

Community Services Policy Manual

# 500 Series

Community Services Block Grant Policy

BCAEO

Updated April, 2024

CSBG Policy

**500 SERIES  
COMMUNITY SERVICE BLOCK GRANT**

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## 500 SERIES COMMUNITY SERVICE BLOCK GRANT

### 500 CSBG/CSBG-D ALLOCATIONS AND APPLICATIONS

**EFFECTIVE DATE**                      **October 1, 2023**

**REVISED DATE**                      **October 1, 2023**

#### **PURPOSE**

This item provides guidelines and instructions for preparation and submittal of the FY2024 CSBG Community Action Plan (CAP) and any Discretionary plans or Amendments.

#### **POLICY CHANGES**

- Updated dates and numbers throughout
- Added information to EGrAMS Contract section
- Updated links throughout

#### **POLICY**

#### **CSBG ALLOCATIONS**

The **FY2024** CSBG planning (estimated) allocations are based on the State's **FY2023** CSBG funding level. For planning purposes, CAAs will receive 90% formula funds for distribution for the period October 1, **2023** through September 30, **2025**.

The Allocation Chart can be found in [SharePoint](#).

#### **CSBG COMMUNITY ACTION PLAN (CAP)**

CAAs shall prepare and submit an FY2024 CSBG CAP in accordance with the guidelines below. The CSBG Service Plan and Expenditure Plan must be completed for the two-year allocation timeframe and submitted through SharePoint.

**Community Action Plan** – Complete the plan for the period October 1, 2023 through September 30, 2025 using the [Application and Instructions](#).

**CSBG Expenditure Plan** - Complete the expenditure plan for the period October 1, 2023 through September 30, 2025, using the Excel sheet in [SharePoint](#).

#### **EMPOWOR COMMUNITY ACTION PLAN AND PROGRAM SETUP/REVIEW**

Complete your Community Action Plan (formerly logic models) for FY24 in empowOR.

Community Action Plans must be completed in empowOR, due as prescribed by the BCAEO. Community Action Plan technical assistance can be obtained from the empowOR Help Desk ([MDHHS-empowORHelp@michigan.gov](mailto:MDHHS-empowORHelp@michigan.gov)).

Beginning in FY24, Grantees will be responsible for setting up their own programs, services, and outcome indicators in empowOR (rather than the Help Desk). These should be reviewed annually. Contact the empowOR Help Desk for technical assistance. Note that some programs administered by BCAEO will be implemented via plugins and will not need to be setup by

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CAAs.

### SUBMITTAL PROCESS

Grantees shall submit Service Plan documents through SharePoint per the CSBG Application instructions in [SharePoint](#). Grantees must also send an email to the [MDHHS-BCAEO@michigan.gov](mailto:MDHHS-BCAEO@michigan.gov) mailbox when their application documents are uploaded by the required due date.

Questions regarding the CSBG CAP should be directed to your BCAEO Grant Manager.

### EGRAMS CONTRACT

The FY24 **year one** contract can be identified as CSBG1-2024. FY23 **year two** can be identified as CS23-2024. The EGrAMS system runs grant agreements on the state's fiscal year; therefore, the approved budgets in EGrAMS will not always align with the CSBG contract amount. Because of this, each CSBG fiscal year allocation will have two EGrAMS contracts (year 1 and year 2). Refer to your approved budget and Statement of Expenditure document until true-up amendments can be processed to align your agreement balance with your actual balance.

EGrAMS contract numbers can be found in [SharePoint](#).

EGrAMS instructions can also be found in [SharePoint](#).

### CSBG AMENDMENT APPLICATION

When the final CSBG Allocation is released, BCAEO will communicate with Grantees, and Grantees shall prepare and submit a modification/amendment to their CSBG CAP in accordance with the guidelines below.

Note that the Allocation Chart can be found in [SharePoint](#).

### PLAN AMENDMENT SUBMISSION REQUIREMENTS

NOTE: Please highlight changes you make to amended submissions to expedite the review process.

A revised Community Action Plan is only required if significant changes to the CAP will be made because of the amendment process. In general, a revised CAP is not necessary because of the CSBG final allocation. Contact your BCAEO Grant Manager with any questions.

A Revised Expenditure Plan is required and should include:

- Revised total that matches the allocation chart
- Revised line items to include items that were not in the original budget that will be funded with CSBG
- Revised line items to remove items that were in the original budget that will not be funded

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with CSBG

- Details for items that were previously listed as TBD and details are now known

Smaller Agencies that receive CSBG-D dollars to meet the minimum threshold of \$200,000 are required to submit a revised expenditure plan for CSBG and CSBG-D.

Equipment Waiver Request Form if applicable (DHS-4328)

MDHHS/BCAEO will accept waiver requests to purchase “equipment” (single item costing \$5,000 or more) during the CAA’s amendment process. The equipment identified must be appropriate to meet the needs of the activities/project for which it will be utilized. Written waivers will be granted on a case-by-case basis. Requests must demonstrate the benefits to be realized by the CSBG income-eligible population. The Equipment Waiver Request Form can be found here: [CSBG Equipment Waiver Request DHS-4328 \(rev. 08-12\).doc \(sharepoint.com\)](#).

### SUBMITTAL PROCESS

Grantees are to submit the amended Service Plan documents through SharePoint. See detailed instructions in [SharePoint](#). Grantees must also send an email to the [MDHHS-BCAEO@michigan.gov](mailto:MDHHS-BCAEO@michigan.gov) mailbox when their application documents are uploaded by the required due date.

### EGRAMS CONTRACT AMENDMENTS

Each fiscal year, amendments are required in EGrAMS to true-up the correct balances starting on or around December 1. EGrAMS runs grant agreements on the State’s fiscal year; therefore, the approved totals in EGrAMS will not always align with current CSBG contract amount.

**NOTE: Please use the allocation amounts on your approved budgets and not the EGrAMS amount.**

For a full list of EGrAMS resources, including webinar presentations, trainings, and a naming convention matrix, utilize the EGrAMS Resources in [SharePoint](#).

### COMMUNITY SERVICES BLOCK GRANT DISCRETIONARY FUNDS

A portion of the state’s CSBG Discretionary funds have been set aside specifically for projects and initiatives to address needs identified by local CAAs. Projects must eliminate a cause or condition of poverty, promote self-sufficiency, or promote community revitalization in the CAA’s service area. Discretionary funds may also be used to build agency capacity.

Discretionary funds may also be used in the event of a declared emergency at the state or federal level and shall be used only to provide emergency services to low-income individuals and families in the designated disaster area. MDHHS BCAEO has the discretion for use of CSBG-D funds for declared emergencies and relief efforts.

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### GRANTEE REQUESTS FOR DISASTER RELIEF FUNDS

If funding is available, BCAEO will consider requests from Grantees for disaster relief funds that meet the outlined criteria. The requests must include the following components:

- Overview of disaster
- Date disaster was declared a federal or state disaster
- Additional funding requested, if applicable
- How CSBG funds will be utilized to enhance disaster relief funds in the federal or state-defined disaster area.

Grantees must submit requests to the [MDHHS-BCAEO@michigan.gov](mailto:MDHHS-BCAEO@michigan.gov) mailbox. Once submitted, BCAEO will review the request.

### Funding for Disaster Planning and Relief

If BCAEO approves a Grantee disaster relief plan, an agency can dedicate current year allocation and funding to the identified disaster area and serve that area as priority over other areas.

### THE CSBG FY2024 DISCRETIONARY PLANNING ALLOCATION

- **Small Agency Minimum Amount:** A portion of CSBG Discretionary funds will be used to assist small agencies (included as part of the CSBG allocation) in receiving a minimum amount of CSBG funding.
- **Native American (CSBG-N) Organizations:** A portion of CSBG Discretionary funds may be allocated to eligible Native American organizations based upon the ratio of low-income Native Americans to the total state low-income population as measured by the most recent and available United States bureau of census poverty population data.
- **Training and Technical Assistance Contract:** A portion of CSBG Discretionary funds will be allocated to the Michigan Community Action Agency Association Training and Technical Assistance Contract.
- **Community Action Statewide Capacity and Training and Technical Assistance:** A portion of CSBG Discretionary funds will be allocated to the Michigan Public Health Institute to support the network.

CAA Discretionary Projects: Every 3-4 years, BCAEO will distribute CSBG Discretionary dollars to every CAA to help with agency capacity building. The competitive process will be held in other years that will be available for a few CAAs to pilot new initiatives, innovative programs, and meet emerging community needs. Agencies in good standing will be allowed to apply. Projects may require a 20% match to show community support for the project.

Any Community Action Agencies that have received a notice of de-designation are not considered in good standing and are therefore ineligible for supplemental funding programs. In this case, the funding for the service area of a CAA in process of de-designation will be administered in that service area by an alternate CAA or other entity to be determined by

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BCAEO.

### ALLOWABLE CSBG-D ACTIVITIES

Goals and expected results must be measurable. Grantees must conduct an evaluation of the projects funded with CSBG discretionary funds to determine the project's success and to plan for other permanent funding for projects that will be continued after the initial pilot project has been completed.

The CSBG State Plan separates Discretionary funding under the following topics: Training and Technical Assistance (T/TA), Statewide Coordination Among Eligible Entities, Asset Building, Innovative Programs, and Other Projects. Agencies will be expected to choose which topic their project falls under.

