IHCDAA staff uses that to check that the award is ready to close and to open the next CSBG award if funds are available for that.

Please see [Appendix XX](#) for instructions for the processes listed above.

For information about submitting claims on CSBG awards, please see the Partner’s Guide to IHCDAAOnline here: <https://online.ihcda.in.gov/AuthorityOnline/Links.htm>

4. Other CAA Responsibilities

4.1 Community Needs Assessment

Each CAA must perform a Community Needs Assessment every 3 years. (CSBG Act Section 676(b)(11), Organizational Standard 3.1) This assessment may be coordinated with community-needs assessments conducted for other programs, such as for HUD or Head Start. Other Needs Assessments may also be used to meet the requirement for a CSBG Community Needs Assessment *if* all details outlined in Organizational Standards 1.2, 3.2-3.4 and in this manual are completed and appropriately demonstrated.

4.1.1 CNA Content

A CSBG Community Needs Assessment should be concise and clearly understandable, and must contain the following information:

- a clear **description of the geographic location** (counties) that the agency is funded to serve (Organizational Standard 3.2)

- the **prevalence of poverty** in the service area as it relates to 1) gender 2) age, and 3) race/ethnicity (Organizational Standard 3.2)
- **data** collected directly from low-income individuals, including **customer input** (i.e. what clients think they or their community needs). (Organizational Standard 1.2)
- both **qualitative and quantitative data** about the agency's service area(s) (Organizational Standard 3.3)
 - Qualitative: such as surveys, interviews, focus groups, forums, etc., collected directly from an individual
 - Quantitative: such as Census data; internal program data or CSBG Annual Report data; national, state or local data
- information about available **resources** in the service area, in addition to needs. (Not an organizational standard, but still expected within the COE Organizational Standard Handbook – “Regular assessment of needs and resources at the community level is the foundation of Community Action”)
- a **description of the methods** that were used to gather the information, including who completed the analysis and how the analysis was done.
 - Qualitative: methodology should include from whom primary data was collected, and how primary data collection was promoted and distributed
 - Quantitative: methodology should include which data sources were used for which information.
- **analysis of the data**, which may include: differences and similarities between the quantitative and qualitative data, how does the data connect to a key community need, and what the assessment's findings may mean for agency programming. (Organizational Standard 3.3)
- **key findings** regarding the causes and conditions of poverty and the needs of the communities assessed, including family, agency, and community needs or gaps in capacity/services. (Organizational Standard 3.4)

In addition to the components that a CNA must include outlined above, CAAs should also consider including the following:

- **information gathered from key sectors of the community.** These sectors would include at minimum: community based organizations, faith-based organizations, private sector, public sector, and educational institutions.
 - If this information is not collected as a part of the CNA, it must be collected in some other documented process. (Organizational Standard 2.2)

4.1.2 CNA Use/Presentation

Once an agency's Community Needs Assessment is complete, it must be used in the following ways to ensure all relevant organizational standards are met:

- Share results with the agency's **governing board**, and have the board formally accept the final assessment (Organizational Standard 3.5)
- Make the report **publicly available**, such as by sharing with partner organizations, stakeholders, and the community at large, in addition to agency staff and board members. (Organizational Standard 3.1)

- Use the assessment to develop the agency's **Community Action Plan (CAP)**. The CAP should tie directly to the community assessment (Organizational Standard 4.2)
- Use the information in the assessment when developing the agency's **Strategic Plan** (Organizational Standard 4.3)

4.2 Strategic Plan

Each CAA must complete a governing board-approved Strategic Plan at least every five years (Organizational Standard 6.1). A review of the CAA's mission to ensure that 1) the mission addresses poverty; and 2) the organization's programs and services are in alignment with the mission, is also required every five years (Organizational Standard 4.1).

The Strategic Planning process should always begin with a review of the most recent community needs assessment since the plan represents the agency's overall strategy for how to meet the community's needs using available resources, both of which (needs and resources) should have been identified during the assessment process. The strategic plan should then inform the CAA's action plans, which describe how the agency will deliver programs and services.

Tip: CAA mission statements must also be reviewed every five years (Organizational 4.1). While it is not explicitly required that the Board's review of the mission statement happen at the same time that the strategic plan is completed, review of an agency's mission should be a core part of the strategic planning process; it is recommended that CAAs meet both standards at the same time.

4.2.1 Strategic Plan Content

In preparation for the Strategic Planning process, CAAs should keep in mind the following requirements that each strategic plan include:

- A **connection** to the federal goals of the reduction of poverty, revitalization of low-income communities and/or empowerment of people with low-incomes to become more self-sufficient (Organizational Standard 6.2)
- **At least one external goal** that focuses on changes that directly impact low-income clients or the community (Organizational Standard 6.2).
- **Each goal** is identified as targeting the agency, individuals/families, and/or the community as a whole (Organizational Standard 6.3). It is not required that a plan have all three.
- **A goal setting process** that is informed by customer satisfaction data (i.e. what clients think of a CAA's programs) and customer input (i.e. what clients say they or their community needs). (Organizational Standard 6.4)
- **A plan** for goal measurement and a timeline for achieving goals.

