



Community Services Block Grant Program (CSBG)

2022 Program Manual



Indiana Housing & Community Development Authority

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<https://www.in.gov/ihcda/>

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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 (at National Community Action Partnership) |
| COI | Conflict of Interest |
| CSBG | Community Services Block Grant |
| DCL | Dear Colleague Letter |
| DOE | US Department of Energy |
| EAP | Energy Assistance Program (Indiana) |
| 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 (Indiana) |

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 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 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 (IHCDA).

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 CAAs 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, IHCDA 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, specifically:

- Have tripartite boards that fully participate in the development, planning, implementation, and evaluation of the program to serve low-income communities, and have the following makeup:
 - No fewer than 1/3 low-income democratically elected representatives;
 - 1/3 are public officials or their representatives; and
 - 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(ies) 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; applications for new Community Action Agencies are currently not being accepted. A map of Indiana's CSBG-funded community action agencies can be found in **Appendix A**.

1.3 Indiana Housing and Community Development Authority (IHCDA)

Pursuant to Indiana Code 4-4-33-1-(2), in 2007, Indiana Governor Mitchell E. Daniels, Jr., designated IHCDA as the Lead Agency for the purposes of carrying out State activities for CSBG. IHCDA has continued to be designated the lead agency with each new governor, most recently in July 2017 by Governor Eric 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 in IHCD's claims system 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 3 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 memoranda, etc. Part of IHCD's role is to provide state-level guidance based on new releases of federal regulations and guidance. As necessary, IHCD 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.** IHCD uses a modified version of the National Community Action Partnership Center of Excellence (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 IHCD 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, IHCD must ensure that corrective actions are taken. Please see Section 7 for more information on the monitoring process, and **Appendix B** for a list of the IHCD-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 8.
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 4.4.

The processes and procedures IHCD used 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. Overall, the program rules and requirements that IHCD adopts and upholds are outlined in this manual, as well as in **Appendix B**, and in the subgrantee agreement

that CAAs must sign each year. IHCDA has further adopted the Indiana CAR Tool as guidance on how to meet the requirements outlined in those documents.

1.3.1 IHCDA Contacts

For issues and questions regarding CSBG, please email CSBG@ihcda.in.gov. IHCDA staff will ensure your email is answered in a timely manner.

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

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

| Name | Title | Email | Phone Number | To contact for... |
|----------------|---|--|--------------|---|
| Tina Darling | Community Programs Manager – CSBG | tdarling@ihcda.in.gov and/or csbg@ihcda.in.gov | 317-234-7143 | General CSBG policy questions; requests for purchase approval; grant agreements, including amendments, carryover, and closeout. |
| Steve St. John | Community Programs Manager - Monitoring | sstjohn@ihcda.in.gov | 317-234-7577 | Operational monitoring |
| Mike VanOsdol | Community Programs Fiscal Monitor | mvanosdol@ihcda.in.gov | 317-232-7929 | Fiscal monitoring |
| Emily Krauser | Chief Deputy Director of Programs | ekrauser@ihcda.in.gov | 317-232-2447 | Questions that involve a combination of CSBG and other programs |

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

There are three situations when it is vital that a CAA contact IHCD as soon as possible: 1) when there is a change in staff leadership, 2) when its address and/or phone number(s) change, and 3) 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.
 - In this situation, the CAA will also need to update their information in IHCDOnline.
- **Fraud:** if fraud is discovered within the CSBG program or a program supported with CSBG funds, the CAA must email both IHCD's Chief Deputy Director of Programs and the Community Programs Manager for CSBG.

1.3.3 IHCD Website and Email Notices

IHCD 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, 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 IHCD's website. Other important information will be posted to that page, including program documents, guidance, 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](#).

2. Use of CSBG Funds

The following sections provide a general overview of allowable and unallowable uses for CSBG funds. When determining whether or not CSBG can support a specific expense, CAAs must consider all of the following rules and requirements:

1. Federal public law (the CSBG Act)
2. Federal Uniform Administrative Requirements, Cost Principles, and Audit Requirements (2 CFR 200)

3. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards (45 CFR 75)
4. State legislation (Indiana Code)
5. Requirements outlined in the CSBG grant award agreement
6. This manual and official IHEDA program guidance, and
7. Other federal and state guidance (Information Memoranda, Dear Colleague Letters, IHEDA notices, etc.).

Additional information about fiscal requirements that CAAs must follow are outlined in Section 5.

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, and
- the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient.

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, and
 - 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, and
 - 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) highlights 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, and
- 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, and
- 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. In the 2022 Federal appropriations bill (signed by President Biden on March 15, 2022), the 200% Federal Poverty Limit (FPL) was extended through September 30, 2022. Therefore, Indiana community action agencies may use the 200% FPL for any income verification or re-certification done for CSBG-funded services through September 30, 2022.