Grantees shall use CSBG-D funds for one or more of the following activities as described in the Service Plan:

- a. Fund statewide initiatives and innovative pilot projects that address a community need and/or assist low-income persons to overcome barriers to attaining self-sufficiency,
- b. Asset-building programs,
- c. The development of new, community-based partnerships directly related to one of the ROMA Goals
- d. Projects that support a sustainable system of continuous quality improvement in agency management and performance, including client case management/bundling services
- e. Capacity building (specific to staff and/or governing board members)
- f. Support summer jobs for youth ([see IM 126](#))
- g. Homelessness projects ([see IM 135](#))
- h. Refugee Resettlement projects (see [Dear Colleague Letter Partnership with the Office of Refugee Resettlement](#))
- i. Technology needs to strengthen infra-structure and/or reporting needs. Provide training and/or technical assistance to agency staff.
- j. Disaster relief to areas of the State impacted by natural or man-made disasters (this includes the COVID19 pandemic).

The Grantee must notify MDHHS in advance of any proposed change of activities described in the Service Plan. Any modification to the Service Plan must be approved by MDHHS prior to any change in Grantee services/activities.

### ADMINISTRATIVE LIMITS

Removed.

### REPORTING REQUIREMENTS

CSBG Annual Report: Discretionary activities shall be reported in the CSBG Annual Reports.

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### CLIENT SERVICE ELIGIBILITY

Eligibility for direct services to clients, or for recipients benefiting from the project activities, must be based on the CSBG income eligibility requirements outlined in CSPM Item 208 – Poverty Income Guidelines and 502 – CSBG Income Eligibility Guidelines. This applies to that portion of the project being funded with CSBG funds. If, for example, a project is 60 percent funded by CSBG, at least 60 percent of the services or benefits must go to persons meeting the CSBG income guidelines.

#### Tax Assistance

Individuals or households that are eligible for any service being provided by the Grantee will be eligible for free income tax preparation assistance services. Grantees must maintain client eligibility documentation for the service the client was, or is, eligible for, using empowOR, or another database approved by BCAEO.

Client eligibility should include documentation that the client is income eligible for CSBG or is receiving, or is eligible to receive, a CAA service such as, Head Start, Weatherization, day care, transportation, food or utility assistance, etc. In addition, agencies are required to keep information on clients served as well as an indication/notation identifying what agency program or service the client (household or household member) is, or would be, eligible for in the empowOR. (“Would be” meaning they are not a current client but would meet eligibility requirements if they applied for a program/service identified at the time the tax preparation assistance was provided.)

### MONITORING

BCAEO staff will review a sample of the agency’s client services and eligibility documentation. If an agency did not maintain proper documentation during the contract/program period, the agency will need to go back to its program records, develop a list, and provide it to the BCAEO monitor (enter it into empowOR as necessary). If such documentation is not available when the program is monitored, this may result in disallowed costs for the entire program and the subsequent finding would require return of the funds expended under the CSBG Agreement.

[CSBG IM #144](#): The state accountability measures capture performance data on all the agency’s activities and functions to determine how efficiently and effectively the state plan is implemented and what impacts the state’s efforts have on the performance of CAAs. The state accountability measures will address efficiency and effectiveness characteristics such as timeliness, accuracy, standards, and stakeholder satisfaction which will be monitored in the following programmatic areas:

- Use of funds
- Implementation of the community action plan (CAP)
- Impact of achieving the mission and goals established in the CSBG Act
- Reporting including the CSBG Annual Report
- Compliance
- Corrective Action
- Data collection, analysis, and reporting including systems, storage, access, and duplication efforts



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- Organizational Standards
- Communication
- Training

[CSBG IM #123](#) introduces a new strategy for excellence with increased attention to accountability, transparency, and performance outcomes by focusing on the following areas:

- Performance Management and Data: ROMA and FNPIs used to assess program performance
- Governance and Legal Technical Assistance: Board Governance, Human Resource Planning, and Financial Management Standards necessary for high quality agency program administration
- Risk Mitigation and Quality Assurance: Resolving significant performance deficiencies such as significant audit issues, lack of corrective action based on audit findings and BCAEO monitoring findings, Board Compliance issues, failure to submit appropriate performance information, lack of documentation for services delivered, or other significant management concerns
- Evidence-Based Services: Reduction of poverty, revitalization of low-income communities, and empowerment of low-income families and individuals to become fully self-sufficient.

### CSBG-D APPLICATION INSTRUCTIONS

The Grantee shall prepare and submit an updated application/amendment in accordance with the following instructions, which must include the budget.

The following elements may be included in the application:

1. Service Plan (Optional for amendments if changing services or deliverables): The Service Plan must support the costs identified in the budget.
2. Budget (Required): The CSBG Discretionary budget must be used. Expenditures included in the budget must be allowable under CSBG, and all costs must be pertinent to the intended service.

Please show the total cost for each portion of the CSBG discretionary funds under the appropriate tabs. These totals will roll up into the Summary page of the budget. All normal operating costs should be paid out of the 90% CSBG funds.

### DUE DATE

The CSBG Discretionary Service Plan and Budget must be submitted through SharePoint by the due date as determined by BCAEO.

### SUBMITTAL PROCESS

Grantees are to submit the Service Plan documents through SharePoint. Follow the same process as CSBG. Grantees must also send an email to the MDHHS-BCAEO@michigan.gov mailbox when their application documents are uploaded by the required due date.

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**501 CORRECTIVE ACTION-TERMINATION OR REDUCTION OF FUNDING**

**EFFECTIVE DATE                    OCTOBER 1, 2021**

**PURPOSE**

To establish policy and procedures for Corrective Action, Termination or Reduction in funding under the CSBG Program.

Section 676(b)(8) of the Act requires that:

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

**Note:** Michigan’s definition of “eligible entity” is a community action agency (CAA).

Section 676(c) of the Act states that – For the purposes of making a determination in accordance with subsection (b)(8), with respect to:

1. A Funding Reduction -- the term ‘cause’ includes:
  - a) a statewide redistribution of funds to respond to
    - the results of the most recently available census or other appropriate data;
    - the designation of a new eligible entity; or
    - severe economic dislocation; or
  - b) the failure of an eligible entity to comply with the terms of an agreement or a State plan, to meet a State requirement, or to meet a federal requirement, as described in section 678C(a).
  
2. A Termination -- the term ‘cause’ includes the failure of an eligible entity to comply with the terms of an agreement, quality improvement plan, or a State plan, or to meet a State or federal requirement, as described in section 678C(a).

Section 678C(a) of the Act requires that states follow specific steps when issuing Corrective Action or imposing a Reduction or Termination in funding. Those steps have been incorporated into the following policy. Note: A determination to terminate the designation or reduce the funding of a CAA is reviewable by the Secretary of the federal Department of Health and Human Services (HHS).

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**POLICY**

**A) Cause for a statewide redistribution of CSBG funds includes the state's response to:**

1. The results of the most recently available census or other appropriate data;
2. The establishment of a new eligible entity; and
3. Severe economic dislocation.

**B) Pursuant to the BCAEO Administrative Rules (R 400.19603), cause for reducing the allocation to an agency or terminating funding to an agency includes the state's response to:**

1. The agency's governing board failure to exercise sufficient authority or leadership to ensure that BCAEO-administered funds are expended in accordance with applicable regulations, laws, or contractual obligations.
2. The agency's administrative leadership failure to demonstrate that it has the administrative knowledge and skills required to ensure that the agency's fiscal, personnel, program, or property management systems are adequate to support BCAEO funded projects.
3. The agency's failure to properly account for BCAEO-administered funds and property.
4. The agency's lack of adequate general management systems to support BCAEO-funded programs.
5. The agency's demonstrated lack of capacity for effective service delivery of BCAEO-funded programs.
6. The agency having liabilities which significantly exceed its assets.
7. The agency filing for bankruptcy.
8. The agency's failure to make substantive improvement in problem areas identified in an audit or monitoring reports.
9. The agency's failure to meet performance objectives.[Pursuant to the Act, Section 678C(a).]

**C) Procedure**

As defined in Section 678B(a) of the CSBG Act, the State will conduct monitoring visits and a full on-site review of each eligible entity at least once during each three-year period. The State will conduct an on-site review of each newly designated entity immediately after the completion of the first year in which the entity receives CSBG funds.

The State will conduct follow-up and quality improvement plan/corrective action plan (QIP/CAP) reviews, monthly in some cases, and may include prompt return visits to eligible entities, and their programs, that fail to meet the goals, standards, and

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requirements. The State will conduct other reviews as appropriate, including reviews of entities with programs that have had other Federal, State, or local grants other than assistance provided under CSBG terminated for cause.

The State will conduct reviews when informed that an eligible entity has grant funds terminated for cause under a related program, such as Head Start, the Low-Income Home Energy Assistance Program (LIHEAP), the Weatherization Assistance Program, or other Federal programs. The State will include questions in routine monitoring visits and contacts about whether an eligible entity has had grant funds terminated for cause in any Federal, State, or local programs other than CSBG. The State will review the cause of termination for other Federal programs to assure that comparable issues do not exist for CSBG funds.