4.2.2 Strategic Plan Use/Presentation

Once an agency's Strategic Plan is complete, it must be used in the following ways to ensure all organizational standards are met:

- The governing board must receive at least **one update** on progress towards meeting Strategic Plan goals every **12 months** (Organizational Standard 6.5)

4.3 Community Action Plan

Once an agency has a completed Strategic Plan, informed in part by its most recent Community Needs Assessment, the next step in program planning and implementation is the Community Action Plan. The Strategic Plan represents a CAA's overall strategy for meeting the needs described in the Community Assessment, while the Community Action Plan is used to describe how the CAA will deliver the programs and services to meet the goals of the Strategic Plan.

As required by the CSBG Act, IHCDCA collects a Community Action Plan (CAP) annually from each CAA as a condition of the receipt of CSBG funds.

4.3.1 CAP Content

The Community Action Plan must be outcome-based, anti-poverty focused, and tie directly to the community assessment (Org. Standard 4.2). It must also demonstrate the CAA's use of the ROMA Cycle (Org. Standard 4.3).

In addition to meeting the requirements set by the CSBG Act and Organizational Standards, IHCDCA uses the Action Plan to gather required information for the State Plan and Annual Report, both submitted to HHS annually or biennially. In recent years, IHCDCA has based its Community Action Plan template on the Modules used for the Annual Report, so that the program targets set in the Action Plan can be directly reported on in the Report.

IHCDCA also uses the Action Plan to fulfill the requirement set in IM-138 for a State Lead Agency (IHCDCA) to annually assess the status of organizational standards among all Community Action Agencies. Since IHCDCA focuses the majority of its Organizational Standard monitoring efforts on its triennial CAR review, it endeavors to make the annual monitoring review as simple as possible; this is done by utilizing an organizational standard self-assessment and a review of governing board makeup and meeting attendance.

IHCDCA will provide the Action Plan template, which CAAs are required to use in order to complete the Community Action Plan, using a timeline similar to the following:

- Publish Template: September 15th

- Completed Plans due: November 15th
- IHCDCA Comments back to CAAs: December 10th
- Final Plans due: January 1st.

CAAs will receive an email or letter from IHCDCA accepting their Community Action Plan once all requirements are met. This in no way guarantees a passing CAR Monitoring score.

4.3.2 CAP Use/Presentation

The governing board must receive an update on the success of specific strategies included in the Community Action Plan at least annually (Org. Standard 4.4). That should be reflected in the meeting minutes. While not required, CAAs should consider giving updates on the Community Action Plan at the same time as they give updates on the Strategic Plan (Org. Standard 6.5), as they are related documents, and both are required at least annually.

At the end of the program year, CAAs must submit an Annual Report; as a part of that document, CAAs must identify the targets they set as a part of the CAP and provide updates on whether or not they met those targets. More information on the Annual Report is provided in the next section.

4.4 Annual Report (formerly IS Report)

Each year, CAAs must submit reporting information to IHCDCA, which then uses the information to submit an Annual Report to OCS. The CSBG Annual Report is a part of the greater CSBG Performance Management Framework and Results Oriented Management and Accountability (ROMA) Next Generation efforts. The CSBG Annual Report supports an enhanced focus on improved data collection, analysis, and continuous learning. Information will be used at all levels (National, State, and Local) to improve performance, track results from year to year and assure accountability for critical outcomes

4.4.1 Annual Report Content

Formerly the CSBG Information Survey, the now Annual Report is made up of the following modules:

- **State Administration (Module 1):** Completed by State CSBG Administrators - aligns with the CSBG State Plan. It includes information on state administration of CSBG funding, including information on distribution of funds to eligible entities, use of state administrative funds and discretionary funds for training and technical assistance as well as information on the progress of organizational standards for eligible entities; and, the state's progress meeting accountability measures related to state monitoring, training and technical assistance, and other critical areas.

- **Agency Expenditures, Capacity, and Resources (Module 2):** Completed by CAAs; reviewed, evaluated, and analyzed by IHCD - includes information on eligible entity funds usage on the direct delivery of local services and strategies and capacity development and administrative costs.
- **Community Level (Module 3):** Completed by CAAs; reviewed, evaluated, and analyzed by IHCD - includes information on the implementation and results achieved for community-level strategies. This is the only optional CAA Module.
- **Individual and Family Level (Module 4):** Completed by CAAs; reviewed, evaluated; analyzed by IHCD - includes information on eligible entity services provided to individuals and families, demographic characteristics of people served and the results of the services.