2.4 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, repair and replacement is allowable as a CSBG expense; any

maintenance or repair measure that is over \$1,000 must receive pre-approval from IHEDA'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 may serve individuals over 200% of the Federal Poverty Guidelines according to the CSBG Act they may not use CSBG funds to do so directly.
5. Contributions and donations, including cash, property, and services to another entity (2 CFR 200.434):
 - a. Funds may be sub-granted to another agency to support a CSBG-eligible activity. These funds must ultimately benefit CSBG-eligible clients or communities. CAAs must have a written agreement with any entity to whom it provides CSBG funds or goods. Sub-grantee agreements must include a reporting requirement that the CAA can use for their annual report.
6. Costs of organized fundraising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions are unallowable (2 CFR 200.442).

2.5 General Allowable Uses of Funds

For further guidance on allowable uses for CSBG funds, 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.

Agencies should be familiar with two sections in particular (see **Appendix B**):

1. 200.403 Factors Affecting Allowability of Costs, and
2. 200.404 Reasonable Costs

For further guidance on allowable uses for CSBG funds, 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 to make funding available faster to the national network. Delays in the approval of a federal budget could also lead to distributions being delayed as well as having more distributions that are smaller than previous years. IHCDCA normally receives the first 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 thirty (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 is determined, those funds 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.

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 Chief Operating Officer 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 IHCD can enter the award into IHCDOnline for the CAA to draw down funds from, the CAA must complete a budget template and send it back to IHCD.
2. **Submit Claims:** once the award is in IHCDOnline, CAAs may make claims on it for reimbursement.

3. **Amend Agreement:** OCS normally sends CSBG funds via multiple allocations. As IHCDAs receive 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 IHCDOnline.
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.” IHCDAs must report on carryover amounts to OCS each year; to help distinguish carryover from regular funds, CAAs must submit a Carryover Report once all expenses are submitted 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. IHCDAs 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 D & E** for instructions for the processes listed above. For information about submitting claims on CSBG awards, please see the Partner’s Guide to IHCDOnline [here](#).

4. CAA Responsibilities – Programmatic

Below is a list of the major programmatic activities CAAs must complete to remain eligible for CSBG funds. This list is meant to provide a high-level overview *and is in no way inclusive of all things* CAAs should do as community action agencies or as nonprofits in general; CAA staff are encouraged to do additional research on best practices as they plan to complete each item.

4.1 Community Needs Assessment

Each CAA must perform a Community Needs Assessment every 3 years. (CSBG Act Section 676(b)(11), 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 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 (Standard 3.2)
- the **prevalence of poverty** in the service area as it relates to 1) gender, 2) age, and 3) race/ethnicity (Standard 3.2)

- **data** collected directly from low-income individuals, including **customer input** (i.e., what clients think they or their community needs). (Standard 1.2)
- both **qualitative and quantitative data** about the agency's service area(s) (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:
 - This is not a stated Federal 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 the data connects to a key community need, and what the assessment's findings may mean for agency programming. (Standard 3.3), and
- **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. (Standard 3.4).

In addition to the sections outlined above, CAAs should 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 (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 Standards are met:

- Share results with the agency's **governing board**, and have the board formally accept the final assessment (Standard 3.5)
- Make the report **publicly available** (e.g., posted on the CAA website) by sharing with partner organizations, stakeholders, and the community at large, in addition to agency staff and board members (Standard 3.1)
- Use the assessment to develop the agency's **Community Action Plan (CAP)**. The CAP should tie directly to the community assessment (Standard 4.2), and
- Use the information in the assessment when developing the agency's **Strategic Plan** (Standard 4.3).

4.2 Strategic Plan

Each CAA must complete a governing board-approved Strategic Plan at least every five (5) years (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 (5) years (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 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: Your agency's mission statement must also be reviewed every five (5) years (Standard 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 (Standard 6.2)
- **At least one external goal** that focuses on changes that directly impact low-income clients or the community (Standard 6.2)
- **Each goal** is identified as targeting the agency, individuals/families, and/or the community as a whole (it is not required that a plan have all three) (Standard 6.3)
- **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) (Standard 6.4), and
- **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 Federal and State Standards are met:

- The governing board must receive at least **one (1) update** on progress towards meeting Strategic Plan goals every twelve (**12) months** (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 (CAP). The Strategic Plan represents a CAA's overall strategy for meeting the needs described in the Community Assessment, while the CAP 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 CAP annually from each CAA as a condition of the receipt of CSBG funds.