The State will thoroughly investigate any instances of “whistleblower” complaints or allegations of fraud or abuse of CSBG funds or funds from closely related programs. In any instances in which complaints or allegations of fraud are considered credible and raise significant “red flags,” state and federal authorities will be informed of findings and may assist with additional compliance review or referral to appropriate investigative authorities.

If the State determines, on the basis of a final decision in a review pursuant to section 678B (Monitoring of Eligible Entities) of the Act, that a CAA has failed to comply with the terms of an agreement, or the State plan, to provide CSBG services or to meet appropriate standards, goals, and other requirements established by the State (see B above), BCAEO shall, pursuant to section 678C of the Act.

Compliance Activities documented by BCAEO through monitoring and/or de-designation:

**Step 1:** BCAEO will conduct review pursuant to section 678B §678C(a), 42 U.S.C. §9915(a)

BCAEO Action: Describe the review dates, procedures, and key participants in a pre-monitoring email and the monitoring report.

Cite monitoring reports, working papers, or key correspondence.

CAA Action: Acknowledge, prepare, and submit documentation for monitoring review as outlined by BCAEO. Provide additional documentation upon request to resolve non-compliance issues. Work towards resolving all identified findings within the stated time frame of the monitoring report.

**Step 2:** BCAEO determines, on the basis of a final decision in a review pursuant to section 678B, that an eligible entity fails to comply with the terms of an agreement, to meet state and/or federal requirements, or the State plan, to provide services under this subtitle or to meet appropriate standards, goals, and other requirements established by the MDHHS-BCAEO (including performance objectives).

§678C(a), 42 U.S.C. §9915(a)

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BCAEO Action: Describe the basis for determination in the monitoring report and/or management decision letter as defined in Step 1.

Cite monitoring reports, working papers, and key correspondence relevant to determination.

CAA Action: Review the monitoring report and/or management decision issued in Step 1.

**Step 3:** BCAEO informs the entity of the deficiency to be corrected.

§678C(a)(1), 42 U.S.C. §9915(a)(1)

BCAEO Action: Describe the dates and method of notification which is noted in the monitoring report, management decision letter, and/or follow-up letters as defined in Step 1.

Cite relevant correspondence, meeting notes and other documentation of communication.

CAA Action: Review the monitoring report and/or management decision issued in Step 1.

**Step 4:** BCAEO requires the entity to correct the deficiency.

§678C(a)(2), 42 U.S.C. §9915(a)(2)

BCAEO Action: The monitoring report or management decision letter will describe the requirements, any associated deadlines or documentation requirements for eligible entities to complete defined in Step 1. Corrections to findings may require an agency to create and timely execute a corrective action plan (30 days to correct), technical assistance plan (3 to 6 months to correct), or a quality improvement plan (6 – 12 months).

Cite relevant correspondence, meeting notes and other documentation of communication.

CAA Action: Review the monitoring report and/or management decision issued in Step 1. CAA will work on correcting the findings and maintain source documentation as proof for the corrections.

**Step 5:** BCAEO determines whether training and technical assistance are appropriate.

§678C(a)(3)(B), 42 U.S.C. §9915(a)(3)(B)

BCAEO Action: BCAEO will determine and describe the rationale for determining whether training and technical assistance are appropriate to correct the deficiency. If training and technical assistance are not appropriate BCAEO will describe the basis for

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this determination in a letter to the U.S. Department of Health and Human Services, Office of Community Services.

Cite meeting notes and other documentation of communication. Training and technical assistance may be identified in a quality improvement plan with an approved due date, may include additional discretionary funding, may be training provided by BCAEO, State Association, peer Community Action Agency, and/or experts in the field.

CAA Action: CAA may be requested to develop a training plan with target completion dates to assist with correcting findings listed in the monitoring report from Step 1.

**Step 6 (if appropriate):** State offers training and technical assistance, if appropriate, to help correct the deficiency.

§678C(a)(3)(A), 42 U.S.C. §9915(a)(3)(A)

BCAEO Action: If applicable, BCAEO's offer of training and technical assistance to correct the deficiency will be sent to the eligible entity or approved in the quality improvement plan.

Cite relevant correspondence, meeting notes and other documentation of communication.

CAA Action: Implements training and technical assistance as approved by BCAEO.

**Step 7:** BCAEO either (A) prepares and submits to the Secretary a report describing the training and technical assistance offered; or (B) if the BCAEO determines that such training and technical assistance are not appropriate, prepares and submits to the Secretary a report stating the reasons for the determination.

§678C(a)(3), 42 U.S.C. §9915(a)(3)

Examples of situations in which BCAEO may determine that technical assistance is not appropriate may include, but are not limited, to the following:

- 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 or criminal wrongdoing.

BCAEO Action: Provide a report documenting either the specific training and technical assistance offered; or the rationale for not providing technical assistance. If training and technical assistance is offered, document whether the offer was accepted, when training

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and/or technical assistance was provided, and whether it was successful in addressing the deficiency.

**Note:** In instances in which training and/or technical assistance are provided, and the eligible entity successfully addresses the deficiency, the BCAEO will maintain documentation and may provide to the Office of Community Services for future reference.

Cite report submitted to HHS.

CAA Action: N/A

**Step 8 (Discretionary):** At the discretion of BCAEO (taking into account the seriousness of the deficiency and the time reasonably required to correct the deficiency), the BCAEO allows the entity to develop and implement, within 60 days after being informed of the deficiency, a quality improvement plan to correct such deficiency within a reasonable period of time, as determined by the BCAEO; and not later than 30 days after receiving from an eligible entity a proposed quality improvement plan, either approve such proposed plan or specify the reasons why the proposed plan cannot be approved. §678C(a)(4), 42 U.S.C. §9915(a)(4)

Examples of instances in which BCAEO may exercise discretion on whether a QIP/TAP is appropriate or necessary as outlined in the monitoring report from Step 1 or when findings are not resolved from monitoring report in Step 1

Examples are not limited to the following:

- A deficiency for which an eligible entity has previously instituted a corrective action plan and has repeated findings;
- A deficiency that involves evidence of fraudulent reporting or use of funds, or other evidence of criminal wrongdoing and therefore presents a risk requiring immediate action.

Not later than 30 days after receiving from the CAA a proposed QIP/CAP pursuant to subparagraph a), either approve such proposed plan or specify the reasons why the proposed plan cannot be approved.

BCAEO Action: Maintain documentation of any quality improvement plans, deadlines to correct identified deficiencies, whether or not BCAEO approves the quality improvement plan.

**Note:** In instances in which a quality improvement plan is implemented and the deficiency is corrected, BCAEO will maintain documentation and may provide to the Office of Community Services for future reference.

Cite Quality Improvement Plans — If Applicable

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CAA Action: Respond to the monitoring report and/or management decision letter to develop a quality improvement plan within the timeframe outlined, if approved by BCAEO. The quality improvement plan must describe the steps needed to resolve the compliance issue and to ensure compliance in the future. Components of a quality improvement plan includes key staff responsible for resolving a task in the plan, target date for the task to be completed, required training, and documentation used to show the task was completed. Once the quality improvement plan has been completed, the agency will need to confirm the non-compliance issue was resolved and will not be repeated. For a long quality improvement plan, BCAEO will approve quality improvement plan tasks monthly to ensure progress is being made on resolving the issue.

For significant deficiencies, financial deficiencies, and/or internal control breakdowns, the agency may be required to submit monthly documentation for full financial reviews prior to payment.

If applicable, BCAEO will send a management letter notifying the agency the review of the quality improvement plan and implementation of the training has resolved the findings. No other action steps will be needed, and this closes the monitoring review or compliance issue.

When agency's documentation and agency's summary of completion does not demonstrate corrections as agreed upon in the QIP or BCAEO has not received any documentation from the agency to show progress towards completing the QIP, BCAEO will not approve the QIP or resolve the findings. BCAEO will initiate procedures for a public meeting.

**Step 9:** BCAEO provides adequate notice and an opportunity for a hearing.

§678C(a)(5), 42 U.S.C. §9915(a)(5)

BCAEO Action: Hold a public meeting in the service area to provide low income and other citizens living within the service area the opportunity to review and comment upon the strengths and weaknesses of the existing community action agency.

BCAEO's Executive Director will consult with MDHHS's Director and the Michigan Commission on Community Action and Economic Opportunity.

BCAEO's Executive Director will consult with the chief elected official of each county and of each city, village, or township with a population of not less than 100,000 within the existing or proposed service area.

Consultation can take the form of informal phone discussions, update meetings, written responses, and/or survey answers.

BCAEO will send a notice of de-designation letter to eligible entity regarding the opportunity for a hearing, date of communication, and any applicable State policies,



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rules, or procedures.

If applicable, describe conduct of hearing to present and consider evidence relevant to State determination consistent.

If applicable, describe outcomes or findings of hearing.

Cite correspondence or public communication regarding the date and procedures for hearing.

If applicable, cite documentation of the hearing, including official minutes or record of the presiding hearing official, official(s) or individual(s) responsible for determination of hearing findings or decisions; a list of individuals participating in the hearing; evidence presented at the hearing; and any outcomes or findings.

CAA Action: CAA may respond with a letter from the board volunteering the release of the designation and outlining a closeout plan including timeline. If applicable, CAA may request an appeal hearing as outlined in the BCAEO notice of de-designation letter.

**Step 10:** State initiates proceedings to terminate the designation of or reduce the funding under this subtitle of the eligible entity unless the entity corrects the deficiency.