CAAs use Smartforms provided by NASCSP (via IHCD) for their reports. These Smartforms are usually released a few weeks before or after January 1. IHCD will send those forms to CAAs as soon as they are released, and will set a due date based on when they were released and when the final report is due (usually March 31, but in recent years was April 1 and July 22). IHCD staff will review initial submissions, using information provided in that year's Community Action Plan, and will request updates as needed from CAAs before the final submission to OCS.

OCS and NASCSP will then review the Annual Report data, and will send comments and required changes to IHCD, which will pass them along to CAAs with a new due date for new changes. See [Appendix XXX](#) for more information about the timeline for reporting.

4.4.2 Annual Report Use/Presentation

To help meet the requirements for **Organizational Standard 9.3**, CAAs are required to present their Annual Report to their Board of Directors and discuss any operational or strategic program adjustments and improvements identified as necessary.

CAAs should note the following Organizational Standards also relate to the Annual Report, specifically to having systems in place that are necessary to accurately track and report data that is required in the Annual Report:

- Organizational Standard 9.1: The organization has a system or systems in place to track and report client demographics and services customers receive. This is important for Module 4, and Module 3 to a lesser extent.
- Organizational Standard 9.2: The organization has a system or systems in place to track family, agency, and/or community outcomes. Important for all three Modules that CAAs complete.
- Organizational 9.4: The organization submits its annual CSBG Information Survey data report and it reflects client demographics and organization-wide outcomes.

- Organizational 9.5 The organization has an accurate and unduplicated count method or system for individuals served for all programs. This is important for Module 4, and Module 3 to a lesser extent.

Instructions for each Module can be found [here](#). If you have any questions about how to fill out a Module, please contact IHCDCA immediately.

4.5 Risk Assessments

It is required that CAAs complete an agency-wide risk assessment every two years and report the assessment results to the governing board (Organizational Standard 4.6). The goals of the risk assessment are to identify potential hazards (and their contributing factors) that threaten the achievement of agency goals and to protect the long-term stability of the organization.

4.5.1 Risk Assessment Content

There is no required format or content for the assessment, but it **MUST** be comprehensive for the whole agency, rather than for a specific program or department. The assessment must also include multiple topics or areas of focus; a risk assessment that focuses solely on facility security, for example, will not meet this requirement.

4.5.2 Risk Assessment Use/Presentation

It is required that a completed risk assessment be reported to the board.

While not required, IHCDCA also recommends CAAs develop a risk management plan after the risk assessment is completed.

4.6 Eligibility Determination

There is no federal or state-mandated process for determining CSBG client income eligibility, including what counts as income and how determine a household. However, it is required that CAAs have their own written policies and procedures for verifying income for each program that is supported in part or fully with CSBG funds, and that those processes be described in the Community Action Plan.

4.6.1 Types of Participant Income Verification

There are several different ways that CAAs can provide reasonable verification that a client meets CSBG income requirements. Some of the most common ways include:

1. **Full intake:** program staff collect and review client income documentation. This is the recommended way for verifying income whenever possible.
2. **Presumptive eligibility based on program participation:** if a client is deemed eligible in another program that does a full intake, and that program has the same or more restrictive income limits, it is reasonable to determine that the client is eligible for CSBG services.
3. **Presumptive eligibility based on location:** if a client lives in an income-restricted housing complex, and the income guidelines the complex uses are the

same or more restrictive than CSBG, it is reasonable to determine that the client is eligible for CSBG services.

4. **Participant self-attestation:** in some cases, CAAs can accept a client's signature on a document attesting to the fact that they fall below CSBG income requirements. This type of income verification should **only** be used if a full intake or similar process is not a good fit for a particular program, such as a food pantry.

4.6.2 Community Eligibility

CAAs are allowed, encouraged even, to manage programs and initiatives that have community-level impacts. In those cases where an initiative benefits an entire community rather than individuals or families that can have their incomes verified, CAAs must still document that the initiative proportionally benefits low-income families when they use CSBG funds to support the initiative. In most cases, this would mean showing that the percentage of low-income families in the community to be impacted matches or is higher than the percentage that CSBG represents of the initiative's total budget.

There may be some instances when IHCD would approve a CAA not documenting community eligibility. See [Section 4.6.4](#) for more information.

4.6.3 Eligibility Determination for Programs Partially Funded with CSBG

When CSBG funds are used to partially fund another program, CAAs must still take care that CSBG funds are only being used to support CSBG-eligible clients. This is required even if the program does not have eligibility requirements or has higher income eligibility requirements than CSBG requires.