4.3.1 CAP Content

The CAP 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 Federal and State 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 CAP 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 Federal and State Organizational Standards among all CAAs. Since IHCDCA focuses the majority of its 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 a 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 to complete the CAP, 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 CAP 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 CAP at least annually (Standard 4.4). That update must be reflected in the meeting minutes.

Tip: CAAs should present or provide a copy of their CSBG Annual Report (described in the next section) to their Governing Board, and as a part of that presentation provide an update on the outcome targets set in the CAP, since those are the targets reported in the Annual Report.

4.4 Annual Report (formerly IS Report)

Each year, CAAs must submit reporting information to IHCD, 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 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 Federal and State 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 the National Association for State Community Services Programs (NASCS) (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). IHCD staff will review

initial submissions, using information provided in that year's CAP, 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 IHCDA, which will pass them along to CAAs with a new due date for new changes. See **Appendix F** 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:

- 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.
- 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.
- Standard 9.4: The organization submits its annual CSBG Information Survey data report and it reflects client demographics and organization-wide outcomes.
- Standard 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 complete a Module, please contact IHCDA immediately.

4.5 Risk Assessments

It is required that CAAs complete an agency-wide risk assessment every two (2) years and report the assessment results to the governing board (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*, IHCDa 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/or how to determine a household. However, CAAs are required to have their own written policies and procedures for verifying income for each program that is supported in part or fully with CSBG funds; those processes are then described in the annual 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 and encouraged 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 IHCDa 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/communities. 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 the amount of their program costs that CSBG supports 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 funding portion.
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 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 calculating the program costs that CSBG supports, 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.
- The nature of the service being provided, and its target population, make it reasonable to assume that the clients being served meet CSBG income requirements and that instating an individual income verification process would make the service unreasonably burdensome for both the clients and the service provider. The most likely services to receive approval for an income verification waiver under this reasoning are those provided by homeless shelters and food pantries.

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 reviewed and current (Standard 2.1.1), 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 (Standard 2.1).

5. CAA Responsibilities - Fiscal

Below is a list of requirements related to fiscal management of a CAA, most of which will be reviewed by IHCDA during the CAR Monitoring process; additional information on each requirement can be found in the CAR Monitoring Tool and/or the Federal Uniform Administrative Requirements, Cost Principles and Audit Requirements ([2 CFR 200](#)).

5.1 Procurement

5.1.1 Procurement Policies

CAAs are required to create and adopt (via governing board approval) a procurement policy that is in accordance with Federal Uniform Administrative Requirements, Cost Principles and Audit Requirements. There are five (5) procurement types outlined within 2 CFR 200.320. These must be included within the CAA's procurement policy along with the CAA's determined thresholds for each type. The thresholds and methods used for procurement must be within the guidelines outlined in 2 CFR 200.320.

CAAs 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). (Standard 8.11)

5.1.2 Purchase Orders

CAAs must use purchase orders, or an equivalent document (usually a purchase requisition form) as an internal control for their procurement process. Purchase orders

must be completed with dates and signatures, along with an accurate description of the item/s or service/s and purchase price before payment is made. (Standard 12.2)

5.1.3 Purchase Documentation Management

According to IHCD's CSBG subgrantee agreement, CAAs must keep records related to equipment purchases and dispositions for at least three (3) years after the disposition, replacement, or transfer of the equipment. If a CAA has a records and retention policy that requires a longer retention period, they must follow that policy.

IHCDA may request, at any time, procurement documentation for purchases made by the CAA. To assist in facilitating these requests, it is required that CAAs maintain procurement documentation in an easily retrievable manner. (Standard 12.4)

5.1.4 Purchases that Require Prior IHCD Approval

The vast majority of purchases made with CSBG funds can be completed without IHCD review or approval outside of the claims review process. The following list represents exceptions to that process; claims for the following expenses that are submitted without documented prior approval from IHCD's Community Programs Manager-CSBG will result in a denied claim. If a CAA is unsure if a potential purchase is an allowable CSBG expense, or if it requires prior approval, they are encouraged to contact IHCD 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 the following:
 - a. an explanation of services to be provided by the subcontractor or subgrantee
 - b. an explanation of the type of agreement the CAA plans to enter into (this could include a copy of the agency's sub-contractor agreement)
 - c. an explanation of any bid or application process the CAA followed, and
 - d. if direct services are to be provided, the CAA must explain how they or the subcontractor/subgrantee will determine that individuals or the community are income-eligible for CSBG services.

You may request approval for one year or multiple years but may not exceed five years.

The CAA must require all subcontractors and subgrantees to comply with the provisions set forth in the IHCD CSBG grant agreement; the CAA will remain responsible to IHCD for and monitor the services provided by any subcontractor or subgrantee.