§678C(a)(5), 42 U.S.C. §9915(a)(5)

BCAEO Action: Notification to eligible entity and HHS of State decision to terminate or reduce funding.

BCAEO will initiate proceedings to terminate the designation and close-out the contract.

Upon request, OCS review of State determination.

If a review is requested, the review shall be completed no later than 90 calendar days after the Secretary receives from the CAA all necessary documentation relating to the determination to terminate the designation or reduce the funding. If the review is not completed within 90 calendar days, the determination of BCAEO shall become final at the end of the 90th day.

Designation or redesignation of eligible entity to serve un-served areas in accordance with CBSG Act.

Cite official correspondence to eligible entity and HHS. If applicable, cite OCS approval or disapproval of State decision.

CAA Action: Comply with the terms of the appeal hearing decision and work with BCAEO to close out the grant and release the de-designation. If applicable, request an OCS review of the State's determination.

Any right or remedy given to the BCAEO by this policy does not preclude the existence of any other right or remedy, nor shall any action or lack of action by the BCAEO in the

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exercise of any right or remedy be deemed a waiver of any other right or remedy.

**Public Meeting:** Hold a public meeting in the service area to provide low income and other citizens living within the service area the opportunity to review and comment upon the strengths and weaknesses of the existing community action agency.

- a) To obtain the floor (right to speak), an attendee must be the first to stand when the person speaking has finished and must be recognized by the BCAEO Director before speaking.
- b) All remarks must be contained to 2 to 5 minutes and is at the discretion of the BCAEO Director.
- c) Adequate accommodations will be secured to hold the public meeting. If the amount of attendees exceeds the room capacity, attendees will be given the opportunity to submit written comments.
- d) Written public comments will also be accepted up to 7 days after the public meeting

### DESIGNATION AND DEDESIGNATION OF ELIGIBLE ENTITIES

In the event the State terminates the designation of an organization as an eligible entity, or otherwise reduces funds, any resulting funding may be awarded only to an organization that is an eligible entity for CSBG funds. Section 676A of the CSBG Act outlines procedures for designation and redesignation of eligible entities in un-served areas. In accordance with the CSBG Act, a State may solicit applications and designate as an eligible entity either:

- A private nonprofit organization that is geographically located in the un-served area that is capable of providing a broad range of services designed to eliminate poverty and foster self-sufficiency and meets the requirements of the CSBG Act; or
- A private nonprofit eligible entity that is geographically located in an area contiguous to or within reasonable proximity of the un-served area or is already providing related services in the un-served area.

States must grant the designation to an organization of demonstrated effectiveness in meeting the goals of the CSBG Act, and may give priority to an eligible entity in a contiguous area that is already providing related services in the un-served area.

An intermediate provider may be selected to ensure clients are not negatively impacted and to continue services in the impacted area until all state and federal regulations are completed.

Any agency receiving CSBG funds must meet the tripartite board requirements specified in Section 676B of the CSBG Act. The process of soliciting applications to select a new eligible entity may take place during the period in which the Department of Health and Human Services is reviewing a State decision to terminate an organization's eligibility for CSBG funds. However, the State may award supplemental funds or discretionary funds to an intermediate eligible entity until the Department confirms the State's finding for cause from the notice of de-designation, an appeal hearing decision, or a voluntary release from the agency.

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### 502 INCOME ELIGIBILITY GUIDELINES

**EFFECTIVE DATE**                      **June 1, 2024**  
**REVISION DATE**                      **April 3, 2024**

#### **PURPOSE**

The CSBG Act, Section 673(2) of the COATES Human Services Reauthorization Act of 1998, requires the use of the HHS Poverty (income) Guidelines as an eligibility criterion for the CSBG program.

#### **POLICY**

Grantees will determine their own policies, based on local decisions, of what specific assistance/services will be provided to their clients as well as any non-income related eligibility criteria.

#### **POLICY CHANGES**

- FPL Updates in alignment with the Further Consolidated Appropriations Act of 2024.
- Client and Grantee Signatures section added.

#### **CLIENT FILE**

Grantees must maintain a client file for all recipients of CSBG services. All required file documents must be maintained by the agency including uploading documents to empowOR (or other database as selected by MDHHS) (See CSPM Item 1800).

#### **CLIENT AND GRANTEE SIGNATURES ON APPLICATIONS**

Grantees must retain in the client file a copy of the agency's application for all recipients of CSBG services. At minimum, the application must identify each member of the household and all income sources and amounts for each member of the household being served with CSBG services. The client and intake worker must sign and date the application.

Electronic signatures are allowable if the grantee implements an internal written policy for electronic signatures and if the grantee utilizes electronic signature software.

#### **INCOME ELIGIBILITY DETERMINATION**

200% of the federal poverty line shall be used to determine eligibility for services provided with CSBG funds unless alternate guidance is issued in writing by BCAEO based on federal legislation. Income refers to total cash receipts (gross) before taxes from all sources (see Income Inclusions/Exclusions below) for all household members.

*Exception: See the Income Eligibility Determination Exception.*

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Grantees are responsible for conducting income eligibility determinations.

### **Household Composition**

Income from all household members is used to determine income eligibility. A household is all persons occupying a housing unit, regardless of whether they are related.

**Exception:** For income eligibility purposes, Foster Children are not to be included as household members and Foster Care payments/subsidies are not to be included as income.

### **Absent Household Members**

Household members who are absent from the home for 90 consecutive days or more are excluded from the household and therefore, their income is excluded.

### **Roomers**

For applicants/households that have “roomers” paying rent, the “roofer” is not considered a member of the “household” and the income of the “roofer” is not counted for income eligibility. However, the rent from the roofer should be included as income. When annualizing income, the income from rent payments should only be included for the months that rent was received.

For applicants/households that are “roomers” paying rent, only the income of the “roofer” is counted for income eligibility (the income of the homeowner/principle renter is not counted).

Documentation of "roofer" status must be provided including:

1. A written and signed statement from the homeowner/principle renter that the applicant is a "roofer" and is paying monthly rent in the amount of \$\_\_\_\_.
2. A copy of a canceled check or monthly bank statement showing the check amount and the payee.
3. If the payment transaction was in cash, or a canceled check or monthly bank statement is not available, ask the applicant to get a written receipt from the homeowner for the last month's rent paid (this could be incorporated in #1 above if necessary).

## INCOME COMPUTATIONS

There is no prescribed look-back period for income assessment. Depending on an individual client's circumstances and the documentation available, it may be reasonable to calculate client income based upon the household's gross income in the past 30 days (and then annualized) or based upon a review of the past year.

Case-by-case circumstances, such as seasonal employment or an isolated and temporary spike or decline in earnings, may require a grantee to exercise reasonable discretion to determine the most appropriate look-back period to review and assess income. When utilizing this discretion, the grantee's goal should be to determine a client's financial position and income eligibility at the time of assessment as accurately as possible.

Note: look-back periods of less than 30 days or greater than one year are not recommended.

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Example: if a client has become unemployed or was the victim of domestic violence and has left the abusive household within the past year, it may be inaccurate to use the data of the past year to assess income. Using a shorter look-back period may be a more appropriate and accurate assessment of the client's income.

For each household member, the income assessment should include current gross income documentation, current and prior monthly benefit documentation, W-2s or income tax returns for prior year's income, and, as a last resort, self-declarations (see Self-Declarations below).

Irregular Income – For irregular income, such as child support not following the court order or migrant/seasonal workers only getting income seasonally, determine the standard monthly amount by adding the amounts entered together and dividing by the number of months used. Clearly document the income computation method and source.

Best Practice – Pay period ending dates should not be used unless it is documented that the applicant/household member receives their payments on the same date.

### DOCUMENTATION OF INCOME

All income computations must be documented in empowOR income snapshots, and all household income must be documented thoroughly and uploaded to empowOR (or other database as selected by MDHHS) (See CSPM Item 1800).

Income assessment must be completed for all adult household members over the age of 18 years old. In situations where one adult household member has income and other adult household members do not have income, the client file must include documentation confirming that income assessment was completed for all adult household members. Documentation may include an applicant/self-declaration form noting no income for additional household members, or other questionnaire support documentation of income status. This is required only when eligibility is determined by income computations. See below for zero income for entire household.

Note: A signed self-declaration of the applicant may be used, but only as a last resort. The intake worker should record the steps taken that will demonstrate a reasonable effort was made to obtain income documents.

#### **Self-Declarations of Income**

After all other avenues of documenting income eligibility are exhausted, self-declaration is allowable, *but evidence of the various attempts at proving eligibility must be contained in the client file*, including a statement signed by the household member indicating that no other proof of income is available.

NOTE: It is up to the Grantee to mitigate any risk of fraud by the client.

If the self-declaration is for zero income for the entire household, then approval by MDHHS BCAEO staff is required, and a copy of the approval must be in the client file. Requests for approval must be submitted by email to the Grantee's grant manager.

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The requests should include the name and empowOR (or other database as selected by MDHHS) System ID for each household member and an explanation of how the household is paying for their living costs.

