
The State of Nebraska Community Services Block Grant Program

POLICY MANUAL

Division of Children and Services

NEBRASKA

Good Life. Great Mission.

DEPT. OF HEALTH AND HUMAN SERVICES

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The State of Nebraska Community Services Block Grant Program

POLICY MANUAL

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**THE STATE OF NEBRASKA
COMMUNITY SERVICES BLOCK GRANT PROGRAM
POLICY MANUAL**

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1001 INTRODUCTION

The Community Services Block Grant (CSBG) program Policy Manual has been developed to:

1. Assist Nebraska's community action agencies in implementing the CSBG program.
2. Supplement Nebraska's CSBG State Plan, CSBG Subaward, federal and state laws and regulations, federal and state guidance, Office of Management and Budget (OMB) Uniform Guidance requirements.

Nebraska's CSBG State Plan, CSBG Subaward, federal and state laws and regulations, federal and state guidance, and OMB Uniform Guidance requirements, take precedence over these policies to the extent there are inconsistencies.

The Governor of the State of Nebraska designated the Division of Children and Family Services (CFS) for the Nebraska Department of Health and Human Services (DHHS) as the lead agency, and the Director of CFS to carry out the State of Nebraska's activities concerning Community Services Block Grant funds per CSBG Act Section 676 (a) (1).

1002 ACRONYMS USED

US HHS	U. S. Department of Health and Human Services
ACF	Administration for Children and Families
OCS	Office of Community Services
CSBG	Community Services Block Grant
NE DHHS	Nebraska Department of Health and Human Services
CFS	Children and Family Services Division
EA	Economic Assistance Unit
CAA	Community Action Agency
CAN	Community Action of Nebraska (State Association)
RPIC	Regional Performance and Innovation Consortium
OMB	Office of Management and Budget
ROMA	Results Oriented Management and Accountability
NASCSP	National Association for State Community Services Programs
CAP	National Community Action Partnership
NCAF	National Community Action Foundation

1003 CSBG PURPOSE

The purpose of the CSBG program is to provide assistance to states and local communities, working through a network of CAAs and other neighborhood-based organizations, for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient.

The purpose of Nebraska's CSBG program is to support the efforts of Nebraska's CAAs in alleviating the causes and conditions of poverty in their communities.

1004 POLICY REVISIONS AND UPDATES

NE DHHS will periodically review and revise the CSBG Policy Manual. All revisions and updates to the CSBG Policy Manual will be communicated to CAAs, and a revised manual will be provided.

1100 FUNDING

1101 RECEIPT OF FEDERAL FUNDING

NE DHHS must receive the CSBG Grant Award Letter from ACF before the State CSBG Office is able to provide CSBG funding to the eligible entities. Once NE DHHS receives the CSBG Grant Award Letter, the State CSBG Office will provide the eligible entities with written notification when CSBG program funds are available.

The CSBG Subaward addresses how NE DHHS will administer the receipt of CSBG program funds from ACF. NE DHHS's distribution timeframe assurance is in Nebraska's CSBG State Plan.

The CSBG Subaward also describes the process for partial allocations when ACF gives partial awards or Congress passes Continuing Resolutions (CR) concerning CSBG funding.

1102 ALLOCATION OF FEDERAL FUNDING

Nebraska's CSBG State Plan addresses how NE DHHS will distribute CSBG program funds to the State CSBG Office and the eligible entities; it also provides information on the State of Nebraska's CSBG allocation criteria and formula.

Nebraska's CSBG allocation current formula runs from 2013-2023, with the next review and revision occurring once the statewide decennial census data is available (estimate 2023). The review and evaluation will be conducted by a committee that includes: the State CSBG Office, CAN staff, and the Executive Directors (or Chief Executive Officers) of eligible entities.

At a minimum, the allocation criteria and formula will be updated to include the new decennial census data. NE DHHS will also be responsible informing the committee of current CSBG program funding allocation laws, regulations, and requirements; as this may impact the decision to make allocation criteria and formal changes.

If the committee determines allocation criteria and formula changes are necessary, the committee will be responsible for developing a new allocation criteria and formula proposal. As designated by the State of Nebraska's Governor, the Director of Children and Family Services will provide final approval for this new allocation criteria and formal proposal.

1103 CARRYOVER BALANCES

To adhere to the provision of law under the Consolidated Appropriations Act of 2005, eligible entities have two years to expend CSBG program funds in their CSBG Subaward. The CSBG Subaward explains and provides procedures that allow for the eligible entities to carryover CSBG program funds for one additional federal fiscal year.

1104 NON-EXPENDED FUNDS

Any CSBG program funds not expended by an eligible entity, within the appropriate federal fiscal year, must be returned to NE DHHS. All CSBG program funds returned to NE DHHS will be returned to US HHS, Division of Payment Management. The CSBG Subaward explains and provides procedures for returning unexpended CSBG program funds.

1105 STATEWIDE FUNDING

NE DHHS follows the CSBG Act guidelines (Section 675C.b.1-2.) to allocate the remaining ten percent of CSBG funds for discretionary projects and administrative costs.

Nebraska's CSBG State Plan provides more detail on how the State CSBG Office uses funds for discretionary projects and administrative costs.

1106 FUNDING REDUCTION OR TERMINATION

NE DHHS will adhere to the requirements in the CSBG Act (Section 678C) and the federal guidance provided in the OCS, CSBG Information Memorandum, Transmittal #116 for terminating or reducing CSBG program funding to noncompliant eligible entities.

Nebraska's CSBG State Plan assures that any eligible entity, which received CSBG program funding the previous federal fiscal year, will not have its funding terminated or reduced below the proportional share of funding the eligible entity received in the previous federal fiscal year. An exception to this would be made if NE DHHS determines that cause exists for such termination or such reduction, after providing notice and an opportunity for a hearing on the record. This hearing and decision would also be subject to review by OCS as provided in the CSBG Act (Section 678C.b.).

1201 ELIGIBLE ENTITIES

Nebraska has nine private CAAs that are CSBG eligible entities. These CAAs are authorized, by federal law (CSBG Act) receive Nebraska CSBG program funding.

1202 DESIGNATION, DE-DESIGNATION, & RE-DESIGNATION

Nebraska follows the guidelines in the CSBG Act (42 U.S.C. 9901 et seq) Section 678C. Corrective Action Termination and Reduction of Funding when deciding whether to de-designate or reduce funding for an eligible entity. OCS, CSBG Information Memorandum, Transmittal #116 provides more detail concerning the de-designation process and the state and eligible entity roles and responsibilities.

Nebraska's CSBG State Plan also includes some of NE DHHS's procedures for designating and de-designating eligible entities.

De-designation would be enacted based on results of monitoring of eligible entities as explained in CSBG Act Section 678B. Monitoring includes Desk and Onsite Reviews. Informational Memorandum 116 details other examples of when an expedited review may happen in cases such as 'whistleblower' complaints including allegations of fraud and abuse, termination of other federal/state/local funding, significant audit findings and/or criminal investigations.

Process for de-designation or funding reduction, based on CSBG Act Section 678C.

1. The State CSBG Office will conduct an Onsite Review.
 - a. If the review expedited due to reasons such as 'whistleblower' complaints including allegations of fraud and abuse, termination of other federal/state/local funding, significant audit findings and/or criminal investigations; an abbreviated Onsite Review may occur.
2. If significant deficiencies are identified, the State CSBG Office will submit a written report to the CAA's Executive Director/CEO explaining the deficiencies and the correction actions the CAA must complete. This includes requiring the CAA to submit a Quality Improvement Plan (QIP).
3. The CAA has 60 days to provide a QIP to the State CSBG Office.
4. The State CSBG Office will approve the CAA's QIP or request a revised QIP within 30 days of the receipt of the CAA's QIP.
5. Once the CAA's QIP is approved, the State CSBG Office will notify the monitor the CAA for progress and improvement.
6. The State CSBG Office must provide training and technical assistance to the CAA to help correct the deficiency, as well as prepare and submit a report to the US DHHS Secretary describing the training and technical assistance offered.
 - a. If NE DHHS determines that training and technical assistance is not appropriate, the State CSBG Office must notify the US DHHS Secretary explaining why this is not appropriate.
7. The State CSBG Office will conduct a follow-up Onsite Review within one year of the initial review that prompted the QIP.
8. If significant deficiencies are identified again, the State CSBG Office will submit a written report to the CAA's Executive Director/CEO explaining the deficiencies and the correction actions the CAA must complete. This includes requiring the CAA to submit a QIP.
9. The CAA has 60 days to provide a QIP to the State CSBG Office.
10. The State CSBG Office will approve the CAA's QIP or request a revised QIP within 30 days of the receipt of the CAA's QIP.
11. The State CSBG Office will notify the Office of Community Services (OCS) within 30 days of approving the CAA's QIP.