2. **Equipment over \$5,000.** When purchasing equipment, as defined by 2 CFR 200.33, an email request for approval must be submitted to IHCD. Within the

request for approval, CAAs must explain the need for the equipment, provide three (3) different bids for the equipment to be purchased, and an explanation of the bid process that the CAA followed.

- a. This requirement for IHCDCA approval is for individual equipment items, and not entire orders, even if the order is for multiple of the same piece of equipment. For example, a CAA would need prior approval for a single computer that costs over \$5,000, but not for a purchase of five (5) computers each worth \$1,500.
- b. 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
- c. **Vehicles:** in addition to following the rules for capital expenditures, CAAs must have IHCDCA listed as a lienholder on the title for any vehicle purchased with CSBG funds. That title must then be sent to IHCDCA to keep until the CAA needs to dispose the vehicle (see next section for instructions).
 - i. When sending a vehicle title, the CAA should address the envelope to:

**Community Programs Manager - CSBG
Department of Community Programs
IHCDCA
30 South Meridian St., Suite 800
Indianapolis, IN 46204**

For more information about capital purchases and management, please see the Weatherization Policy Manual, Section 808.

3. **Home Repair Measures over \$1,000.** CSBG funds *may not* be used to:
 - a. materially increase the value of the home;
 - b. appreciably prolong the life of a home; or
 - c. put the home into efficient working condition rather than merely keep it in that condition.

However, CSBG funds may be used for home maintenance, upkeep, repair, or replacement measures as long as those do not conflict with the above allowable uses. Any single measure that costs more than \$1,000, must be pre-approved by IHCDCA'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.

When an agency seeks IHCDCA approval for a measure over \$1000, the following information must be provided:

- a. A description of the repair/replacement to be made, noting how the materials to be used compare to the current materials
- b. The total cost, including CSBG's portion, and
- c. Whether the home is owner-occupied or a rental. (If a rental, explain why the landlord is not paying for the measure.)

If a CAA believes they will have a high number of approval requests, it may submit its home repair program policy instead for approval. If approved, any work done in accordance with that policy does not need IHCDCA pre-approval; any proposed measure that is **not** covered by the CAA's policy would still need IHCDCA approval. To be approved, the policy must include the following:

- a. a list of the types of measures the CAA may take as part of the program
- b. an assurance that the materials used for repairs, or components used for replacements, would be comparable to the materials/components currently in place, and
- c. an assurance that the measures would only *keep* a home in working efficient condition rather than *move it* into that state.

5.2 Inventory Management

5.2.1 Schedule of Inventory

2 CFR 200.313 outlines the necessity for CAAs to maintain a schedule of inventory, or set of property records, for equipment acquired by the CAA on an ongoing basis. There is a list of fields that are mandatory for inclusion within the schedule of inventory, and it is the CAA's responsibility to maintain these records on an organization-wide basis. For the list of mandatory fields, refer to 2 CFR 200.313(d)(1). (Standard 11.2)

5.2.2 Inventory Inspections

2 CFR 200.313 mandates that each CAA completes a full inventory inspection once every two years. Per regulation, the results of the inventory inspection must be reconciled with the property records. Adequate documentation showing the results of the inventory inspection, and any subsequent changes to the property records, must be maintained by the CAA. (Standard 11.4)

5.2.3 Dispositions

Each CAA must maintain a disposition policy or procedure to make certain all regulations and rules are followed, and that all necessary documentation is preserved. Prior to disposing of equipment, if a piece of equipment has a current fair market value over \$5,000, a CAA must have IHCDCA's approval for their disposition plans. If the equipment was purchased with funds from an open 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. (Standard 11.1)

5.3 Claims & Payments

5.3.1 Monthly Claim Submissions

IHCDA recommends that CAAs submit at least one CSBG reimbursement claim per month. For IHCDA to effectively mitigate against potential issues and delayed approvals, it is mandatory that CAAs only include costs incurred (payment has been made) within the reimbursement claim. (Standard 13.3)

TIP: Claims over \$100,000 may require IHCDA CSBG Program Manager review prior to being processed by IHCDA Financial Operations. This will delay processing your claim, so IHCDA recommends submitting more, smaller claims rather than waiting to submit one large claim.

For additional information, please refer to the following:

- [IHCDA Partner's Guide to IHCDA Online v2022](#)
- **Appendix G: 2022 IHCDA CSBG Claim Requirements**

5.3.2 Timing of Payment and Expense Submissions

It is important that each CAA make payments for acquired products or services in a timely manner. To do so, CAAs must provide payment for invoices received within 45 calendar days. (Standard 13.4)

In turn, once payment has been made on an expense within the 45-day window, CAAs must submit for reimbursement of that expense within an additional 45-day window. (Standard 13.5)

5.3.3 Claims Cover Sheet

Starting April 1, 2021, the IHCDA-provided CSBG Claims Coversheet must be completed and accompany each CSBG claim submission so it can be processed. Refer to **Appendix H**.