### **Migrant Income Computation and Self-Declarations of Income**

Self-Declarations of Income for Migrants may be used to capture income information as a last resort after all other options have been exhausted. Due to the nature and frequent changes in employment of Migrants, it is not necessary to complete the income screens in empowOR (or other database as selected by MDHHS) for this population. The documentation is required to contain case notes of why the Self-Declaration was used by Grantee staff and uploaded into empowOR (or other database as selected by MDHHS) as part of the case file and detailed notes. The annualized income must adhere to CSBG Federal Poverty guidelines.

### **CLIENT SERVICE ELIGIBILITY – TAX ASSISTANCE**

Individuals or households that are eligible for any service being provided by the Grantee will be eligible for free income tax preparation assistance services. Grantees must maintain client eligibility documentation for the service the client was, or is, eligible for, using empowOR (or other database as selected by MDHHS).

Client eligibility should include documentation that the client is income eligible for CSBG or is receiving, or is eligible to receive, a CAA service; such as, Head Start, Weatherization, day care, transportation, food or utility assistance, etc. In addition, agencies are required to keep information on clients served as well as an indication/notation identifying what agency program or service the client (household or household member) is, or would be, eligible for in the empowOR (or other database as selected by MDHHS) system. (“Would be” meaning they are not a current client but would meet eligibility requirements if they applied for a program/service identified at the time the tax preparation assistance was provided.)

If a tax assistance customer cannot be readily identified as a current CAA client, the agency may want to develop a simple one-page eligibility determination form to determine service eligibility. The form could include the CAA’s program services and household income eligibility levels for 100%, 125%, 150% and 200% of poverty.

### **TIMEFRAME BETWEEN ELIGIBILITY DETERMINATION AND SERVICE PROVIDED**

The allowable timeframes between eligibility determination and provision of specific assistance/services which have a direct monetary value attached (such as: payment on behalf of the client for delinquent bills, lodging, repair services, medical services, tuition, etc. or vouchers for food, clothing, furniture, equipment, etc.) are as follows:

- Services should be provided within 30 days of the initial eligibility determination.
- If additional services are requested after 30 days of eligibility determination but within 12 \_\_\_\_\_ months of eligibility determination, the Grantee must document that the client is still \_\_\_\_\_

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income eligible for each service.

- If the client states that there has been no significant change in the household income status, the Grantee may take a signed and dated self-declaration from the client documenting that “there has been no significant change in the household income status since the date of the initial service application.” The self-declaration should be maintained in the client file with the original client application, the original income documentation and documentation of benefit(s) provided.
- Eligibility must be redetermined and a new application taken (including receipt of the required income documentation) for any direct monetary service to be provided (or re-enrollment in a program) after 12 months of the original eligibility determination.

### Ongoing Services

The above requirements also apply to “ongoing services” provided by the Grantee for a program/project where eligibility for a program/project is determined at the beginning of the program/project period (e.g., self-sufficiency programs, senior transportation, housekeeping or snow removal; on-site day/after school care; home-delivered meals, etc.).

After initial determination, the income level of a client receiving ongoing services should be redetermined at least annually and should be reviewed any time the Grantee becomes aware of a significant income-changing event or circumstance. The Grantee retains the right to review a client’s income level at any time while the client is receiving CSBG-funded services for the purpose of determining continued program eligibility.

### INCOME INCLUSIONS/EXCLUSIONS

**Income Includes** (there are no stipulations on spending)

1. Gross wages/earnings and salaries before any deductions.
2. Self-employment/net receipts from nonfarm or farm self-employment: receipts from a person’s own business or from an owned or rented farm after deductions for business or farm expenses. (See Self-Employment Income below)
3. Social Security (Retirement, Survivor’s, Dependent’s, and Disability Insurance Income) gross benefits, including any Medicare premium from the Social Security Administration\*.
4. Railroad Retirement payments (see Lump Sum Payments Note).
5. Supplemental Security Income (SSI) (see Lump Sum Payments Note).
6. State SSI Supplemental Payment. (e.g., State SSI quarterly payment).
7. Unemployment compensation, or Strike Benefits from Union Funds.
8. Worker’s compensation, and/or private long-term or short-term disability payments.
9. Veteran’s Payments: VA Service Connected Disability Compensation; VA Non-Service Connected Disability Pension; Military Retirement Pay, and Military Family Allotments.
10. Temporary Assistance for Needy Families - TANF, Family Independence Program-FIP (Cash Assistance Title IV) and State Disability Assistance (SDA).

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11. Adoption Subsidies and Independent Living Stipends (if there are no restrictions on use).
12. Training stipends.
13. Court-ordered Child Support and Alimony or Spousal Support.
14. Private Pensions, Government Employee Pensions, and other Retirement income.
15. Insurance or annuity payments.
16. Income from Individual Retirement Accounts (IRAs) received during the computation period, whether received as monthly or in a lump-sum withdrawal. (see Lump Sum Payments Note)
17. Income from Dividends, Interest, Stocks or Bonds.
18. Periodic receipts from Estates or Trusts.
19. Net Rental Income, including from Roomers.
20. Net Royalties; Net Gambling/Casino, or Lottery winnings.
21. Tribal Payments - Any payments received by Native Americans, such as from Casino income or other Tribal income.
22. Joint Income received by more than one individual. Divide the income equally among recipients.
23. Third party benefits paid directly to a company for a client's housing or bills. Third party benefits are only counted as income if they are paid to a company or entity in lieu of paying an individual Child Support, Alimony, or wages directly.

### **Lump Sum Payments**

Note: Retroactive lump sum payments for Social Security, SSI, Railroad Retirement Benefits and Lump-sum IRA withdrawals should be prorated on a 12-month basis so that only benefits covering the thirty-day calculation period are included.

**Income Excludes** (includes examples that are limited in what the income can be spent on.)

1. Emergency assistance program payments
2. Tax Refunds or credits, including the Earned Income Tax Credit and Child Tax Credit.
3. Gifts or Loans (including but not limited to Reverse Mortgages).
4. Lump-Sum Inheritances.
5. Compensation for Injury or One-time Insurance Payments.
6. Non-cash benefits such as employer-paid or union-paid portion of health insurance or other employee fringe benefits
7. Food or housing received in lieu of wages/earnings (in-kind).
8. The value of food and fuel produced and consumed on farms or the imputed value of rent from owner-occupied non-farm or farm housing.
9. Federal Non-Cash Benefit programs such as: Medicare (Medicare premiums payments are



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not excluded), Medicaid, SNAP/Food Assistance Program benefits (including cash received in lieu of food stamps), school lunches, housing assistance, childcare vouchers (Child Development and Care payments made on the behalf of MDHHS customers), or Affordable Care Act Subsidies.

10. College Scholarships (including work study), Grants, Student Stipends, Fellowships and Assistantships, VA Education Benefits (GI Bill).
11. Foster Care Payments, including Foster Grandparent Payments, Family Support Subsidies, and Guardianship Assistance Payments.
12. Combat Zone Pay to the Military.
13. Student Income - Income earned through employment by a child age 18 and under, and attending high school.
14. Any assets resulting from withdrawals from a bank; or the sale of property, a house or a car, including capital gains.

Note: "Earnings" do not include program benefits such as Social Security, Supplemental Income (SSI), etc.; these are included in the total household income.

### **Self-Employment Income**

Self-employment income must be documented for each type of self-employment activity or business. Business expenses may be deducted from the gross income amount determined for each self-employment activity/business. Documentation of claimed expenses must be included in the client file information.

Note: Losses from a single self-employment source of income cannot be applied to any other self-employment income or other household income types. In other words, if self-employment business A realizes a loss of \$10,000, the income from that source is considered zero. The \$10,000 loss cannot be deducted from self-employment business B or other household income.

### **Self-Employment Expenses**

Allowable expenses (deduct from income):

- Identifiable expenses of labor, stock, raw material, seed, fertilizer, etc.
- Interest and principal on loans for equipment, real estate or income-producing property.
- Insurance premiums on loans for equipment, real estate and other income-producing property.
- Taxes paid on income-producing property.
- Transportation costs while on the job (example: fuel).
- Purchase of capital equipment.
- A childcare provider's cost of meals for children. Do not allow costs for the provider's own children.
- Any other identifiable expense of producing self-employment income except those listed below.

Unallowable expenses (not deducted from income):

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- A net loss from a previous period.
- A net loss from another type of self-employment.
- Federal, state and local income taxes.
- Personal entertainment or other individual business expenses.
- Money set aside for retirement.
- Depreciation on equipment, real estate or other capital investments.

### INCOME ELIGIBILITY DETERMINATION EXCEPTION

When CSBG funds support short-term services with limited intake procedures, and individual income verification is not possible or practical, the Grantee may not always be required to conduct individual eligibility determinations. This may happen if services are:

1. Provided to a group rather than to individuals and circumstances indicate that group members will predominantly be income-eligible.

Examples:

- a. Financial literacy (or other program) information and materials provided at community gathering in low-income area or to Head Start parents
- b. Donations of food or meals
- c. Summer meals for youth

2. Provided on individual basis but impossible or impracticable to obtain income documentation

Examples:

- a. Part of outreach to potential clients, such as open house at CAA
- b. Initial intake and information referral process
- c. Temporary shelter to homeless individuals
- d. Disaster relief

3. Intended to increase community awareness of or involvement in poverty issues

Examples:

- a. Poverty Forum
- b. Building Partnerships with other organizations

**NOTE: CAAs should make every effort possible to obtain client information to include in the CSBG Annual Report.**

To exclude eligibility determination for certain programs/clients, CAAs must document the following:

1. Name of program
2. Service Area
3. Reason for eligibility determination exclusion (1,2, or 3 above – or other)
4. Proof that the clients will be predominantly income eligible. (Census data, Community Assessment documentation of the neighborhood, percentage of low-income people in area, etc.)