12. The State CSBG Office will monitor the CAA for progress and improvement.
13. If significant progress is not made on the QIP by the end of the second year, the State CSBG Office may initiate the de-designation or funding reduction process by submitting a letter to the CAA Executive Director/CEO.
14. The CAA can request a hearing within 30 days of receiving the letter from the State CSBG Office stating the initiation of the de-designation or funding reduction process.
15. The NE DHHS Hearing Office will set a hearing date with the receipt of the CAA's request for hearing.
16. The NE DHHS Hearing Office will hold a hearing and a DHHS Hearing Officer will make the determination regarding de-designation or funding reduction.
 - a. Until the NE DHHS Hearing Officer has made a ruling, the State CSBG Office cannot reduce payments to the CAA.
17. If the NE DHHS Hearing Officer decides to de-designate the CAA, the State CSBG Office must determine how to provide coverage for the de-designated CAA's service area. This may require a competitive Request for Proposals (RFP) to identify new provider.
18. The CAA can request the US DHHS Secretary to review the NE DHHS Hearing Officer's decision upon written request.
19. If the CAA submits a written request for the US DHHS Secretary, NE DHHS must submit all required documentation.
20. The US DHHS Secretary will review the de-designation within 90 days of receipt of NE DHHS's documentation.
 - a. If the US DHHS Secretary fails to respond within 90 days, NE DHHS's determination stand.

Redesignation can occur if any geographic areas of the state cease to be served by an eligible entity. If the State of Nebraska's Governor, or his/her designee, decides that this area needs to be served, applications may be solicited from private nonprofit organizations (which may include a current CAA).

To be selected as an eligible entity the organization must:

1. Be geographically located in the unserved area.
2. Be capable of providing a broad range of services designed to eliminate poverty and foster self-sufficiency.
3. Add board members, as necessary, to ensure a tripartite board structure.
4. Demonstrate effectiveness in meeting the goals and purposes of the CSBG program.
 - a. Preference may be given to current CAA's that are providing related services in the unserved area, consistent with the needs identified by a community needs assessment.

It is the State of Nebraska's preference that new eligible entity be private nonprofit organization. However, if no private nonprofit organization is determined qualified to serve the unserved area as an eligible entity, State of Nebraska's the Governor, or his/her designee, may designate an appropriate political subdivision to serve as the unserved area's eligible entity. In order to serve as the eligible entity for that area, the political subdivision must have a tripartite board.

At this time, Nebraska has CSBG representation in all 93 counties.

1301 SUBAWARDS

NE DHHS will issue a new CSBG subaward to each CAA every year.

Subawards and subsequent amendments cannot be implemented until NE DHHS receives an award letter from ACF, OCS. More information can be found in Nebraska's CSBG State Plan.

CSBG subawards will be issued to each CAA after NE DHHS has: approved the CAA's annual CSBG Community Action Plan and Application, confirmed that the CAA is eligible for federal assistance programs, and determined that the CAA is not at-risk.

A CAA's CSBG Subaward becomes effective when the CAA's Executive Director, or Chief Executive Officer, and NE DHHS CFS Director have signed the contract.

1302 CONTRACT PERIOD

CSBG subawards cover a 24 month (or two year) time period. CSBG contracts will have a start date of October 1st of the first year, and an end date of September 30th of the second year (or the year that the funds expire). CAAs are encouraged to spend their CSBG allotments in the first year, understanding carryover may be necessary until Congress passes the next year's budget.

CAAs are required to expend all of their CSBG program funds from their current CSBG Subaward prior to expending their CSBG program funds from a subsequent CSBG Subaward.

The State CSBG Program reserves the right to recapture and redistribute unobligated funds if those funds exceed twenty percent (20%) of the amount distributed to a CAA. This is in accordance with the CSBG Act (Section 675C. 3.).

1303 AMOUNTS

CSBG subaward amounts are set using Nebraska's CSBG allocation base plus formula, in accordance to the CSBG State Plan.

1401 COMMUNITY-TARGETED SERVICES

CAAs must provide community-targeted services, supported by CSBG, that benefit low-income individuals. Nebraska's CSBG State Plan describes how NE DHHS will ensure CAA services target and benefit low-income communities. This is addressed in the CAA Annual Community Action Plan and Application.

1402 CLIENT INCOME ELIGIBILITY AND VERIFICATION

The HHS Poverty Guidelines CAA's must utilize as the ceiling for determining client (household and individual) income eligibility for services provided with CSBG program funds is identified in the corresponding fully executed sub-award between DHHS and the CAA's. For CSBG funded services CAAs can use a 20% Earned Income Disregard for any individual that has earned income at the time of application.

CAAs providing CSBG funded services to clients are required to verify and document proof of income eligibility. CAAs are required to use their own written policies concerning verification of income.

Foster Children or Youth that are Wards of the State

The public funds for the youth's support and/or the foster family's income should not be used in determining the youth's income eligibility for services provided with CSBG program funds.

Waiver Request

For CSBG funded services where individual income verification is not possible or practical, CAAs may request to waive the CSBG client income eligibility and verification requirements. CAAs interested in obtaining a CSBG client income eligibility and verification waiver must contact NE DHHS for request and submittal instructions.

1403 CHILD SUPPORT SERVICES

CAAs are required (CSBG Act, Section 678G. b.) to inform custodial parents in single-parent families, who also participate in CAA programs, services, or activities (supported with CSBG program funds) about the availability of child support services. CAAs are also required to refer eligible parents to the state and local child support offices.

1404 TRANSLATION AND INTERPRETATION SERVICES

CAAs have a legal obligation to provide oral and written language assistance to individuals with Limited English Proficiency (LEP) receiving (or potentially receiving) CAA services. CAA expenses incurred in the provision of LEP services to recipients or potential recipients may be covered with CSBG program funds.

Federal guidance on serving persons with limited English proficiency is provided in OCS, CSBG Information Memorandum, Transmittal #50.

1405 NON-DOCUMENTED CITIZENS

Federal guidance for using CSBG program funds to serve non-citizens is provided in OCS, CSBG Information Memorandum, Transmittal #30. CAAs are allowed to use CSBG program funds to serve non-citizens, regardless of their alien status. As the State CSBG program gets more guidance on implementing and providing services to non-citizens, it will issue a policy memo to clarify this policy.

If CAAs have funding sources that require citizenship, the State CSBG program encourages use of the citizenship attestation form.

1406 CLIENT GRIEVANCES AND/OR APPEAL POLICIES AND PROCEDURES

CAAs are required to have client grievance and/or appeal policies and procedures. The State CSBG Office will review client grievance and appeal policies and procedures to ensure adequacy and that client rights are upheld.

1407 ROMA & CLARITY

CAAs are required to participate in the Results Oriented Management and Accountability (ROMA) system established by NE DHHS, in accordance to the CSBG Subaward.

CAAs are also required to use Clarity as the primary database for client services, in accordance to the CSBG Subaward.

1408 CSBG ORGANIZATIONAL STANDARDS

The CSBG Subaward establishes the CSBG organizational standards as a governing document and a requirement for CAAs that administer Nebraska's CSBG program.