5.4 Charging Other Programs to CSBG

As explained in Information Memorandum-37, CSBG may be used to supplement other programs once all of those program funds have been completely expended. Supplementing is when CSBG funds are used for expenses for another program that are included in that program's budget/allowable expenses.

CSBG can also be used to augment another federal program's budget; this is when CSBG funds are used for expenses that are directly related to another program, yet out of scope for use of that program's funds (i.e., the expense is not one normally covered by that program's main funding source).

Most of the time, when another federal or state program has rules about how CSBG may or may not be used to supplement or augment that program, and those rules go above and beyond CSBG rules, it is up to that program to ensure a CAA's use of CSBG

is not in conflict with their program rules. However, the IHEDA Community Programs team is making a concerted effort to monitor use of CSBG in EAP and Weatherization, since those two programs also fall under Community Programs purview.

5.4.1 Supplementing Energy Assistance Program (EAP) Administration

According to the federal Low Income Home Energy Assistance Program (LIHEAP) Statute Section 2605(b) (9) and to LIHEAP IM 2000-12, Local Service Providers (LSPs) may only use up to a specific percentage of their LIHEAP award to cover administrative expenses, as specified in the LIHEAP subgrantee agreement; that maximum percentage is for all federal funds, not just LIHEAP funds.

To ensure LSPs do not charge more than the maximum administrative percentage to any combination of federal awards, LSPs must charge all administrative expenses accrued under LIHEAP to the admin line item in the LIHEAP grant. A CAA cannot supplement LIHEAP administration with CSBG funds; this applies to program administration and to Assurance-16 administration. Therefore, CAAs must use nonfederal funds to supplement any expenses necessary to administer the LIHEAP program beyond the maximum allowable LIHEAP administrative percentage.

LSPs who wish to use CSBG to supplement LIHEAP program costs may use these funds for utility payments, energy education, case management, or conservation tools rather than admin expenses, as explained in the sections below.

5.4.2 Supplementing EAP Assurance-16

In addition to the percentage cap on LIHEAP Administrative costs, LSPs must also limit their Assurance-16 expenditures to a percentage specified in the LIHEAP subgrantee agreement.

Activities that are normally associated with Assurance-16 include providing clients energy education and/or energy conservation tools, as well as case management. CAAs may use CSBG funds to support these activities, but they must be kept separate from Assurance-16. To that end, when claiming expenses on a CSBG grant, the expenses should be labelled as the exact services being paid for (e.g., energy education, energy conservation tools, case management, etc.) or as “self-sufficiency resources” or similar (as allowed by previous guidance). If it appears that the claim is for “Assurance 16” or “A16” it will be denied.

5.4.3 Using CSBG for Non-EAP Utility Payments

CSBG may be used to provide direct utility payment assistance to LIHEAP clients who require additional assistance beyond the benefit they are eligible for under the EAP rules, as well as to clients who are ineligible for LIHEAP assistance but meet CSBG eligibility requirements.

When claiming Utility Payments on a CSBG award, it should be clear this is not a benefit paid for with LIHEAP funds; the charges should be labelled as “Non-LIHEAP Utility Benefit” or similar. Utility assistance that is provided through CSBG must NOT be reported in RIAA. If it appears that the claim is a general claim for “EAP” or “LIHEAP,” it will be denied.

Tip: If a CAA would like CSBG to be used for utility payments or energy education, IHCD recommends the agency create a completely separate program in which to track those clients, program funds and administrative funds, and call it something completely different from EAP (e.g., “Team Heat”). That way the agency can use CSBG funds for all costs associated with providing those services (program and administrative) without creating a potential concern during EAP monitoring.

5.4.5 Supplementing Weatherization: Using CSBG for Energy Saving Measures

CSBG funds may be used to supplement weatherization production once all allotted other funding (LIHEAP or Department of Energy (DOE)) for a home has been exhausted (i.e., if a home is significantly over ACPU). These funds may be used only on energy-related measures as shown in the Energy Audit to provide an SIR of 1 or greater. The modeling software NEAT/MHEA should be used to show these savings.

When submitting a CSBG claim for this type of cost, please describe it as “Weatherization Supplement,” “low-cost energy efficiency measures,” or similar (as allowed by previous guidance) and include any pertinent information.