For programs that are only partially funded with CSBG funds, CAAs must justify their program cost allocation to CSBG in one of three ways:

1. Show that the percentage of program clients that are CSBG income eligible is the same or more than the percentage that CSBG funding covers of the program budget.
 - a. In this case, income verification (using one of the processes outlined in 4.6.1) would only need to be completed and documented for enough clients to justify the CSBG allocation.
2. Show that the percentage of staff time that is spent on CSBG-eligible clients is the same or more than the percentage that CSBG funding covers of the program budget.
 - a. While this allocation method is based on staff time, CAAs would need to be able to show that the CSBG clients that staff spent time on were income qualified (using one of the processes outlined in 4.6.1)
3. Some other documented basis for allocating CSBG funds, approved by IHCD as a part of the CSBG Community Action Plan.

4.6.4 Instances When Eligibility Verification Is Not Required

In some circumstances, it may not make sense for a CAA to make an effort in eligibility verification of individuals or a community served by a specific program or activity. CAAs must seek IHCD approval for each program that they do not verify income eligibility as a part of the Community Action Plan. Circumstances when IHCD would most likely approve a waiver for income verification requirements include:

- The “program” is a CAA’s resource hotline or referral service, and the services that the CAA refers to indicate that those benefiting are likely to meet the CSBG income eligibility requirements.
- The “program” is a public awareness campaign about an issue that disproportionately impacts low-income individuals.

When requesting a waiver, CAAs will be expected to describe how or why they are confident these activities benefit low-income individuals in their community, as that remains a requirement of CSBG.

4.7 Partnership Development, Evaluation and Documentation

CAAs are charged with alleviating the causes and conditions of poverty in the communities they serve. This is by no means an easy task, and certainly not one that can be accomplished by a CAA alone. It is not only expected but required that CAAs develop formal and informal partnerships and other forms of linkages with various programs and organizations in their community.

The CSBG Act specifically requires that CAAs work with private, faith-based, charitable, and neighborhood-based organizations. CAAs report on these partnerships as a part of the annual Community Action Plan.

CAAs must show that partnerships across the community for specifically identified purposes are current, and that included in those are partnerships with other antipoverty organizations in the CAA’s service area. CAAs should have written documentation for at least some of their partnerships, which will be reviewed by IHCD during the CAR Monitoring process (Organizational Standard 2.1).

5. CAA Board Requirements

5.1 Tripartite Compliance

“Since 1968, local community action agencies have been required to have tripartite governing boards to gain and retain designation as eligible entities and to receive CSBG funding. Effective tripartite boards reflect and promote the unique anti-poverty leadership, action, and mobilization responsibilities assigned by law to community action agencies. Boards are responsible for assuring that agencies continue to assess

and respond to the causes and conditions of poverty in their community, achieve anticipated family and community outcomes, and remain administratively and fiscally sound." *IM 82*

According to the CSBG Act, as a condition of remaining "eligible entities" for CSBG funding, CAAs must administer their CSBG program through tripartite boards that "fully participate in the development, planning, implementation, and evaluation of the program to serve low-income communities."

In order to comply with the requirement for a tripartite structure, board must have the following composition:

- **A minimum of one-third** of tripartite board membership must be democratically selected representatives of low-income individuals and families who reside in the geographic area being served by the agency.
 - Information on the democratic election process is provided in a following subsection.
- **Exactly 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 remainder** must be chosen from "business, industry, labor, religious, law enforcement, education, or other major groups and interests in the community served."

5.2 Board Membership and Vacancy Requirements

In addition to the tripartite requirements, CAAs in Indiana must also follow requirements on number of members and length of vacancies:

- Boards must have at least 15 members, and no more than 51 members
- The current requirement is that board vacancies must be filled within 90 days. However, in response to the COVID-19 pandemic and the challenges it has caused CAAs, for state program years 2020 and 2021 (January 1, 2020 – December 31, 2021), that requirement is temporarily extended to 120 days.

5.3 Democratic Selection for Low-Income Representatives

In addition to requiring that CAAs comply with Board Tripartite rules, including democratically electing representatives of the low-income population to be served, the organizational standards also require that CAAs have written procedures documenting their democratic selection process.

A democratic selection process is not limited to an election process. Examples of the democratic selection process may include:

- Election by ballots which are casted by agency clients and/or by other low-income people in the service area (ballots may also be casted at designated polling places in the service area, satellite offices or via internet)
- Vote at a community meeting of low-income individuals
- Partnering with one or more community organizations composed predominantly of and led by elected low-income individuals that reside in the CAA's service area, to designate representatives to serve on the CAA board; this is referred to as the Micro-Democratic Selection Process. Examples of this could include parents from a Head Start policy council or a resident from a low-income housing tenant association.