1409 RISK ASSESSMENTS

At the beginning of each CSBG program year, NE DHHS will complete a risk assessment for each CAA. At a minimum, the risk assessment will include a review of information from the following sources:

- System for Award Management (SAM) Exclusions
- The CAA's:
 - Annual audit
 - CSBG annual Community Action Plan and Application
 - CSBG fiscal and program monitoring reports
 - CSBG financial reports
 - CSBG program reports

Based on the risk assessment, NE DHHS will determine if a CAA is at-risk and if they are eligible for federal assistance programs.

If a CAA is determined to be at-risk, NE DHHS will inform the CAA of all risk assessment issues. The CAA will then be required to develop a training and technical assistance plan and a corrective action plan.

If a CAA is determined to be found ineligible for federal assistance programs, NE DHHS may proceed with the process to debar or suspend that CAA.

1410 DEBARMENT AND SUSPENSION

CAAs will not be allowed to participate in Nebraska's CSBG program in any capacity, and will not receive any CSBG program funding if they are debarred, suspended, or otherwise found to be ineligible for participation in federal assistance programs. The CSBG Subaward and Nebraska's CSBG State Plan include debarment and suspension terms and conditions. This determination is made based on a risk assessment completed by NE DHHS at the beginning of each year.

1411 FEDERAL INVESTIGATIONS

Nebraska's CSBG State Plan assures the NE DHHS will permit and cooperate with federal investigations concerning Nebraska's CSBG program.

1412 LAND PURCHASE OR IMPROVEMENT

CSBG program funds may not be used to purchase or improve land, in accordance to the CSBG Act (Section 678F. a. 1.).

Waiver Request:

Agencies can submit a waiver request to NE DHHS for the purchase or improvement of land. Then NE DHHS will make the request, on behalf of the CAA, to the US HHS Secretary based on assessment of limitations in CSBG Act. The US HHS Secretary will make the final determination on whether or not the proposed project request meets extraordinary circumstances to justify the purchase of land, the construction of facilities, or other permanent land improvements.

1413 CONSTRUCTION OF FACILITIES

CSBG program funds may not be used for the construction of facilities. Nebraska follows CSBG Act Section 678F. Limitations on Use of Funds concerning restricted uses of CSBG funds.

Waiver Request:

Agencies can request Nebraska to request from the Secretary a waiver for construction. NE DHHS will make the request to the US HHS Secretary based on assessment of limitations in 678F. The US HHS Secretary will make the final determination that the proposed project request meets extraordinary circumstances, to justify the purchase of land or the construction of facilities (or permanent improvements).

1414 EQUIPMENT PURCHASING & LEASING

CAAs must send a written request to NE DHHS and receive approval prior to the purchase or lease any equipment (including vehicles) that involves \$5,000 or more of CSBG program funds. After the CAA submits a written request to NE DHHS to purchase or lease any equipment, NE DHHS will respond to the request within 14 days of the receipt of the request.

Purchasing American-Made Equipment and Products:

CAAs are required to purchase American made equipment and products as stated in the CSBG Subaward, ACF Terms and Conditions, and Public Law 103-333 – the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act of 1995 (Section 507).

1415 LOBBYING ACTIVITIES

CSBG program funds may not be used for lobbying activities. The CSBG Subaward and Nebraska's CSBG State Plan include CAA requirements for using CSBG program funds for lobbying activities.

1416 POLITICAL ACTIVITIES

CAAs are required to comply with the CSBG Act (Section 676. b.) regarding the prohibited use CSBG funds to support certain political activities.

CAAs are also required to comply with federal guidance on voter registration activities provided OCS, CSBG Information Memorandum, Transmittal #81. This guidance is also included in the CSBG Subaward.

1417 RELIGIOUS ACTIVITIES

CSBG program funds may not be used to support inherently religious activities. Therefore, CAAs must separate their inherently religious activities from their CSBG funded services. The CSBG Subaward includes CAA provisions for using CSBG program funds for religious activities.

1418 AMERICORPS MATCHING REQUIREMENTS

CSBG program funds may be used by CAAs to meet the cost sharing requirements for the Corporation for National and Community Service Americorps program (OCS, CSBG Information Memorandum, Transmittal #139).

1419 HUD MATCHING REQUIREMENTS

CSBG program funds may be used by CAAs to meet matching requirements for Department of Housing and Urban Development (HUD) McKinney-Vento Homeless Assistance programs (OCS, CSBG Information Memorandum, Transmittal #135).

1420 CHARITY TAX CREDIT PROGRAM

A charity tax credit program has not been enacted in the State of Nebraska.

1421 CODE OF CONDUCT

As set forth in the CSBG Subaward, CAAs must adopt ethical and professional standards of operation and employees must receive training on those standards. The CAA is responsible for having supporting information available for NE DHHS monitoring.

Professional standards of operation must include:

- A nepotism policy which shall provide for disclosure of familial relationships among employees and between employees and members of the governing board.
- Policies regarding conflict of interest that meet or exceed requirements stated in the CSBG Subaward.
- Standards of responsibility and obedience to law, fairness, and honesty.

1422 CONFLICT OF INTEREST

CAAs are required to have a conflict of interest policy that meets or exceeds the requirements in the CSBG Subaward.

1423 CLIENT CONFIDENTIALITY

CAAs are required to comply with the client confidentiality policy requirements in the CSBG Subaward.

1424 ANTI-DISCRIMINATION

The CSBG Subaward includes CAA civil rights requirements for clients, employees, and applicants for CAA employment. CAAs must comply with these requirements.

1425 DRUG FREE WORKPLACE

CAAs are required to comply with the drug free workplace requirements in the CSBG Subaward and Nebraska's CSBG State Plan.

1426 SMOKING

CAAs are required to comply with the Pro-Children Act of 1994 requirements, as stated in the CSBG Subaward and Nebraska's CSBG State Plan.

1427 HUMAN TRAFFICKING

CAAs are required to comply with the Trafficking Victims Protection Act requirements, as stated in the CSBG Subaward.

1428 WHISTLEBLOWER

CAAs are required to have a written whistleblower policy that meets or exceeds the requirements in the CSBG Subaward.

1429 RETENTION OF RECORDS

The CSBG Subaward includes CAA requirements for retaining CSBG program records. CAAs should also have its own written retention and destruction policies.

1500 CSBG COMMUNITY ACTION PLAN AND APPLICATION

1501 DEADLINE

CAA Community Action Plan and Application requirements are addressed in the CSBG Act (Section 676.b.11.) and the CSBG Subaward.

NE DHHS will also provide all CAAs with Community Action Plan and Application instructions, forms, and guidance.

NE DHHS requires that all CAAs must complete and submit a Community Action Plan and Application by July 31 each year.

1502 REQUIRED DOCUMENTS

All CAAs must submit the following documents:

- CSBG Community Action Plan and Application documents
- CSBG Annual Work Plan (federal performance measures)
- CSBG Annual Budget
- Board Monitoring Plan
- Most recent full Community Needs Assessment
- Most recent annual update to the Community Needs Assessment
- Most recent Strategic Plan
- Updated Bylaws
- Most recent Agency Annual Report
- Most recent 990
- Most recent Agency Audit
- Updated Indirect Cost Letter, if applicable
- Updated Cost Allocation Plan, if applicable

All of these documents must be submitted prior to the agency signature on the CSBG Subaward.

1503 ROMA REQUIREMENTS

The Nebraska State CSBG Community Action Plan and Application requires CAAs to follow the Results Oriented Management and Accountability cycle (ROMA) when planning and administering their CSBG programs. This is a national performance-based initiative. The ROMA cycle includes steps for assessment, planning, implementation, achievement of results, and evaluation. This requirement will ensure that each CAA's CSBG programs are outcome-based, anti-poverty focused, and tie directly to community needs assessments. The community action work plan and application are designed to help the CAAs follow the ROMA cycle.