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**NOTE:** For all programs that are supported by CSBG funds, Grantees must provide reasonable, documented evidence that the proportion of program clients who are CSBG-eligible is equal to or greater than the proportion of program costs paid with CSBG funds, or the proportion of program staff time devoted to serving CSBG-eligible clients is equal to or greater than the proportion of program costs paid with CSBG funds.

**Example:** if CSBG supports 30% of a program's costs, then the agency must be able to demonstrate that at least 30% of the clients served have incomes at or below 200% (or 125% depending on Congressional action) of the federal poverty level, or at least 30% of staff time is allocated to serving CSBG-eligible clients.

**Example:** if 10% of clients are documented as eligible, no more than 10% of funds should come from CSBG.

**Example:** The CAA could provide evidence that due to the venue in which a particular service is provided, such as meals provided in an emergency homeless shelter, it could reasonably be assumed that clients meet the CSBG income guidelines.

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**503 COMMUNITY NEEDS ASSESSMENT**

**EFFECTIVE DATE            OCTOBER 1, 2021**

**PURPOSE**

Community Needs Assessments (CA) are an integral part of a CAA’s planning and are to be used to set the direction for their work. Section 676(b)(11), of the CSBG Act states “...an assurance that the State will secure from each eligible entity in the State...a community action plan...that includes a community needs assessment for the community served, which may be coordinated with community needs assessments conducted for other programs....”

The process of conducting a community needs assessment and the resulting report is the first step in gathering data for the agency-wide-strategic plan and the agency-wide annual work plan. While some CAAs may have a focus on CSBG supported services (or other program services such as Head Start) when they do the assessment, the data considered during the process should be sufficient to inform the agency-wide strategic choices. If the assessment does not inform the agency-wide strategic choices, then the assessment will not support strategic plans and meet community needs.

Strategic plans are crucially important to the success of CAAs for a number of reasons. Perhaps most importantly, they provide an overarching strategy for how programs and services are deployed to address the causes and conditions of poverty identified in the community needs assessment. CAAs can manage dozens of programs that serve populations from newborns to the elderly across service areas that often span multiple counties. A good strategic plan is often the difference between an ineffective agency with uncoordinated services segregated into unconnected “silos” and one that produces good outcomes by providing integrated services that truly meet the needs of the individuals, families, and communities they serve.

A community needs assessment identifies the strengths and resources available in the community to meet the needs of seniors, youth, and low-income families.

The CAAs conduct assessments to determine the needs in a community that can be addressed and the population that is most impacted by the need. CAAs must include both qualitative and quantitative data to assist in identifying needs in the community. From this identification of needs on both the family and community level, and through a strategic process that also includes consideration of agency needs, CAAs determine the outcomes that they plan to achieve.

The approach uses a CSBG legislative foundation within a ROMA framework that follows:

- CSBG requires focus on the “causes and conditions” of poverty
- ROMA requires the identification of need in clear terms so that CAAs can plan an effective response that will result in outcomes that reduce/eliminate the need

Organizational Standards Requirements that can be met within the Community Needs Assessment planning, development, implementation, analysis, reporting, and outreach phases:

- Standard 3.1

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- The organization conducted a Community Assessment and issued a report within the past 3 years.
- Standard 3.2
  - As part of the Community Assessment, the organization collects and includes current data specific to poverty and its prevalence related to gender, age, and race/ethnicity for their service area(s).
- Standard 3.3
  - The organization collects and analyzes both qualitative and quantitative data on its geographic service area(s) in the Community Assessment.
- Standard 3.4
  - The community assessment includes key findings on the causes and conditions of poverty and the needs of the communities assessed.
- Standard 3.5
  - The governing board formally accepts the completed Community Assessment.

A CA must be, but is not limited to, a compilation of demographic data from census records, results of surveys conducted by others, and informal feedback from community partners. Or, assessments may be expanded to include focus group discussions, town meetings, interviews with stakeholders, and telephone or mailed surveys to partnership members and the community.

Things to consider starting a CA:

- A decision must be able to determine who will conduct the CA and why.
- What information will be collected?
- What methodology will be used to collect the information and how the information will be used?
- Identify the Board's input and commitment.
- Identify partners and resources.
- What is your time frame?

### **POLICY CHANGES**

Minor clarifications to language.

### **POLICY**

Each eligible entity is required to keep their most current comprehensive CA in empowOR (or other database as selected by MDHHS) and on the eligible entity's website, and as part of their CSBG Application Plan to be in compliance with the fiscal and administrative compliance of the CSBG program. A new CA must be conducted every three years.

A CA is a systematic process of obtaining and analyzing information to determine the current status and service needs of a community. The process used must be flexible enough to respond to the continually changing socioeconomic and demographic environments.

## **COMMUNITY ASSESSMENT REQUIREMENTS**

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- Must be conducted every three (3) years for the specific community(ies)/region served by the community action agency and reported out on. (Organizational Standard 3.1)
- Must be kept current in empowOR (or other database as selected by MDHHS) as part of the CSBG Application Plan.
- Must be stored on the CAA's website and on the Michigan Statewide CNA website.
- Must utilize information gathered from key sectors of the community in assessing needs and resources. These sectors would include at minimum: community-based organizations, faith-based organizations, private sector, public sector, and educational institutions. (Organizational Standard 2.2)
- Must include the minimum components listed below
- Must include an assessment summary that outlines current needs, new or projected needs, and unmet needs.
- May be coordinated with needs assessments conducted for other programs within the agency. (e.g. The Head Start Community Assessment requires the agency to use data that describes community strengths, needs, and resources.)

If the CA is coordinated with a needs assessment conducted for other programs within the agency, CAAs must submit to BCAEO a narrative analysis explaining how the alternate assessment is used to meet the requirements of the CSBG Act, CA policy requirements, and Organizational Standards, including but not limited to:

- Vulnerable populations, gender, age, and race/ethnicity for all CAA's service area(s).
- Recommendations to be used at the CAA from the alternate assessment
- How the alternate assessment will be used in planning, implementation, evaluation, and reporting activities and services to reduce and/or eliminate needs in the community.
- A detailed description of the distinction between the needs, key findings, priorities, action items, etc. identified for the Community Action Agency in the alternate and the needs, priorities, action items, etc. identified for other agency programs in the alternate assessment.
- May focus on a specific program or target population in some instances (carryover or discretionary funds.)

### USES OF CA

After the data is collected, thoroughly examined, and interpreted, the results should be used as a starting point for establishing priority of services and planning of resources. In addition to the level of priority of need, the information can assist eligible entities to:

- Create the agency's Community Action Plan, (Organizational Standard 4.2)
- Develop an effective strategic plan to achieve outcomes by providing integrated services that truly meet the needs of the individuals, families, and communities they serve. A (Organizational Standard 6.4)
- Manage programs more effectively;
- Refine or eliminate existing programs;

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- Prevent duplication of programs;
- Identify gaps in human service provision;
- Identify barriers to attaining self-sufficiency;
- Identify strategies for overcoming barriers to self-sufficiency;
- Provide justification to the board and others for decisions and actions ;
- Provide broader support and acceptance by sponsors and employees;
- Determine the need for training and professional development.

### COMPONENTS OF A CA

At a minimum, the following items should be included as components of a CA:

- Conditions of poverty: key findings and analysis
- Causes of poverty: key findings and analysis
- Demographic make-up of potentially eligible families including their number, geographic location, and racial/ethnic composition.
- Data specific to poverty and its prevalence related to gender, age, and race/ethnicity for service area. (Organizational Standard 3.2)
- Data on poverty and prevalence, comparisons, trends, and current (gender, age, race/ethnicity)
- Qualitative and quantitative data: from all geographic service areas, trends, and comparisons. (Organizational Standard 3.3)
- Customer satisfaction data
- Participation and information from low-income individuals
- Input gathered from key sectors (at least community organizations, faith groups, private sector, public sector and education.
- Data regarding the health, nutrition, and social service needs of the communities as defined by community institutions.
- Availability and accessibility of community resources that can address the needs of eligible families.
- Key findings on the causes and conditions of poverty and the needs of the communities assessed. (Organizational Standard 3.4)
- Community member narratives (This is a best practice from the Community Action Partnership).
- Community profiles for each locality
- Key findings section to the final report
- Available resources at agency and in the community assets
- Relationship of CAA's activities to other anti-poverty services
- Data analysis and identification of areas of greatest community needs
  - Level of needs and changes over time
  - Gaps

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- At family, agency and community level

**NOTE:** The identification of proposed services should be the result of a strategic plan. The CA must support the strategic plan, which is used to formulate the CSBG Plan.

### STEPS IN CONDUCTING A CA

The steps outlined below will assist the organization in the process of conducting a CA:

#### 1. Clarify the purpose of the CA

The information collected will depend on what type of data is sought about the community. The information gathered must support the Components of the CA listed above.

Responses to the questions below will guide the process.