5.4 Board Responsibilities

Below is a list of Organizational Standard requirements that relate to the governing board; it is not an all-encompassing list of board responsibilities, but it does include the specific actions that governing boards must take that must be documented in their meeting minutes for the CSBG Monitor to verify during a CAR Review.

Each item is something that boards must approve, accept, review or receive:

- Approve or Accept: this is a formal action (via board vote) that the board takes to consent to, confirm, or adopt a document or action that CAA staff present to them.
- Review or Receive: this an informal action taken by the board, when they must look at or become familiar with a document or proposed action but do not have to pass judgement on it (unless otherwise noted). Despite being informal, this action must still be documented in meeting minutes.

Steps for how the board completes the above items should be explained in a CAA's board bylaws.

According to the modified organizational standards that Indiana CAA's must follow, each CAA board must do the following:

Once/As needed:

- Approve a written succession plan for the CAA CEO/Executive Director, which includes:
 - a. procedures for covering an emergency/unplanned, short-term absence of 3 months or less, as well as
 - b. the process for filling a permanent vacancy. (Organizational Standard 4.5)
- Approve a whistleblower policy (Organizational Standard 7.7)
- Approve the agency Indirect Cost Rate or Cost Allocation Plan (Organizational Standard 8.12.1)

- Approve changes to fiscal policies, in response to staff review every two years. (Organizational Standard 8.10)
- Approve the agency record retention and destruction policy (Organizational Standard 8.13)
- Approve a comprehensive Information Resource/Security Policy. (Organizational Standard 10.6)

At each regular meeting:

- Receive programmatic reports (Organizational Standard 5.9)
- Receive financial reports (Organizational Standard 8.7)

At least annually:

- Receive a report on customer satisfaction data (Organizational Standard 1.3)
- Receive an update on the success of specific strategies included in the Community Action Plan (CAP). (Organizational Standard 4.4)
- Receive update(s) on progress towards meeting the goals in the strategic plan. (Organizational Standard 6.2)
- Conduct a performance appraisal of the CEO/Executive Director and establish annual written goals and/or expectations. (Organizational Standard 7.4)
- Review and approve CEO/Executive Director compensation (Organizational Standard 7.5)
- Receive a presentation by organization's auditor about the completed single audit (Organizational Standard 8.3)
- Receive and accept the audit. (Organizational Standard 8.4)
- Review the CAA's completed IRS Form 990 (Organizational Standard 8.7)
- Approve agency-wide budget. (Organizational Standard 8.9)
- Receive a report on an analysis of the agency's outcomes and any operational or strategic program adjustments and improvements. (Organizational Standard 9.3)

At least every two years:

- Receive a report on the CAA's latest agency-wide risk assessment. (Organizational Standard 4.6)
- Receive a copy of the bylaws. (Organizational Standard 5.4)
- Sign a conflict of interest form. This must be done by each individual board member, not the board as a single body. (Organizational Standard 5.6)
- Receive training on their duties and responsibilities. (Organizational Standard 5.8)
-

At least every three years:

- Accept the completed community assessment (Organizational Standard 3.5)
- Review and discuss the most recent IHCD A-issued CSBG CAR finalized monitoring report within ninety (90) days of receiving the report (Organizational Standard 5.12)

At least every five years:

- Review the CAA's mission statement to ensure that 1) the mission addresses poverty and 2) that the CAA's services align with the mission. (Organizational Standard 4.1)
- Approve an agency-wide strategic plan (Organizational Standard 6.1)
- Approve written personnel policies. (Organizational Standard 7.1)
- Review the CAA's written procurement policy. (Organizational Standard 8.11)

6. Monitoring

Monitoring CSBG Grant Awards ensures that agencies are providing good stewardship of the funds and using them in a manner consistent with their required intent.

Monitoring allows agencies to continually improve outcomes as they strive to adopt high impact strategies to assist in meeting the needs of their communities. Monitoring also can be an effective tool for risk mitigation for the agencies themselves. To successfully assist each agency in fulfilling its mission, IHCD A utilizes a "whole agency" or systems approach centered on collaboration, communication, and partnership. This allows agencies to build capacity over time to more effectively promote and support self-sufficiency among low-income individuals in their communities.

Effective communication, transparency and mutual respect are vital in facilitating a good working relationship between IHCD A and each agency. This relationship should allow IHCD A to provide reasonable program objectives and requirements, assist in developing solutions to problems, share program improvement ideas, and provide information on new developments in the field. IHCD A operates with the basic belief that a team approach is in the best interest of the agencies' long-term growth and that the monitoring process is one of the mechanisms for this interaction to occur.