Annual community action work plans and applications, at a minimum, must include the following:

Assessment

CAAs must collect and use information from community needs assessments, client and community needs studies, CAA data, and other pertinent resources when developing the annual plan represented in the Community Action Plan and Application. Results and information obtained from these assessments, studies, CAA data, and other resources must be considered identifying family and community needs within the CAA's service area, as well as determining CAA capacity needs.

Planning and Implementation

CAAs must develop a plan to implement strategies and initiatives to address each of the family, community, and/or CAA capacity needs identified through the assessment stage and selected to

be a focus of the CAA. Each of these plans must include: the community partners the CAA plans to coordinate efforts with to address the need (if applicable), the Community Action national goal the need aligns with, the objectives the CAA expects to accomplish, and how the CAA will measure the objectives.

Achievement of Results

CAAs are responsible for documenting the progress and results for all program objectives for the entire year. CAAs must also inform their leadership and governing board of these achievements throughout the year.

Evaluation

CAAs are required evaluate their programs by analyzing the program objective results, Community Action National Performance Indicators, strategic plans, and other CAA generated outcomes-based reports. CAAs must use this evaluation to determine how effective the CAA was in addressing the family, community, and CAA capacity needs that were selected to be a focus of the CAA.

CAAs are responsible for ensuring the CAA leadership and governing board fully participates in this program analysis and evaluation process.

Supporting Documentation

CAAs are required to have the participation of a ROMA-certified trainer in the planning and development of the application. Supporting documentation must be submitted with the application narrative to verify this coordination.

1504 GOVERNING BOARD PARTICIPATION

CAAs are required to have the participation of the full governing board in the planning and development of the application. The full governing board must all review and approve the application before submission. Supporting documentation must be submitted with the application narrative to verify this coordination.

1505 CSBG FUNDING ASSURANCE FOR EXPENDITURES

In the Community Action Plan and Application, CAAs are required to assure and indicate how the CSBG program funds allocated to the CAA are being expended towards programs, services, and activities that align with the requirements of the CSBG Act (Section 676.b.1.).

1506 COMMUNITY NEEDS ASSESSMENT REQUIREMENTS

CAAs are required to conduct community needs assessments and use the information from those assessments to identify the family, community, and CAA capacity needs within the CAA's service area. Results and information obtained from these assessments must then be considered when conducting program planning.

Nebraska's CSBG State Plan describes how NE DHHS will assure CAAs include community needs assessments, and client and community needs studies in their Community Action Plan and Application.

1507 STRATEGIC PLAN REQUIREMENTS

CAAs are required to have an agency-wide strategic plan that meets all CSBG organizational standards requirements.

CAAs are also required to follow the ROMA cycle of assessment, planning, implementation, achievement of results, and evaluation for planning and administering their agency-wide strategic plan. This ensures that each CAA's strategic plan will be outcome-based, anti-poverty focused, and tie directly to community needs assessments.

1508 CSBG COMMUNITY ACTION PLAN AND APPLICATION REVIEW

The State CSBG Office is responsible for reviewing each CSBG Community Action Plan and Application to ensure it meets all requirements. The State CSBG Office will follow-up with each CAA to review the Community Action Plan and Application, the CAA is required to respond to the State CSBG Office and make necessary changes to the Community Action Plan and Application.

Once the Community Action Plan and Application meets all requirements (and all necessary changes are made), the CAA will receive notification from the State CSBG Office indicating that the Community Action Plan and Application are approved.

NE DHHS will not issue a CSBG Subaward to a CAA without an approved Community Action Plan and Application.

1601 STRUCTURE

CAAs are required to meet tripartite governing board structure requirements (CSBG Act Section 676B and OCS, CSBG Information Memorandum, Transmittal #82), which include the following composition:

1. **Low-Income Individuals and Families**

A minimum of one-third of board membership must be democratically selected representatives of low-income individuals and families who reside in the geographic area being served by the CAA.

According to CSBG IM 82, "OCS does not recommend including in this community representation category for either public or private agency boards individuals who provide services or supports to low-income residents but who are neither low-income or residents of the agency's service area. Such individuals may qualify for board membership as representatives of another board category – 'major groups or interests in the community.'"

2. **Elected Officials or their Representatives**

One-third of board membership must be elected officials, or their representatives. These individuals must holding office at the time of selection. If the CAA is unable to meet this one-third requirement, appointive public officials, or their representatives, may take the place of elected officials.

3. **Major Groups and Interests in the Community Served**

The remaining board membership must be chosen from business, industry, labor, religious, law enforcement, education, or other major groups and interests in the community served.

Nebraska's CSBG State Plan addresses how the CSBG State Office will verify CAAs are meeting the federal and state tripartite governing board structure requirements.

CAAs that administer Head Start, HUD, HRSA, or SAMSHA programs (either funded directly or pass through dollars from the State of Nebraska) may be required to meet additional governing board member structure requirements. CAAs are responsible for ensuring any additional governing board member structure requirements are met.

1602 LOW-INCOME DEMOCRATIC SELECTION PROCEDURES

CAAs are required to fill at least one-third of board membership with low-income individuals. These members must be selected through a democratic process. CAAs must have written and established democratic procedures to assure members selected are representative of the low-income families and individuals in the neighborhoods they were selected to represent (CSBG Act, Section 676B(2)(B)).

CAAs are responsible for maintaining documentation for selecting low-income board membership. This documentation must also be available for the State CSBG Office to monitor.

Federal guidance for CAAs filling vacant low-income sector governing board member seats through democratic selection procedures is provided in OCS, CSBG Information Memorandum, Transmittal #82.

1603 PETITION FOR REPRESENTATION

CAAs are required to have written established procedures under which low-income individuals, a representatives of low-income individuals, community organizations, or religious organizations, can petition for adequate representation (CSBG Act, Section 676(b)(10)). CAAs are also required to publicly post information regarding these procedures so that low-income individuals, representatives of low-income individuals, community organizations, or religious organizations are aware of the petition for adequate representation procedures.

Nebraska's CSBG State Plan addresses how the State CSBG Office will ensure CAAs have established governing board representation procedures.

1604 CONFLICT OF INTEREST

CAAs must adhere to conflict of interest guidelines identified in CSBG Subaward.

NE DHHS has also determined that a conflict of interest exists, concerning CAA board membership, in the following situations:

1. A person who is an officer or an employee of an organization contracting to perform a component of the work program funded by CSBG.
2. A paid employee of the CAA.
3. An employee of the Nebraska Department of Health and Human Services.

These restrictions may be waived by the Director of Children and Family Services NE DHHS.

1605 PARTICIPATION REQUIREMENTS

The CSBG Act (Section 676B) requires CAA governing boards to fully participate in the development, planning, implementation, and evaluation of the CSBG program to serve low-income communities.

Federal guidance for CAA governing board participation requirements is provided in OCS, CSBG Information Memorandum, Transmittal #82.

1606 ACCOUNTING INTERNAL CONTROLS REVIEWS

CAA governing boards must have procedures for reviewing the CAA's internal controls relating to accounting processes and procedures.

Internal controls are CAA processes for ensuring reliable financial reporting, effective and efficient operations, compliance with applicable laws and regulations, and safeguards against theft and unauthorized use, acquisition, or disposal of CAA assets.

CAAs are also responsible for having the procedures available for the State CSBG Office to monitor. CSBG Subaward provides the requirements CAAs must adhere to concerning accounting practices.

1607 OPERATION COMPLIANCE REVIEWS

CAA governing boards must have procedures for reviewing the CAA's compliance with the laws, rules, regulations, and contractual agreements applicable to the CAA's operations. The CAA is responsible for having the procedures available for the State CSBG Office to monitor.

1608 BOARD MANAGEMENT

CAAs are required to submit a fully completed board management plan to the State CSBG Office with the federal fiscal year's Community Action Plan and Application. Updates to the CAA's board management plan are to be submitted quarterly the month following the quarter that is being reported, by the deadline specified by NE DHHS.