The above information does **not** apply to the work needed to bring deferred homes into the condition required before they can be accepted into the Weatherization program. Please refer to Section 5.1.4 for requirements for using CSBG to fund non-Weatherization work on homes.

CSBG cannot be used to supplement Weatherization administrative costs.

5.5 Other Fiscal Requirements

5.5.1 Financial Statements

CAAs must produce monthly financial statements for governing board review. The Statement of Financial Position (Balance Sheet) and the Statement of Activities (Income Statement) must be properly completed for each month and in a timely manner.

Once the financial statements are completed and presented, the accounting books should be closed and any adjusting journal entries that would alter the completed financial statement should not be posted. If the CAA is in a position where the financial statements need to be altered, they must take special care in communicating those circumstances with the board at its earliest convenience. (Standard 14.1)

5.5.2 Bank Statements

CAAs must maintain accurate and monthly bank statements and reconciliations. Proper internal controls, as dictated by the CAA's policies, are to be used to reduce the inherent risk of operational accounts. It is important for bank account reconciliations to match the corresponding financial statements of the same period. (Standard 14.1)

5.5.3 Fiscal Stability

CAAs must remain fiscally stable to foster the community and family impacts that are at the heart of CSBG. CAAs that are unable to do so pose a risk to the communities that they serve.

IHCDA uses a mix of financial ratios to evaluate and track the fiscal stability of CAAs. By using a combination of liquidity, efficiency, and leverage ratios, a picture of overall fiscal health is created. The following describe what IHCDA is looking for with each type of ratio.

- **Liquidity ratios** determine an agency's ability to cover short-term obligations and cash flow.
- **Efficiency ratios** compare the agency's administrative costs to their overall budget.
- **Leverage ratios** examine whether an agency is bringing in the amount of funding needed to cover its long-term debt.

CAAs are highly encouraged to calculate and review these ratios independently and on a regular basis. Ratios can be an important tool in evaluating the fiscal trends of an organization and as noted below, can provide a level of insight for the board of governors that financial statements sometimes lack.

6. CAA Governing Board Requirements

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

6.1 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*

Tripartite governing boards are the embodiment of maximum feasible participation, a specific goal of the CSBG Act.

To comply with the requirement for a tripartite structure, a CAA 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, appointed 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."

6.2 Board Membership, Vacancy and Meeting 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 fifteen (15) members, and no more than fifty-one (51) members (Standard 5.1).
- The current requirement is that board vacancies must be filled within ninety (90) calendar days.
- The full governing board must meet at least six (6) times per year (Standard 5.5).
- Bylaws establish quorum as no fewer than one-third (1/3) of the number of directors in office (Standard 5.10).

6.3 Democratic Selection for Low-Income Representatives

In the Board Tripartite rules required by federal legislation, all representatives of the low-income population must be democratically selected. CAAs must have written procedures documenting their democratic selection process. A democratic selection process is not limited to an election process. See the CAR Tool (Standard 5.5) for examples of different types of democratic selection processes.

6.4 Board Responsibilities – Fiscal

Below is a list of fiscal responsibilities that the Governing Board of Directors has for their CAA. This is not an exhaustive list, but rather a collection of some of the most important responsibilities that Boards have in overseeing their CAA's financial position.

6.4.1 Audits

The governing board is responsible for holding the CAA accountable for addressing each audit finding as the governing board deems appropriate. (Standard 8.2)

6.4.2 Financial Reporting Validation:

The governing board must receive appropriate financial reporting at each scheduled board meeting. Per CSBG IM #138, agencies must present an organization-wide report on revenue and expenditures that compares budget to actual, categorized by program, as well as a balance sheet, or statement of financial position to the governing board. Head Start agencies must also present and review credit card statements at each regular meeting. CAAs may choose to present ratios and may be recommended to do so depending on outcomes of monitoring (see Section 5.5.3 Fiscal Stability, above).

The board members are responsible for maintaining an adequate level of understanding of the organization's finances. Board members should be acquainted with financial statements to the level at which general comprehension is maintained.

Reviewing budget variances and financial ratios are a great way for board members to quickly become aware of the CAA's current situation and outlook. Variances should be prorated to the timing of the year in which the variances are created to provide relatable information from month to month and meeting to meeting.

6.4.3 Fiscal Policies & Internal Controls

Each CAA is responsible for developing and maintaining their own board approved fiscal policies. Fiscal policies may include general fiscal & accounting policies, procurement policy, cost allocation plan, travel policy, credit card policy, record retention and destruction, information security, etc.

Each policy should fully and accurately detail the internal controls in place to effectively mitigate financial and data risks to the agency.