- Clarify the ultimate goal (s) of the community needs assessment in developing strategies to address the community's needs and identified issues.
- Develop a method to ensure accurate information is collected?
- Develop a strategy on the target population to collect information from including when and why?
- What is trying to be measured or what information is to be collected?
- What will be done with the information collected?
- How will the information be reported? Is it user friendly and easy to understand?
- Will the information collected help develop reasonable and appropriate program goals?

Some categories of information to be collected might include the following:

- Historical development of the community
- Geographical and transportation information
- Growth measurement patterns and population distribution
- Demographic data (i.e., age characteristics, race, transience of the population)
- Economic data to identify the community's economic base
- Social, cultural, educational and recreational organizations in the community

#### 2. Identify the population

Determine if information is needed from segments of the entire community or if only particular target groups will participate in the assessment.

Some examples of specific target groups of the community are:

- High school dropouts under age 21 who lack basic computer skills,
- children who are victims of domestic violence who are one or more grade levels behind,
- refugees in a specific county who lack basic computer skills training



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- It is important to ensure that the needs & opinions of those experiencing poverty are included.

### 3. Determine who will conduct the study

In determining who will conduct the CA, consider the time frame, the available resources, and the comfort level of staff in performing research. Also be prepared to discuss your agencies participation in the CA at each stage from planning to implementation.

The CA may be conducted by:

- Outside consultants
- Agency staff
- Volunteers

### 4. Determine the methodology to collect the information

There are several tools available that can be used to collect data. These include but are not limited to surveys, public forums, focus groups, telephone solicitations, interviews, and pre-existing data. Discuss how to collect information from vulnerable populations that may not have the ability to participate in the conversational methods of data collection. Consider trying to identify internet access limitation for low-income individuals and families.

#### Customer Service/Public Opinion Surveys

Surveys can either be used to gather information from the community to gauge opinions about key issues.

Particular attention should be paid to the following areas when conducting public opinion surveys.

- The questions being asked
- The target audience from which the information is desired
- The way in which the results will be used
- The scope of the survey
- The issues the survey will address
- The purpose of the survey
- What is to be accomplished

In constructing a survey:

Use short questions which can be answered with checklists, multiple choice, yes-no responses or open-ended answers. Make sure questions are relevant and written at an appropriate reading level. Assure that questions are culturally appropriate and/or sensitive. Agencies should routinely conduct surveys of their operations through customer input.

#### Public Forums

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Public forums are meetings where residents get involved by expressing what their concerns are about community issues and needs. Public forums are inexpensive methods to get diverse members to share ideas. To prepare for a successful Public Forum:

- Form a representative steering committee
- Identify issues to form the focus of the forum
- Select a trained facilitator
- Set a time and place
- Publicize the forum through the major media outlets
- Follow-up after the forum with a written report
- The report may be used as the basis for a service plan

### **Pre-existing Data**

Pre-existing data can be obtained by researching public records and reports. This data is collected about a particular group without the agency having direct contact with that individual or group. This information can provide insight about emerging trends or issues in a particular community.

- This data already exists
- It is fast and easy to access
- Data is available for most geographic areas

NOTE: Pre-Existing or secondary data is not enough in itself. It may be used to supplement primary data – that which is collected first hand from the client, but it is required by Organizational Standard 1.2 that the Organization analyzes information collected directly from low-income individuals as part of the Community Assessment.

The websites listed below are examples of potential resources for gathering data for numerous programs:

- The United States Census Bureau: <https://www.census.gov/>
- Community Action Partnership: Community Needs Assessment Online Tool <https://www.communitycommons.org/groups/community-action-partnership/>
- Community Commons <https://www.communitycommons.org/collections/Maps-and-Data>

### **Focus Groups**

A focus group is a way to gather opinions and ideas from a small, targeted group of citizens. This is a valuable tool to use to get a consensus of thoughts and ideas rather than to make projections about the community.

- It is easy to conduct
- Provides detailed information
- Allows for issue probing
- Stimulates thinking and discussion

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- Particular care should be given in choosing the make-up of a focus group

### **Telephone Interviews**

Telephone interviews are an option for vulnerable segments of the population who may not otherwise participate in other methods of data collection.

Questions using a five (5) point scale from strongly agree to strongly disagree can be used to gather input from this population.

- Convenient for persons with disabilities
- Can be used for participants with low literacy levels
- Short time span
- Inexpensive

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### 504 DATA COLLECTION AND ANNUAL REPORT REQUIREMENTS

**EFFECTIVE DATE**                      **October 1, 2023**  
**REVISION DATE**                      **July 30, 2023**

MDHHS-BCAEO uses financial and performance information submitted and collected in empowOR to improve the administration of the program, and to report performance data to the U.S. Department of Health and Human Services through the CSBG Annual Report. The data MDHHS-BCAEO collects is subject to change based on changing requirements and regulations. This information is used at local, state, federal, and national levels to improve performance, track results from year-to-year, and maintain accountability for critical activities and outcomes. Agencies should review and update their client release of information to share data with BCAEO.

CSBG eligible entities coordinate a broad range of resources to ensure a positive impact on the causes and conditions of poverty. Agency wide data from all funding sources, that encompasses all community action services, strategies, and outcomes, serves as the vehicle for detailing an agency's overall services, strategies and outcomes and is aggregated into the statewide CSBG Annual Report as well as other state and local reports.

#### **PURPOSE**

To provide guidelines and instructions for preparation and submittal of reports and data collection:

- CSBG Annual Report
- CSBG Annual Narrative Report (new)

In collaboration with HHS/Office of Community Services (OCS), NASCSP has developed a state reporting mechanism (the CSBG Annual Report) to collect and compile the required information and will present a national report to HHS/OCS. The State has developed a local CAA reporting format which provides the means to collect and compile the reporting elements included in the NASCSP CSBG Annual Report.

Results Oriented Management and Accountability (ROMA) is the reporting tool that Michigan uses to meet the CSBG Requirements and is part of the Performance Management Framework.

#### **POLICY CHANGES**

- Informational language requirements added/updated throughout.
- Updated language to reflect transition from FACSPRO to empowOR.
- Removed information related to CARES Annual Report.

#### **POLICY**

The CSBG Act, Sec. 678E outlines State Accountability and Reporting Requirements and indicates that:

“Each State shall annually prepare and submit to the Secretary a report on the

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measured performance of the State and the eligible entities in the State... Each State shall also include in the report an accounting of the expenditure of funds received by the State through the CSBG program, including an accounting of funds spent on administrative costs by the State and the eligible entities, and funds spent by eligible entities on the direct delivery of local services, and shall include information on the number of and characteristics of clients served under this subtitle in the State, based on data collected from the eligible entities.”

The CSBG Annual Report Instructions and FAQs can be found in [SharePoint](#).

Starting in FY2022, agencies will be required to submit an annual narrative report based on their CSBG Service Plan showing successful outcomes, progress, or opportunities for improvement.

### REPORTING TYPES AND DUE DATES

#### ANNUAL REPORTS

CAAs shall submit the FY23 annual reports using FACSPRO (or an alternate process, if approved) following the requirements for each Module. Beginning in FY24, CAAs shall use empowOR to submit CSBG Quarterly and Annual reports.

Agencies will submit all reports by the due dates as communicated by the Bureau.

NOTE: Alternate CSBG Annual Report Process (FY23 only): A written formal request must be made to BCAEO outlining how the agency will provide the CSBG Annual Report as well as provide BCAEO with real-time data access that is currently available in FACSPRO.

#### CSBG ANNUAL NARRATIVE REPORT Due as Communicated by the BCAEO

Agencies are required to submit an annual report based on their CSBG Service Plan showing successful outcomes, progress, or opportunities for improvement.

### ANNUAL REPORTING REQUIREMENTS

CAAs must submit all reports timely for BCAEO to submit a statewide aggregated report to OCS by the due date provided annually. Since regular CSBG annual reporting contains all community action services, strategies, and outcomes, OCS expects all funding streams to be included in the regular CSBG annual report.

OCS asks that the CSBG Network considers ways to ensure high-quality data including focusing on collecting, reviewing, analyzing, and tracking data.

#### CSBG Annual Report

Report as normal on Module 1 (State Administration), Module 2 (Eligible Entity Expenditures) and Module 4 (Individual/ Family Services). OCS revised Module 3 (Community Transformations) to allow CSBG eligible entities to identify which funding source(s) were used to implement a Community Transformation. As a reminder, “normal reporting” includes reporting on all Community Action funding resources, related services,

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strategies, and outcomes.

### **CSBG Annual Narrative Report**

Starting October 1, 2021 (FY2022) Agencies will be required to submit an annual report based on their CSBG Service Plan showing successful outcomes, progress, or opportunities for improvement. The CSBG CAP is a planning document and the CSBG Narrative Report will report out on how the agency progressed to meet what was reported in the CSBG CAP. A template will be created and training will be provided.

### **DEMOGRAPHIC REPORTING**

**Demographic Data:** empowOR and other data systems captures assisted households and individual's demographic data including income level, race, ethnicity, age, gender, military status, and poverty level.

The All Characteristics Report collects data on all individuals and households, whether or not funded directly by CSBG. This demographic information strengthens the CSBG Annual Report by demonstrating who is being served by CSBG Eligible Entities.

To obtain unduplicated counts, a CAA must have a system that distinguishes the characteristics for each individual/household. While some individuals and households may be served by several programs within a reporting year and thus entered into multiple data systems (e.g., ChildPLUS, HMIS, etc.), they must be reported as unduplicated individuals and unduplicated households in this report.