1609 BOARD VACANCIES

CAA are required to fill board vacancies within 90 days the vacancy comes open. If the vacancy cannot be filled within this time frame, the CAA must communicate with the State CSBG Office regarding the reason this vacancy has not been filled and the agency's action plan to fill the vacancy.

1700 PROGRAMMATIC RESPONSIBILITIES

1701 PROGRAMMATIC REPORTING

NE DHHS requires the CAAs to complete and submit the CSBG Annual Work Plan (federal performance measures) according to the schedule that follows:

- Before the beginning of each federal fiscal year, with the agency's targets, by the deadline specified by NE DHHS for the agency's Community Action Plan and Application.
- Semi-annually, with a six-month update, by the deadline specified by NE DHHS.
- Annually, with a twelve-month update, by the deadline specified by NE DHHS.

CAAs are also required to work with Community Action of Nebraska (CAN) and NE DHHS to submit a quarterly performance report by the deadline specified by DHHS.

Additional program reporting may be requested and required by NE DHHS to meet all federal and state program accountability requirements.

For each of the required program reports, NE DHHS will provide all the necessary report forms, instructions, and guidance.

The CSBG Subaward includes CAA due date requirements for submitting program reports.

1702 DATA REVIEW AND VERIFICATION

CAAs are required to assure the accuracy and completeness of all data and information submitted in all program reports, as well as maintain documentation that can validate this data and information.

NE DHHS will review report data and information and supporting documentation through desk and onsite monitoring reviews. NE DHHS reserves the right to test any and all data reports and supporting documentation.

1703 CSBG ORGANIZATIONAL STANDARDS REVIEW

CSBG organizational standards are reviewed to ensure CAAs have the appropriate capacity to deliver services to low-income people and communities. CAAs review the agency's organizational standards through an annual self-assessment.

The State CSBG Office then reviews each CAA's organizational standards to verify the self-assessment completed by the CAA. The State CSBG Office will notify each agency regarding the results of the review and any necessary Technical Assistance Plan (TAP) requirements for any unmet standards.

CSBG Organizational Standards Review Report:

Organizational Standards Self-Assessment Reviews Reports are due by the deadline specified by NE DHHS. This self-assessment must be completed using the Community Action Partnership's Self-Assessment tool for Private CAAs.

Reports should include the following:

- What documentation was reviewed and on file for each standard
- Which standards are met
- Which standards are not met
- Reasons for which any standard is not met
- How the CAA could meet any standards not met

After the State CSBG Office verifies the CAA's self-assessment a score will be determined. If the CAA scores less than 58/58 on the Organizational Standards Review, the State CSBG Office will provide the CAA with a Technical Assistance Plan (TAP) template, within 30 days of receiving of the review.

The TAP should include the following:

- The unmet standards
- How to correct the unmet standards
- Due date or timeline for the CAA to correct the unmet standards
- Training and technical assistance to address the unmet standards (if appropriate)

CAAs must adhere to all action plans set forth in the TAP provided by DHHS by the specified deadline.

1704 ROMA PERFORMANCE MEASUREMENT SYSTEM

The CSBG Act (Section 676 b. 12.) requires states and CAAs to participate in a performance measurement system. The model ROMA performance measurement system that OCS facilitated the development of is the Community Action National Performance Indicators (NPIs).

The Community Action NPIs measure the impact Community Action initiatives have on families and communities, and measure progress towards achieving the following three national Community Action goals:

- Goal 1: Individuals and families with low incomes are stable and achieve economic security
- Goal 2: Communities where people with low incomes live are healthy and offer economic opportunity
- Goal 3: People with low incomes are engaged and active in building opportunities in communities

NE DHHS will provide all the necessary Community Action NPI report forms, instructions, guidance, and participation requirements. For more guidance on ROMA refer to CSBG Annual Report OMB Control # 0970-0492.

1705 ROMA TASKFORCE

NE DHHS's ROMA Task Force is a planning committee made up of the State CSBG Office staff, CAN staff, and CAA staff. The ROMA Taskforce is responsible for assisting NE DHHS staff in developing the Community Action NPIs report forms, instructions, guidance, and/or participation requirements.

1800 FISCAL RESPONSIBILITIES

1801 COST PRINCIPLES

Payment will only be made to an Agency for actual, allowable, and allocable costs as defined by the CSBG Act and OMB Uniform Guidance. This direction is also stated in the CSBG Subaward.

1802 COST ALLOCATION PLANS

CAAs are expected to follow OMB Uniform Guidance concerning cost allocation, which would also include guidance on indirect cost rates.

1803 ADMINISTRATIVE COSTS

CSBG program funds may be used by CAAs for agency administrative costs. Federal guidance in OCS, CSBG Information Memorandum, and Transmittal #37 clarifies the definition and allowability of direct CSBG program and administrative costs under the CSBG Act.

1804 TRAVEL COSTS

Agencies must have written travel and expenses reimbursement policies approved by the State CSBG Office. These policies must be adhere to OMB circulars A-87 and A-122.

1805 MEMBERSHIP DUES OR SUBSCRIPTION COSTS

CSBG program funds used to pay for costs of the Subrecipient's membership in an organization, or a subscription to an organization, cannot be used by the organization to fund political or lobbying activities.

In accordance with Office of Management and Budget 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the Subrecipient is allowed to use CSBG program funds for the costs of the Subrecipient's membership in any civic or community organization. The Suprecipient must receive prior approval from DHHS if the costs of membership in a civic or community organization have annual membership fees over \$250.

Subrecipients using CSBG program funds to pay for the costs of the Subrecipient's membership in any civic or community organization must maintain all supporting documentation for these costs, and provide this documentation for DHHS review at any time. Supporting documentation must include the membership or subscription agreement and all invoices for the costs of the Subrecipient's membership in any civic or community organization. The Subrecipient must also maintain communication from the civic or community organization regarding how the funds of this membership or subscription will be used and confirmation that these funds will not be used toward political or lobbying activities.

The CSBG Subaward includes CAA requirements for using CSBG program funds to pay for memberships and subscriptions.

For membership and subscription costs to a civic or community organization that requires the State CSBG Office prior approval, CAAs must complete and submit the Civic or Community Organization Membership or Subscription Request form. The State CSBG Office will respond to the request within 14 calendar days of the State CSBG Office's receipt of the request.

1806 BUDGET CHANGES

CAAs are permitted to reassign funds from one line item to another line item within the approved budget. If funds are reassigned between line items, prior approval from DHHS is required for cumulative budget transfer requests for allowable costs, allocable to the subaward exceeding five percent of the current total approved budget. Budget revision requests shall be submitted in writing to DHHS. DHHS will provide written notification of approval or disapproval of the request within thirty (30) days of its receipt. This is in accordance to the CSBG Subaward.

1807 MONTHLY EXPENDITURE REPORT

CAAs are required to submit a CSBG Monthly Expenditure Report to NE DHHS each month. NE DHHS will provide the necessary report forms, instructions, and guidance for completing and submitting CSBG Monthly Expenditure Report.

The CSBG Subaward includes CAA due date requirements for submitting a CSBG Monthly Expenditure Report.

1808 QUARTERLY EXPENDITURE REPORTS

As stated in the CSBG Subaward, CAAs are also required to submit a CSBG Quarterly Expenditure Report to NE DHHS each quarter. These quarterly reports are used to verify actual expenses claimed on the CSBG Monthly Expenditure Reports. They are also used to conduct financial verification reviews to test for allowability, reasonableness, and allocability of CSBG funds.

The CSBG Subaward includes CAA due date requirements for submitting the CSBG Quarterly Expenditure Reports.

1809 ELECTRONIC SUBMISSION OF EXPENDITURE REPORTS

CAAs must submit their Monthly, Quarterly, and Final expenditure reports electronically.