To ensure proper communication is achieved the following communication plan will be utilized:

- Keep agencies updated on any changes to the monitoring policies and/or procedures
- Send all monitoring correspondences preliminary and final report to the Executive Director
- Provide the agency with the monitoring timetable for the on-site review, report, follow-up and closeout

- Conduct an entrance and exit conference with Executive Director and key leadership staff
- Meet regularly with the Executive Director during the on-site monitoring review to discuss all standards that are not met, partially met, recommendations and comments
- Be available to the governing board to review the monitoring report, if requested
- Meet with the governing board to review the monitoring report if a quality improvement plan is warranted
- Provide an opportunity for the agency to evaluate the monitoring process and the on-site monitors
- Provide the training and technical assistance contractor with potential topics that could be utilized by the network to enhance agency operations

6.1 Community Programs Division On-site Monitoring Approach

Currently, IHCDCA monitors its CSBG sub-grantees based upon the criteria established in the CAR Tool at least once during a three-year period and, as needed, after the completion of the first year in which a newly designated entity receives funds through the community service block grant (IM-97). Or when informed that grant funds were terminated for cause under related programs such as Head Start, Low Income Home Energy Assistance Program (LIHEAP), Weatherization Assistance Program (WAP), or other Federal programs (IM-116).

In addition, IHCDCA may monitor agencies after the completion of the first year a new Executive Director/Chief Executive Officer has been hired. This will be based upon whichever is sooner, the completion of the first year or a regularly scheduled CAR monitoring.

6.2 State Monitoring Tool (CAR Tool)

This tool, or review instrument, is used as an open and transparent document to complete the CSBG CAR monitoring process, which consists of Organizational Standards (OS) developed by the Center of Excellence (COE), Federal regulations, and IHCDCA requirements. This monitoring tool will ensure programmatic and financial integrity of the eligible entities receiving CSBG funds. The CAR instrument contains the following parts:

- **Part One: Organizational Management** (*Sections 1-3; categories 1-9*), which evaluates the operational performance metric for maximum feasible participation, vision and direction, and operations and accountability.
- **Part Two: Organizational Analysis** (*Sections 4- 5; categories 10-15*), which evaluates the fiscal performance metrics, allocations, and accounting to determine solvency.

- **Part Three: Beyond Compliance** (Section 6, categories 16 & 17), which evaluates an agencies road to excellence through bonus opportunities and best business practice recommendations.

6.3 Monitoring Scores

A **Value** is assigned to each standard that will allow the IHCD monitor(s) to supply a **Success Rate** of the monitoring. IHCD also incorporates additional State recommended standard practices, which are an opportunity for each agency to gain **Bonus Points**. Bonus points will be added to the Success Rate creating an **Overall Performance Score** for the final monitoring report.

The **Overall Performance Score** indicates the success of the agency in meeting all CAR requirements. This score determines whether the agency meets the States minimum overall performance goal or baseline is ninety-two percent (92%). *Exceptions may be made if the monitoring determines a critical compliance issue which is not supported by the performance score.*

Overall Rating	Percentage (%)	Action
Needs Improvement	91.99% or below	<i>Modified Quality Improvement Plan or Quality Improvement Plan</i>
Average Standing	92% to 94%	<i>Required Action Plan</i>
Good Standing	95% to 97%	<i>Required Action Plan</i>
Excellent Standing	98% to 100+%	<i>Required Action Plan</i>

7. Training, Technical Assistance and Additional Funding Opportunities

As explained in [section xxx](#) on the CSBG Allocation, when IHCD receives CSBG funding from OCS, it is required to subgrant 90% of that award, and may take up to 5% for its administrative expenses. That leaves 5% of the total state CSBG award, which IHCD refers to as discretionary funds. IHCD may choose to use those funds in a number of ways, but usually the focus of the funds is on providing additional opportunities for CAAs for training, technical assistance and program support or development. Below is a list of different activities IHCD has funded with discretionary funds in the past or plans to fund in the near future. It should be noted that just because something is listed below does not guarantee that IHCD will fund that particular activity in any given year; likewise IHCD may choose to do something new one year, something that is not currently listed below.

CAAs have an opportunity to provide feedback on IHCD's plans for discretionary funds during the biennial State Plan process.

7.1 Annual Network T/TA Contract

Each year, IHCD enters into a contract with one or more vendors to provide general training opportunities to the network. The training opportunities are normally a mix of in-person and virtual formats and range from one-hour webinars to multiday in-person courses. The trainings are generally free, except in special circumstances and require a minimum registration number in order to take place.

The topics chosen for the trainings usually come from a mix of three sources:

1. Recommendations from the monitoring teams, based on trends they see during their monitoring seasons.
2. Recommendations or requests from the network, based on self-identified need or on positive experiences with a particular trainer or training. These suggestions may be provided through the CAP or may be sent directly to IHCD as necessary.
3. The chosen vendor, based on their experience with the network or with CAAs or nonprofits in general

There are normally several training sessions taking place each month of the calendar year; information about upcoming sessions and links to register are normally provided by the training vendor, rather than from IHCD.