**NOTE:** Please follow the data protection language in your CSBG contract.

**All Characteristic Report:** The All Characteristics Report is for demographics collected on individuals/ households receiving services from the CSBG Eligible Entity.

For the CSBG Annual Report, CAAs must only report the unduplicated count of participants. Therefore, if CAAs are unable to verify data as unduplicated, that data should not be reported. If a CAA can verify that a portion of its data is unduplicated, it is appropriate to report that portion of the data. Make sure to provide a comment to that effect and explain the variance that will result from improved reporting in future reports.

The top priority is to maintain the integrity of the data reported, which is why it is critical that only unduplicated data is included in the report. Include demographic data on all individuals and households served by the CAA, not only those who are CSBG eligible. The CAA should determine when a client becomes a client.

### **DATA CLEANUP**

empowOR is designed to be used in real time, and data should be entered in real time. In instances where real-time data entry does not occur, data should be entered no later than 30 days from the completion data of the service or outcome.

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### DATA COLLECTION AND ACCURACY

Data collection will increase agency efficiency, provide outcome data to show results, and verify compliance. The importance of data collection:

- Data empowers federal, state, and local agencies to make informed decisions
- Data identifies opportunities for improvement
- Data allows for accurate interpretations of confirmations of community needs
- Data will backup ideas and innovation
- Data makes the agency's approach strategic
- Data helps with increased funding opportunities
- Data shows the efforts of the agency's good work
- Data saves time

**Data Accuracy:** CAAs must take reasonable steps to ensure data is kept accurate and up to date. It is very important individual and household data is accurate. It is the responsibility of each CAA and the employees who work with data to take responsibility and reasonable steps to ensure it is kept as accurate and up to date as possible. Examples include:

- Data will be held in as few places as necessary.
- Updates must be done in real-time.
- When possible, clients should have the opportunity to manage their information.
- Data should immediately be updated when inaccuracies are discovered.
- Agency should follow internal policies that require the review and updates to data on a regular basis.

### REPORTING UNDUPLICATED COUNTS

For the CSBG Annual Report, CAAs must only report the unduplicated count of participants. Therefore, if CAAs are unable to verify data as unduplicated, that data should not be reported. If a CAA can verify that a portion of its data is unduplicated, it is appropriate to report that portion of the data.

To obtain unduplicated counts, a CAA must have a system that distinguishes the characteristics for each individual/household. While some individuals and households may be served by several programs within a reporting year and thus entered into multiple data systems (e.g., ChildPLUS, HMIS, etc.), they must be reported as unduplicated individuals and unduplicated households for CSBG reporting.

**Unduplicated:** The household/individual(s) are counted only once for each specific type of assistance provided when the initial assistance is provided.

- CSBG Annual Report Unduplicated Counts Required:
  - Module 4 Sections A and B Individual and Family FNPIs and Services

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- Module 4 Section C All Characteristics Report

**Counting of People Served:** Count the number of persons that receive the benefit. For example: Food – count all persons in the household that received the food.



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**505 DRUG REHABILITATION AND CHILD SUPPORT SERVICES AND  
REFERRALS**

**EFFECTIVE DATE**                      **OCTOBER 1, 2020**

**PURPOSE**

To provide guidelines for compliance regarding the CSBG requirement to inform and refer custodial parents to drug testing and rehabilitation and child support services.

**Drug Testing and Rehabilitation:**

(1) inform participants who test positive for any controlled substances about the availability of treatment or rehabilitation services and refer such participants for appropriate treatment or rehabilitation services.

(2) Any funds expended for such testing shall be considered to be expended for administrative expenses.

**Child Support Services and Referrals:**

(1) inform custodial parents in single-parent families that participate in programs, activities or services carried out or provided with CSBG funds about the availability of child support services; and (2) refer eligible parents to the child support offices of State and local governments.

In this regard, the CSBG Agreement states:

*The Grantee shall inform and refer custodial parents in single-parent families that participate in programs, activities, or services carried out or provided for with these funds to the Child Support Offices of state and local governments.*

**POLICY CHANGES**

**POLICY**

**DRUG TESTING AND REHABILITATION SERVICES**

CAAs shall inform participants who test positive for any controlled substance (if a state conducts drug testing) about the availability of treatment or rehabilitation services and refer such participants for appropriate treatment or rehabilitation services.

**CHILD SUPPORT REFERRALS**

CAAs shall inform and refer custodial parents who are not receiving child support to local child support offices/services.

To assist CAAs in fulfilling this requirement, MDHHS can provide copies of the MDHHS Publication 748, “**Understanding Child Support**”, for distribution to custodial parents who are

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not receiving child support. Provision of this booklet to the custodial parent, along with the address of the local DHHS Child Support office, and/or the local Prosecuting Attorney's Office or Friend of the Court, will fulfill the information and referral requirement.

### **PUBLICATION DHHS-748:**

Copies of "**Understanding Child Support**" (English & Spanish version), can be ordered directly from DHHS-Office Services Division at no charge by using the order form in SharePoint called [Publication Order List](#). **Note:** Other Office of Child Support publications included on the form are also available at no charge.

### **Additional Child Support Resources for Parents**

CAAs may assist Custodial Parents who wish to pursue child support by referring them to the MDHHS Office of Child Support website.

Custodial Parents may complete the **IV-D Child Support Services Application/Referral-DHS-1201** form or online with [MiChildSupport](#). MDHHS-Pub-1207 – **A Quick Look at Child Support for Parents** is also available for informational purposes.

### **BEST PRACTICES:**

Agencies should consider adding questions to their intake form/process as proof of meeting these requirements.

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### 506 CSBG FORMULA AND ALLOCATION

**EFFECTIVE DATE**      **OCTOBER 1, 2020**

#### **PURPOSE**

To explain the CSBG allocation formula and process.

#### **POLICY CHANGES**

#### **FORMULA**

- a. A base allocation of \$25,000 for each Community Action Agency (CAA).
- b. Remaining Funds:
  - 84 percent: Based on each CAA's relative share of the number of persons with income below 125% of the poverty level.
  - 10 percent: Based on each CAA's relative share of the excess number of persons with income below 125% of the poverty level. Excess poverty is defined as the number of persons with income below 125% of the poverty level in excess of the statewide average of 14 percent.
  - 6 percent: Based on each CAA's relative share of the extreme poverty level. Extreme poverty is defined as the number of persons with income 125% of the poverty level in excess of 25 percent.

#### **ALLOCATION PROCESS**

Ninety percent of CSBG funding is passed through to the CAAs using the formula above. Five percent is used for the state's administrative purposes. The other five percent is used for discretionary purposes.

CSBG funding can be expended once BCAEO has approved a plan and budget.

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### 507 CSBG 90% FUNDING

**EFFECTIVE DATE**      **OCTOBER 1, 2020**

#### **PURPOSE**

To provide a policy for the distribution of not less than 90% of the total annual amount of CSBG funding to community action agencies (CAAs) by formula.

#### **POLICY CHANGES**

#### **POLICY**

Not less than 90% of the Community Services Block Grant (CSBG) funds are allocated annually, using the State approved formula based on the most recent census data, to the CAAs through grants. Annual allocations are used for allowable CSBG expenditures, as approved in CAAs spending plans, for a fiscal year and the succeeding fiscal year. Unspent funds will not be available after the two-year grant period.

#### **EXPENDING FUNDS**

**First Fiscal Year:** CAAs are encouraged to expend 80 percent or more of the Grantee's annual allocation in the first fiscal year.

**Succeeding Fiscal Year:** CAAs will be responsible to monitor grant spending to ensure the remaining funds are spent by the end of the succeeding fiscal year.

**Special Conditions for Small Agencies:** Grantee's annual allocation plus a discretionary allocation used to bring its funding up to a minimum level may be used on allowable CSBG expenditures for a fiscal year and the succeeding fiscal year.

#### **Funds Must Be Used in the Two-Year Grant Period**

CSBG funds must be expended within the two-year grant period. If funds are not expended within a two-year period, they will be forfeited.

**Note: Forfeiture of CSBG funds will negatively affect a CAA's STAR rating as well as consideration for Discretionary or other unique grant opportunities.**

#### **GRANT ACCOUNTING PROCESS FOR THE TWO-YEAR GRANT PERIOD**

A State accounting code, State grant number, and Federal grant award number will be assigned to each annual Two-Year Grant.

Below is the processing sequence for agencies to manage annual grant allocations over two years within the parameters of the State's accounting and contracting systems.

1. Each Grant Year will require a 24-month budget.

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2. The total amount of funds available at the beginning of a fiscal year will be based on a “**planning**” amount until the “**final**” federal award is received.
3. Funds received the next fiscal year will start a new two-year spending cycle with a new 24-month budget.

### Example:

FY2023 CSBG Federal Grant Period: 10/1/22-9/30/24 Requires 24-month budget

FY2024 CSBG Federal Grant Period: 10/1/23-9/30/25 Requires 24-month budget

## 508 REMOVED

### POLICY CHANGES

The Asset Test requirement has been removed for CSBG and CSBG-D funding.

## 509 CSBG AND CSBG-D COST CATEGORIES/BUDGET LINES

**CSPM 509 has been moved to the 400 Series**