1810 EXPENDITURE REPORT REVIEW

All CAA CSBG Monthly and Final Expenditure Reports will be tracked and reviewed by NE DHHS. This review includes: checking computation; checking budget line items; confirming the request does not exceed drawdown limits; and determining if the request is feasible. NE DHHS will approve expenditure reports within 14 days of NE DHHS receiving the reports. Once approved, the payment request is entered into the payment processing system for NE DHHS. Payment processing can take up to 45 days, as stated in the CSBG Subaward.

If an expenditure report does not meet the requirements, NE DHHS will not approve the report and will contact the CAA. The CAA will then be required to correct the issues found in the expenditure report. If this occurs, payment processing delays are likely.

1811 AUDITS

All Nebraska CAAs must be audited annually using audit policies and procedures conforming to OMB Uniform Grant Guidance requirements. The CSBG Subaward includes CAA annual audit requirements.

All CAA annual audit reports submitted to NE DHHS will be tracked and reviewed by the NE DHHS Internal Audit Section according to their processes and procedures. Nebraska's CSBG State Plan includes the NE DHHS Internal Audit Section procedures for issuing reports for CAA annual audits. This review includes: reviewing the findings and questioned costs (if any) in the annual audit; reviewing the expenditures reported in the annual audit; and confirming the provisions in the CSBG Subaward were met and generally accepted accounting principles were followed

Management decisions for CAA annual audits will depend on what programs within NE DHHS were tested as major programs and other factors.

1812 OTHER AUDITS AND REVIEWS

The CSBG Subaward includes information regarding other CAA audit reports and reviews.

1901 CSBG ONSITE REVIEW – PURPOSE

To determine if CAAs meet the performance goals, administrative standards, service delivery requirements, financial management requirements, and other requirements established by US HHS, ACF, OCS, the State of Nebraska, and NE DHHS, a CSBG Onsite Review will be conducted of each CAA by NE DHHS.

1902 CSBG ONSITE REVIEW – GUIDING PRINCIPLES

NE DHHS conducts its CSBG Onsite Reviews according to the three CSBG Monitoring Standards: mutual respect, open communication, and joint problem solving.

Mutual Respect

In working with CAA staff and governing board members, NE DHHS values and recognizes the unique knowledge, ability, and independence of each person. NE DHHS is committed to treating all persons fairly and maintaining credibility by matching actions with words.

Open Communication

NE DHHS is committed to keeping the lines of communication open, as effective communication is key in facilitating good working relationships with partners. The purpose of communication is to assist in developing solutions to problems, to share program improvement ideas, and provide information on new developments in the anti-poverty field. NE DHHS will communicate frequently through a variety of tools and media. NE DHHS is open to contact and is committed to listening to suggestions, concerns, and to gaining an understanding of local operations and to assist locals in pursuing priorities.

Joint Problem Solving

NE DHHS operates under the basic belief that a team approach to problem solving is in the best interest of all parties involved. NE DHHS sincerely believes that collectively NE DHHS and the CAA can arrive at the best solution to any situation. Through a team approach to problem solving, the NE DHHS thinks outside the traditional ways and comes up with the best strategies for program development, conflict resolution, or compliance issues. NE DHHS wants to promote an environment in which the State CSBG Office and all Community Action partners will be open to change and can work together in exploring options and developing mutually agreeable solutions. The goal is to have CAAs function independently, with the support of NE DHHS, to meet the needs of local communities within the parameters set by legislation.

1903 CSBG ONSITE REVIEW – SCHEDULING

CAAs will receive a CSBG Onsite Review at least once during each three year period in accordance to the federal guidance stated in the OCS, CSBG Information Memorandum, Transmittal #97.

NE DHHS will contact the CAA Executive Director (or Chief Executive Officer) to schedule the CSBG Onsite Review. CSBG Onsite Reviews must be scheduled at least 15 days prior to the CSBG Onsite Review.

Nebraska's CSBG State Plan includes the State of Nebraska's CSBG Onsite Review schedule. The schedule identifies the CAA, review type, target date, and the date of last full CSBG Onsite Review.

New Entity

NE DHHS will conduct a CSBG Onsite Review and a CSBG Organizational Standards Onsite Assessment for each newly designated CAA. These reviews will be conducted within 180 days after the CAA completes its first year of receiving CSBG funds.

New Executive Director (or Chief Executive Officer)

NE DHHS will conduct a CSBG Onsite Review for each CAA with a newly designated Executive Director (or Chief Executive Officer). These reviews will be conducted within 180 days after the Executive Director (or Chief Executive Officer) completes his or her first year.

1904 CSBG ONSITE REVIEW – RESCHEDULING

If a situation occurs that would require a CAA to need a CSBG Onsite Review to be rescheduled, the CAA Executive Director (or Chief Executive Director) must notify NE DHHS as soon as possible. NE DHHS must also notify the CAA Executive Director (or Chief Executive Director) as soon as possible, if NE DHHS needs to reschedule a CSBG Onsite Review.

NE DHHS will then work with the CAA Executive Director (or Chief Executive Director) to reschedule the CSBG Onsite Review.

1905 CSBG ONSITE REVIEW – PROCEDURES

NE DHHS will designate a monitor to conduct all procedures for the CSBG Onsite Review. The detailed procedures monitor will follow for conducting CSBG Onsite Reviews and assessments can be found in Nebraska's CSBG State Plan and the CSBG Monitoring Plan.

Pre-Monitoring Documents

The monitor will provide the required pre-monitoring documents, set forth in the State's CSBG Monitoring Plan, for the CAA to complete. These pre-monitoring documents must be completed and submitted to the CSBG State Office by the deadline indicated by the monitor.

Desk Review

The monitor will conduct a desk review prior to the CSBG Onsite Review. Pre-monitoring documents and possibly other regularly submitted reports, that do not require the monitor to be onsite to evaluate, will be reviewed during these desk reviews. The results of the desk reviews will be included in the overall CSBG Onsite Review findings. Some required report submissions are found in the CSBG Subaward.

Interviews and Checklists

The monitor will provide the CAA Executive Director (or the Chief Executive Officer) with a schedule for the Onsite Review. During the CSBG Onsite Review, the monitor will work with CAA staff to complete the Onsite Review Interviews and Checklists. The CSBG Onsite Review Interviews and Checklists will be reviewed periodically and updated as necessary.

Governing Board Review

Each Onsite Review includes attending a board meeting and board interviews. DHHS will contact the CAA Executive Director (or Chief Executive Officer) to schedule a board meeting observation. Scheduling of the Onsite Reviews will take into consideration board meeting schedules.

If a CAA has a deficiency or compliance issue related to board governance or board activities, additional attendance by State CSBG staff will occur. NE DHHS will notify CAA Executive Director (or Chief Executive Officer) of planned increased board attendance beyond the Onsite Review.

Exit Interview

The monitor will conduct an exit interview with the CAA Executive Director (or the Chief Executive Officer), and other CAA designated staff, once the CSBG Onsite Review has been completed. The exit interview will be included on the tentative schedule provided prior to the visit.

Onsite Monitoring Report

After the Onsite Review is completed, the monitor will need to complete the required CSBG Onsite Monitoring Report. This report should be completed and submitted to the CAA Executive Director (or the Chief Executive Officer) for review within 45 days from the Onsite Review Exit Conference. The contents of this report will reflect what is pertinent to the specific CAA and may include: strengths, deficiencies, corrective actions, other recommendations, and Quality Improvement Plan (QIP) requirements.

Quality Improvement Plans

If the monitor determines that a CAA has one or more significant deficiencies, the State CSBG Office requires the CAA to develop and implement a quality improvement plan (QIP) to correct each deficiency identified by the monitor. NE DHHS will then review and approve the QIP submitted by the CAA.

The State CSBG Office will adhere to the QIP requirements in the CSBG Act (Section 678C); the federal guidance provided in OCS, CSBG Information Memorandum, Transmittal #116; and the State's CSBG Monitoring Plan. CAAs will also be asked to follow these same requirements when implementing a QIP.