6.5 Board Responsibilities – Timeline for Reviews and Approvals

Below is a list of Federal and State Organizational Standard requirements that relate to the governing board; it is not an all-encompassing list of board responsibilities, but a resource to help CAAs navigate Standard requirements.

Each item below 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 (three) 3 months or less, as well as
 - b. the process for filling a permanent vacancy. (Standard 4.5)
- Approve a whistleblower policy (Standard 7.7)
- Approve the agency Indirect Cost Rate or Cost Allocation Plan (Standard 8.12.1)
- Approve changes to fiscal policies, in response to staff review every two (2) years. (Standard 8.10)
- Approve the agency record retention and destruction policy (Standard 8.13)
- Approve a comprehensive Information Resource/Security Policy. (Standard 10.6)

At each regular meeting:

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

At least annually:

- Receive a report on customer satisfaction data (Standard 1.3)
- Receive an update on the success of specific strategies included in the Community Action Plan (CAP). (Standard 4.4)
- Receive update(s) on progress towards meeting the goals in the strategic plan. (Standard 6.5)
- Conduct a performance appraisal of the CEO/Executive Director and establish annual written goals and/or expectations. (Standard 7.4)
- Review and approve CEO/Executive Director compensation (Standard 7.5)
- Receive a presentation by organization's auditor about the completed single audit (Standard 8.3)
- Receive and accept the audit. (Standard 8.4)
- Review the CAA's completed IRS Form 990 (Standard 8.6)
- Approve an agency-wide budget. (Standard 8.9)
- Receive a report on an analysis of the CAA's outcomes and any operational or strategic program adjustments and improvements. (Standard 9.3)

At least every two (2) years:

- Receive a report on the CAA's latest agency-wide risk assessment. (Standard 4.6)
- Receive a copy of the bylaws. (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. (Standard 5.6)
- Receive training on their duties and responsibilities. (Standard 5.8)

At least every three (3) years:

- Accept the completed community assessment (Standard 3.5)
- Review and discuss the most recent IHCD-issued CSBG CAR finalized monitoring report within ninety (90) days of receiving the report (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. (Standard 4.1)
- Approve an agency-wide strategic plan (Standard 6.1)
- Approve written personnel policies. (Standard 7.1)
- Review the CAA's written procurement policy. (Standard 8.11)

7. IHCD Monitoring

Monitoring CSBG Grant Awards ensures that CAAs are providing good stewardship of the funds and using them in a manner consistent with their required intent. Monitoring allows CAAs 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 CAAs themselves. To successfully assist each CAA in fulfilling its mission, IHCD utilizes a "whole agency," or systems approach centered on collaboration, communication, and partnership, allowing CAAs to build capacity to achieve program goals.

Prior to the onsite monitoring visit, the agency will be given a minimum of thirty (30) calendar days' notice by way of an official CSBG CAR Monitoring Notification letter. (This is in addition to the preliminary notification provided each agency at the beginning of the fiscal year.) Agencies have at least twenty (20) calendar days to provide the information contained in the pre-monitoring questionnaire and CSBG CAR Monitoring Document list to IHCD. Instructions for uploading documents, along with any preparation for the CAR monitoring session, are provided in the notification letter. IHCD encourages the agency to have governing board, leadership staff, and departmental meetings in preparation for the monitoring event to guarantee compliance with each standard.

The monitoring officially begins with the entrance conference, typically held with the IHCD monitors and the agency's management/leadership team. The purpose is to

familiarize the agency with the review process and for the monitor to become familiar with specific details unique to each organization.

Effective communication, transparency and mutual respect are vital in facilitating a good working relationship between IHCD and each CAA. This relationship should allow IHCD 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 operates with the basic belief that a team approach is in the best interest of the CAAs' 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 CAAs updated on any changes to the monitoring policies and/or procedures.
- Send all monitoring correspondence, preliminary and final reports, to the Executive Director.
- Provide the CAA with the monitoring timetable for the 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, or upon request.
- Provide an opportunity for the CAA 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.

CSBG Monitoring Authority

Under Section 678B of the CSBG Act (42 U.S.C. 9914); the State CSBG Lead Agency (IHCD) has the authority to establish "performance goals, administrative standards, and financial management requirements" that assure an appropriate level of accountability and quality among the State's eligible agencies." In order for States to meet these responsibilities under the CSBG Act, States must establish and communicate clear and comprehensive standards and hold eligible entities accountable according to the standards as part of their oversight duties." Furthermore, "States should consistently integrate the organizational standards in State CSBG plans, contracts with eligible entities, funding documents, and oversight and monitoring instruments and reports" (IM-138). To fulfill this responsibility, IHCD requires agencies to participate in an onsite compliance review, called a Comprehensive Administrative Review (CAR).