7.2 Indiana Community Action Conference

Each year, the Indiana Community Action Association puts on a conference for the CAA network. IHCD has traditionally supported the conference with both funding and speakers.

7.3 Special Training Series

Separate the general training sessions that are funded with the annual network T/TA contract, IHCD may choose to support a training series to focus on a particular topic, such as Two-Generation (2Gen) programming or fiscal management best practices. The number of training sessions provided in such a series and what format they take place in will depend on the series topic, the vendor, the ultimate goal of the series and several other considerations.

7.4 Staff/Board Development Funding

In addition to training sessions planned specifically for the CAA network and open to any CAA staff, IHCD may provide funds directly to CAAs to support staff and board training and professional certifications. CAAs must "opt-in" in order to access the funds; when IHCD sends out a request asking if CAAs want access to these funds, if a CAA responds "yes," the funds will be added to a separate CSBG-D award; funds will specifically be added to the budget line "Staff Development." Since this funding is

separate from the 90% funds CAAs receive in regular CSBG funding, they do not impact a CAA's Administrative percentage.

When an agency "opts in" to use these funds, they must provide a brief explanation of who they are considering using the funds for and for what types of trainings or certifications. No more than \$500 may be spent on an individual person. CAAs can spend less than that on a single person in order to support more individual staff or board members but spending less on one person does not mean they can spend more than \$500 on another person. One person must be a board member and another must be in a non-management role.

That plan may change and CAAs do NOT need prior approval if their final expenses do not match their original proposal. As for allowable expenses, they can include training/conference registrations, certification fees and travel costs, including meals. Because IHCDCA plans to support INCAA's conference in other ways with CSBG funds, these funds may not be used to send CAA staff to INCAA's conference. They may however be used to send board members to INCAA's conference.

7.5 Monitoring T&TA Funding

In addition to Staff/Board development funds, IHCDCA may give CAAs the opportunity to request direct assistance after they have a monitoring review completed. These funds would be available to all monitored agencies in a particular program year, not just those on Quality or Modified Quality Improvement Plans.

In program years when that is made available as a resource, CAAs can email a request for funding within 60 days of receiving the Monitoring Report from the IHCDCA Monitor. If made, the request should be emailed to the IHCDCA CSBG inbox (csbg@ihcda.in.gov) and use the request template provided by IHCDCA staff in [Appendix xx](#).

If approved, these funds will be added to the CAA's CSBG-D award via an award amendment and will be added to their budget line items as "Monitoring TTA." Allowable expenses could include contractor fees, as well as staff time and other costs on a case-by-case basis. Claims on those funds must be reimbursement-based and have supporting documentation such as invoices and receipts.

7.6 Other Direct T&TA Funding

IHCDCA may, at its discretion and based on available funds, offer additional funds to an agency to address a deficiency that is discovered outside of the monitoring process. If that happens, those funds will also be added to a CAA's CSBG-D award via an award amendment; the funds will be added to the award budget with the line item "General TTA."

7.7 Impact Grants

In addition to funds made available through CAAs' regular CSBG awards or CSBG-D awards for T/TA, IHCDCA may provide an opportunity for competitive funding via Impact Grants. These grants will be made available at the discretion of IHCDCA and based on available funding. When possible, IHCDCA may offer multiple types of "Impact Grants;" when that happens, CAAs will only be able to apply for one type of impact grant.

7.7.1 Family & Community Impact Grants

CAAs with an idea for a program or initiative that will have direct impacts on their clients on the community at-large can apply for funding to support their initiative idea. The initiative must be completely new to the agency or represent a major expansion of a current program or initiative. If awarded an initial amount of funding, agencies may have the opportunity to renew their grants for another one or two year and another, smaller round of funding, depending on the funding available to IHCDCA that year and on outcomes achieved by the agency with the initial funding.

Awarded CAAs will be chosen based on a competitive application process. As a part of the application process, IHCDCA will likely have a list of issues that they would like addressed by project proposals. IHCDCA may also expect selected CAAs to work with an IHCDCA-chosen evaluator to plan metrics for measuring initiative success. Selected CAAs will also be expected to report on their initiatives at the upcoming state community action conference.

7.7.2 Agency Impact Grants

CAAs that have an interest in improving internal policies and procedures in order to improve their overall efficiency and impact may apply for a smaller amount of funding to support their internal work. Funds made available through these awards must be used for a major organizational change such as integrating 2Gen into one or more programs, streamlining cross-program referrals and cooperation, reviewing data and outcome measurement policies, updating board process and procedures, improving on specific organizational standards.

These funds are not meant to fix an issue that a CAA has; that should be addressed by funding opportunities addressed above. Instead, these funds are to get agencies from compliance to excellence.