CAAs must adhere to all action plan items set forth by NE DHHS in the QIP by the specified deadline dates. A CAA on a QIP may receive a follow-up onsite review, and possibly other reviews at the discretion of NE DHHS. CAAs that fail to meet the requirements of the initial QIP may receive additional follow-up reviews, requirements, and/or restrictions.

1906 CSBG ONSITE REVIEW – FOLLOW-UP REVIEWS

NE DHHS will conduct Follow-up CSBG Onsite Reviews for CAAs that fail to meet the performance goals, administrative standards, service delivery requirements, financial management requirements, or other requirements established by US HHS, ACF, OCS, the State of Nebraska, and NE DHHS.

If NE DHHS determines a Follow-up CSBG Onsite Review is needed, the CAA Executive Director (or the Chief Executive Officer) will be notified.

CAAs with a new Executive Director and/or deficiencies and/or compliance issues should expect additional monitoring and yearly Onsite Reviews.

1907 ASSESSMENT OF TERMINATED GRANTS

NE DHHS will review and assess CAAs that have federal, state, or local grants terminated for cause. The assessment will be conducted within 90 days of NE DHHS receiving notification of the termination of one or more grant.

1908 ADDITIONAL DATA REVIEW

NE DHHS will also review and verify additional data to ensure programmatic and fiscal responsibilities are being met. Data that may be reviewed includes information contained in the CSBG-IS report, financial reports, client files, and the Clarity database.

2001 CSBG PROGRAM ORIENTATION

CAAs may contact NE DHHS to request a CSBG Program Orientation for new CAA staff, or as a refresher for current CAA staff. NE DHHS will help the CAA Executive Director (or Chief Executive Officer) to arrange the CSBG Program Orientation that the CAA needs.

2002 TRAINING AND TECHNICAL ASSISTANCE

CAAs may contact NE DHHS to request additional CSBG Program Training and Technical Assistance. NE DHHS will help the CAA Executive Director (or Chief Executive Officer) to arrange the necessary training and technical assistance. In many cases, the training and technical assistance activities will be coordinated with CAN.

PURPOSE OF COMMUNITY SERVICES BLOCK GRANT (CSBG) MONITORING PLAN

The Nebraska State CSBG Office has established a monitoring plan. This plan outlines the programmatic and fiscal monitoring activities that will be conducted by the State CSBG Office. It describes the items that will be monitored, how monitoring will be conducted, and the process for technical assistance, follow-up, and corrective action.

Federal Expectations of CSBG Monitoring

The CSBG Act requires states to monitor Community Action Agencies (CAAs) at least once every three years. Under the Block Grant policies, states are delegated the responsibility for designing the specific content that is used for monitoring.

There is a programmatic expectation that states address the core purpose and requirements of CSBG within these monitoring plans. These programmatic areas include: compliance with CSBG Board governance requirements, compliance with the National CSBG Organizational Standards, implementation of the CSBG quality assurance process known as ROMA (Results Oriented Management and Accountability), and the effectiveness of organizational systems in promoting the mission of CSBG.

There is also a fiscal expectation that states address financial management within these monitoring plans. These fiscal areas include: establishing fiscal controls, compliance with cost and accounting standards of the Office of Management and Budget, and ensuring audits of expenditures requested.

Programmatic Monitoring

Programmatic monitoring addresses the content and substance of the programs. It is a qualitative review to determine performance, innovation, and impact to moving low-income individuals and families to self-sufficiency. It assesses whether approved activities are consistent with the agency's work plan identified in the application narrative, ROMA goals and objective are accomplished, and are compliant with statutory regulations and other policy guidelines.

Program Monitoring will be focused around these core CSBG compliance areas:

- CSBG Act
- CSBG Subaward Contract
- National CSBG Organizational Standards
- Tripartite Board Standards
- Implementation of ROMA
- Implementation of the agency's work plan outlined in the application narrative
- Agency bylaws
- Review of community projects
- Community engagement, partnerships, and linkages

Fiscal Monitoring

Fiscal Monitoring will be focused on

- Review Monthly Expenditure Reports submitted for requested funds
- Review of Quarterly Expenditure Report and line item documentation requested
- Review of annual Single Audits
- Review of compliance with the policies and procedures manual
- Review of internal controls and fiscal management policies

For all programs and claims, the State CSBG Office will use their professional judgment on a case-by-case basis to determine if additional documentation is needed for a particular claim. For example large expenditures, out of the norm travel claims, or other questionable expenses. DHHS staff will adjust monitoring protocols when deemed necessary. This might include increasing supporting documentation agencies submit or DHHS making additional onsite visits or providing additional technical assistance.

MONITORING REVIEW TYPES

The monitoring process will be comprised of a combination of desk reviews, onsite, follow-up, and targeted monitoring as described below.

Desk Reviews

When conducting desk reviews, the monitor must review specific items monthly, quarterly, every six months, and annually as outlined below.

Monthly

- Monthly Expenditure Reports.

Quarterly

- Quarterly Expenditure Reports.
- Documentation for at least two line items from the Quarterly Expenditure Report.
- Board Management Form.
- Quarterly Performance Report (Dashboard)

Every Six Months

- National Performance Indicators.
- Agency work plan outlined in the application narrative.

Annually

- CSBG Community Action Plan (Application)
- Organizational Standards Assessment
 - Unmet standards completed on the private OCSE State Assessment form.
 - Reasons the standard was not met.
 - Documentation that was reviewed.
 - How the CAA could meet the standard.
- Training and Technical Assistance Plan (TAP), if applicable.
 - The unmet standards.
 - How to correct the unmet standards.
 - Due date or timeline for the CAA to correct the unmet standards.
 - Training and technical assistance to address the unmet standards (if appropriate).
- Quality Improvement Plan (QIP), if applicable.

Onsite Monitoring Reviews

Program and Fiscal on-site monitoring will be conducted together during the same visit. Each agency will have an onsite monitoring review conducted every three years, when a new Executive Director is hired for an agency, or when a new agency is established.

When conducting a **comprehensive** onsite review, the monitor must complete the following:

- Schedule onsite review at least 15 calendar days prior to the CSBG onsite review.
- Send the following prior to the onsite review:
 - Pre-Monitoring Checklist.
 - List of Required Staff to Interview.
 - Copy of the last onsite review letter
 - Tentative schedule of onsite review.
- Review the following (as applicable):
 - Prior Monitoring Reports, Follow-Up Reports, and Management Decision Letters.
 - Prior Agency Audit.
 - Any existing TAP's, QIP's, or Corrective Action Plans.
 - Agency Risk Assessment.
 - Organizational Standards Review.
 - Programmatic and Fiscal Monitoring documents.
 - Fiscal Year Subaward Contracts and Amendments.
 - Monitoring Plan.
 - Monitoring Planning Schedule.
- Hold entrance and exit conferences.
- Conduct all required interviews.
- Complete all required observation and onsite documentation checklists.
- Put forth genuine effort to attend any Management or Staff Meetings.
- Put forth genuine effort to attend a Board Meeting.

Follow-Up Monitoring Reviews

Follow-Up Monitoring reviews are conducted on an as needed basis. Generally, these types of reviews are conducted when there is a newly designated Community Action Agency (CAA) or to monitor the progress of a Corrective Action Plan, Technical Assistance Plan, or Quality Improvement Plan.

When conducting a follow-up reviews for a **newly designated CAA**, the monitor should follow the steps listed under the onsite monitoring reviews as applicable.

When conducting a **follow-up review due to a QIP, TAP or CAP**, the monitor will focus on the items outlined in plans or any other outstanding issues. The review steps as outlined above should be completed as applicable.

Targeted Monitoring Reviews

These types of reviews are conducted for special or extenuating circumstances. They require a discussion with the State CSBG Office.

ONSITE MONITORING PROCESS

Scheduling

Programmatic and Fiscal onsite monitoring reviews must be scheduled at least 15 days prior to the CSBG onsite review. The monitor will also provide the required pre-monitoring documents for the CAA to complete on this date.

CAA Document Submission

Documents submitted to the CAA prior to the CSBG onsite review, must be completed and submitted to the CSBG State Office by the deadline indicated by the monitor.