7.1 Community Programs Division Monitoring Approach

IHCDA conducts a full onsite review of the CAAs based upon the criteria established in the CAR Tool at least once during a three-year period (42 USC 9914(a)). Monitoring evaluation reviews all agency actions during the monitoring period (the day after the previous CSBG CAR monitoring exit conference) up to the current entrance conference date and is conducted by the IHCDA Community Programs Management and Fiscal Monitors (other IHCDA staff or subcontractors may also be utilized). As needed, a full onsite review may also occur in response to one of the following situations:

- After the completion of the first year in which a newly designated entity receives funds through the community service block grant (42 USC 9914 and IM-97).
- 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 (42 USC 9914 and IM-116).
- Follow-up reviews, including prompt return visits, that fail to meet the goals, standards, and requirements established by the State (42 USC 9914).
- After the completion of the first year a new Executive Director/Chief Executive Officer has been hired. This is based upon whichever is sooner: the completion of the first year or a regularly scheduled CAR monitoring. However, IHCDA may choose to administer another form of CSBG compliance oversight.

7.2 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 IHCDA requirements. This monitoring tool will ensure management (programmatic) and financial integrity of the eligible entities receiving CSBG funds.

- **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 agency's road to excellence through bonus opportunities and best business practice recommendations.

7.3 Monitoring Scores

A **Value** is assigned to each standard that will allow the IHCDA monitor(s) to supply a **Success Rate** of the monitoring. IHCDA 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 State’s minimum overall performance goal, or baseline, of ninety-two percent (92%).

| Overall Rating | Percentage (%) | Action |
|------------------------------|-----------------------|---|
| Needs Improvement | 91.99% or below | <i>Modified Quality Improvement Plan (MQIP) or Quality Improvement Plan (QIP)</i> |
| Satisfactory 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> |

Following the on-site monitoring review and, barring any circumstances that would cause a reasonable delay, a CAR Monitoring Report will be issued within thirty (30) calendar days of the exit conference to the CEO/Executive Director via email. The report is the official record of compliance and will summarize the results of the review based upon the agency’s performance. Agencies may be given the following items for follow-up:

- A **Required Action** indicates that the agency did not successfully comply with a standard and therefore “Partially Met” or “Does Not Meet” the expectation. A required action results from a violation of an established federal or state-issued policy or an element that did not follow all established guidance.
- A **Best Business Practice Recommendation** is for the agency’s consideration; there is no violation of any policy or procedures but will aid the agency in stronger operations if enacted.

More information on the Monitoring Report process can be found in **Appendix I**.

8. Training, Technical Assistance and Additional Funding Opportunities

As explained in Section 3.1 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. The remaining 5% of the total state CSBG award are designated 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 to CAAs for training, technical assistance and program support or development. IHCD will create opportunities for discretionary funds that align with the goals of the State Plan (CAAs have the opportunity to provide feedback on those plans). Details about these opportunities will be released from the CSBG Manager as they are finalized.

8.1 Annual Network T/TA Contract

Each year, IHCD A 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. All agencies are expected to participate in these trainings as appropriate.

8.2 Monitoring T&TA Funding

In addition to Staff/Board development funds, IHCD A 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 IHCD A Monitor. If made, the request should be emailed to the IHCD A CSBG inbox (csbg@ihcda.in.gov) and use the request template provided by IHCD A staff in **Appendix J**.

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.

9. Reduction or Termination in Funding

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

Unfortunately, there may be times when IHCD A deems it necessary to hold, reduce or terminate a CAA's CSBG funding. These actions are rarely taken, and only when IHCD A discovers issues so egregious ("cause") as to cast serious doubt on an agency's ability to manage federal funds.

9.1 Temporary Holds on CAA CSBG Funding

If the issues that IHCD A 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, IHCD A may decide to temporarily close a CAA's award in IHCD AOnline, thereby creating a hold on their funds.

If IHCD A staff believe this step is necessary, they will email the CAA's Executive Director to explain why, and will include 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.

9.28 Reducing or Terminating a CAA's CSBG Funds

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

The situations when IHCDa 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 Federal and/or State 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 future CAR reviews.
- The CAA is put on a QIP but fails to provide updates to IHCDa on its progress on required actions and fails to respond to IHCDa 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, IHCDa 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 IHCDa 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, IHCDa 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, IHCDa 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 calendar 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 may come from outside of the Community Programs Department.

If, after the hearing, IHCDCA finds cause to 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 a 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 if 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. Informational Memorandum 116 provides additional background on statutory and regulatory requirements for terminating organizational eligibility or otherwise reducing the share of funding allocated to any CSBG-eligible entity. IHCDCA will utilize this as a guide tool to support State implementation within this section.