7.8 Supplement to the Network

In addition to new, separate funding or training opportunities for the network, IHCDCA may also decide to make a portion of their discretionary funds available to the network as a supplement. If this happens, the funding to be made available will be put through the allocation process outlined in [section xxx](#), and added to each CAA's regular CSBG award with an amendment. Unlike the funds described in the rest of this section, these funds would be subject to the regular CSBG administrative funding ceiling.

8. Reduction or Termination in Funding

Through direct technical assistance and funding for training, contractors and other resources, IHCDAs make every effort to assist agencies who are found to be out of compliance with Organizational Standards or are otherwise struggling with financial or governance issues.

Unfortunately, there may be times when IHCDAs deem it necessary to hold, reduce or terminate a CAA's CSBG funding. These actions are rarely taken, and only when IHCDAs discover issues so egregious as to cast serious doubt on an agency's ability to manage federal funds.

8.1 When IHCDAs Place a Temporary Hold on CAA CSBG Funding

If the issues that IHCDAs discover, during a CAR Monitoring or through any other process, create a concern that a CAA does not currently have the capacity to responsibly manage CSBG funds, IHCDAs may decide to temporarily close a CAA's award in IHCDASOnline, thereby creating a hold on their funds.

If IHCDAs staff believe this step is necessary, they will email the CAA's Executive Director to explain why and the steps the agency needs to take in order to remove the hold on their funds, along with a proposed timeline for the required steps.

8.2 Reducing or Terminating a CAA's CSBG Funds

If the issues that IHCDAs discover are so egregious as to cast doubt on a CAA's ability to *ever* responsibly manage CSBG funds, IHCDAs may decide to begin the process to reduce or terminate the CAA's CSBG funding.

The situations when IHCDAs may deem this necessary include but are not limited to:

- When fraud, abuse or other serious financial mismanagement or criminal activity has occurred, and the CAA has not taken adequate steps to rectify the situation.
- When a CAA is so far out of compliance with Organizational Standards as to necessitate a detailed and long-term QIP; the CAA takes the bare minimum steps to return to compliance, then is found to be out of compliance with the same standards over multiple CAR future Monitoring visits.
- The CAA is put on a QIP but fails to provide updates to IHCDAs on its progress on required actions and fails to respond to IHCDAs requests for information.

This is in line with IM 116, which states, "The second cause for reducing funding or terminating eligibility for CSBG funding is related to deficiencies in the activities of an individual eligible entity. Under Sections 676(c)(1)(B) and 676(c)(2) of the CSBG Act, States may reduce funding or terminate eligibility for CSBG funding based on an eligible entity's failure to comply with the terms of an agreement or a State plan, or to meet a

State requirement, to provide services, or to meet appropriate standards, goals, and other requirements established by the State, including performance objectives.”

In most cases, when an issue is identified that constitutes a potential reduction or termination of CSBG funding, IHCDCA will offer training and/or technical assistance to the CAA, as required by IM 116. However, IM 116 provides some examples of when training and technical assistance may not be appropriate:

- A deficiency for which the eligible entity has the expertise and skills available within the organization to make corrective actions without assistance;
- A deficiency for which the State has previously provided technical assistance and the eligible entity has failed to institute corrective actions;
- Multiple, widespread, and/or repeated deficiencies that cannot feasibly be addressed through technical assistance;
- A deficiency that involves evidence of fraudulent reporting or use of funds, or other evidence of criminal wrongdoing.

If IHCDCA has determined that a CAA is eligible for funding reduction or termination, it will notify the CAA’s Executive Director and Governing Board President of that decision and the reasons why. The CAA will have an opportunity to respond and address the stated reasons; if the response is found to be inadequate, IHCDCA will move forward with the hearing requirement outlined in IM 116. If the reasons for reducing or terminating funding involve misuse or mismanagement of funds, IHCDCA may decide to place a hold on CSBG funds during this time.

The CAA Executive Director and Governing Board President will be given at least 30 days’ notice of the hearing, and minutes will be taken for later reference and to provide to OCS if needed. The hearing official and the individuals making the final decision on CAA funding will come from outside of the Community Programs Department.

If, after the hearing, it is decided that IHCDCA will reduce or terminate the CAA’s CSBG funding, both the CAA and OCS will be notified. At that point, the CAA has 30 days to request a review by OCS. If that happens, OCS has 90 days to complete its review, and during that time IHCDCA may not terminate the CAA’s CSBG award.

If no request is made for an OCS review within 30 days of IHCDCA’s decision to reduce or terminate funding, or the OCS review is not completed within 90 days, or OCS agrees with IHCDCA’s decision, IHCDCA’s decision becomes effective immediately. At that point IHCDCA will complete the process of de-designating the CAA and designating a new organization to support the de-designated CAA’s service territory, working with the Governor’s Office as needed.