Report Submission

CSBG Onsite Monitoring Reports should be completed and submitted to the CAA Executive Director/CEO for review within 45 days from the Onsite Review Exit Conference.

Report Content

CSBG Onsite Monitoring Reports will include five sections:

1. Key Strengths of the CAA
2. Programmatic Deficiencies and Corrective Actions
3. Other Programmatic Recommendations
4. Fiscal Deficiencies and Corrective Actions
5. Other Fiscal Recommendations

If the State CSBG Office identified deficiencies and corrective actions, the Monitoring Report for a CAA will include:

- Listing and explanation of deficiencies
- Requirements for the CAA to correct the deficiencies
- Deadline for the CAA to submit a final Quality Improvement Plan (QIP)
- Recommended CAA training and technical assistance to address the deficiencies (if appropriate)

CAA Report Response

The CAA must submit a written response to the Monitoring Report within 30 days of the date on the cover letter.

The CAAS response to the CSBG Onsite Monitoring Report should include:

- Indication if the deadline listed for the QIP is appropriate, or a proposed new deadline.
- Response to the other programmatic and/or fiscal recommendations with one of the following:
 - Accept the recommendation as written. Attach a basic implementation plan and timeline.
 - Accept the recommendation with modifications. Attach an explanation of the modifications, a basic implementation plan, and timeline.
 - Reject the recommendation. Attach an explanation.

CAAs that fail to meet the requirements of the CSBG onsite review may receive follow-up reviews.



Quality Improvement Plan

When the monitor determines that a CAA has a significant deficiency or deficiencies, the State CSBG Office requires the CAA to develop and implement a quality improvement plan (QIP) to correct the deficiency or deficiencies. The State CSBG Office will adhere to the QIP requirements in the CSBG Act (Section 678C) and the federal guidance provided in OCS, CSBG Information Memorandum, Transmittal #116.

CAAs that are required to correct deficiencies must complete the QIP within 60 days of the onsite review, or by another specified deadline by the State CSBG Office. The CSBG onsite review will not be considered complete until the State CSBG Office determines the CAAs corrective actions adequately addressed the deficiencies identified in the Monitoring Report. Once adequately addressed, the State CSBG Office will complete and send the CAA Executive Director/CEO and the CAA Board Chairperson a QIP Review Letter accepting the corrective action and closing the CSBG onsite review.

CAAs that fail to meet the requirements of the QIP may receive follow-up reviews.

Risk Assessment

Frequency

Each CAA receiving CSBG funds will be subjected to an annual risk assessment. Risk assessments will be administered by the State CSBG Office once per federal fiscal year, in tandem with the completion of the CAA CSBG Application. The assessment will focus on the most recent last federal fiscal year.

Purpose and Application

The purpose of the risk assessment tool is to evaluate both the programmatic and fiscal risk for each CAA.

The risk assessment incorporates multiple programmatic and fiscal factors. Each CAA will be given an overall programmatic score and an overall fiscal score based on these factors. The State CSBG Office may also use discretion to raise or lower any individual score; however, written justification must be provided in each circumstance.

The results from the risk assessment will help guide the State CSBG Office to make appropriate programmatic and fiscal monitoring decisions for each CAA for the upcoming federal fiscal year. These decisions will determine, but are not limited to: expenditure reimbursement documentation requirements, desk audit frequency, on-site monitoring frequency, and training and technical assistance provisions. The State CSBG Office will also refer to an agency's past risk assessments when conducting any onsite monitoring review.

Regardless of the assessment of the risk, certain monitoring activities will be performed by the State CSBG Office on all CAAs as specified:

- Help the Community Action of Nebraska to provide technical assistance and training to assist CAAs in programmatic and fiscal practices.
- Review programmatic and fiscal reports and conducting any follow-up necessary.
- Conduct any necessary monitoring, technical assistance, or follow-up as indicated by the CAAs assessment.

New Agencies

In the event a new CAA is funded, they will be subjected to a risk assessment after their first full federal fiscal year.

The following are monitoring guidelines for CAAs categorized as a newly funded agency:

- Agency is required to provide 100% supporting documentation for the following expenses with every Monthly Expenditure Report:
 - Salaries and Wages
 - Utilities and all Rent expenses
 - Employee Travel Expenses
- A minimum of one in person training and technical assistance visit within the first 12 months.
- A programmatic and fiscal onsite review following the completion of the first federal fiscal year of the CAA receiving CSBG funding.

Recurring Risks

If a CAA demonstrates recurring risk factors from one federal fiscal year to the next, the State CSBG Office will follow Nebraska's CSBG Policy Manual regarding technical assistance and training, reduction of funding and de-designation, if deemed necessary.

Programmatic Assessment

The programmatic component of the risk assessment tool guides the State CSBG Office in determining the programmatic risk designation for each CAA.

The following factors are considered in assessing programmatic risk:

- Executive Director years of experience
- Board of Directors requirements
- Board Management form submission
- Organizational Standards compliance
- Clients served
- National Performance Indicators compliance
- Annual Report submission
- Training requirements compliance
- Other programmatic monitoring

Based on the results of the risk assessment, agencies are categorized as follows:

- Level 1: 2-10 points
- Level 2: 11-32 points
- Level 3: 33-45 points

The risk category each CAA is assigned to guide the frequency and intensity of its programmatic monitoring. The State CSBG Office will use professional judgment and experience working with each CAA to determine the frequency and intensity of additional monitoring.

Level 3 Programmatic Risk Assessment

The following are monitoring guidelines for CAAs categorized as a Level 3 on the programmatic risk assessment.

- Mandatory training and technical assistance that would address their deficiencies.
- Suggested training and technical assistance that would address the recommendations for programmatic improvements, if applicable.
- If determined necessary by DHHS, a programmatic onsite review will be conducted to monitor activities of the CAA to ensure that the subaward is used for authorized purposes, in compliance with federal statutes, regulations and the terms and conditions of the subaward and that subaward performance goals are achieved. This may be in addition to the onsite monitoring review planned every three years.
- If determined necessary by DHHS, an agreed upon Quality Improvement Plan (QIP).
- Follow up to ensure the CAA takes timely and appropriate action on all deficiencies pertaining to the federal award provided to the CAA detected through audits, onsite reviews, and other means.

Level 2 Programmatic Risk Assessment

The following are monitoring guidelines for CAAs categorized as a Level 2 on the programmatic risk assessment.

- Mandatory training and technical assistance that would address their deficiencies, if applicable.
- Suggested training and technical assistance that would address the recommendations for programmatic improvements, if applicable.
- If determined necessary by DHHS, a programmatic onsite review will be conducted to monitor activities of the CAA to ensure that the subaward is used for authorized purposes, in compliance with federal statutes, regulations and the terms and conditions of the subaward and that subaward performance goals are achieved. This may be in addition to the onsite monitoring review planned every three years.
- If determined necessary by DHHS, an agreed upon Quality Improvement Plan (QIP).
- Follow up to ensure the CAA takes timely and appropriate action on all deficiencies pertaining to the federal award provided to the CAA detected through audits, onsite reviews, and other means.

Level 1 Programmatic Risk Assessment

The following are monitoring guidelines for CAAs categorized as a Level 1 on the programmatic risk assessment.

- Suggested training and technical assistance that would address the recommendations for programmatic improvements, if applicable.
- Review programmatic reports submitted for each federal fiscal year.

Fiscal Risk Assessment

The fiscal component of the risk assessment tool guides the State CSBG Office in determining the fiscal risk designation for each CAA.

The following factors are considered in assessing fiscal risk:

- Fiscal Director years of experience
- Budget modifications
- Percentage of CSBG funding vs. outside funding
- Monthly Expenditure Report submissions
- Single Audit findings
- Pending litigation

Based on the results of the risk assessment, agencies are categorized as follows:

- Level 1: 1-9 points
- Level 2: 10-28 points
- Level 3: 29-40 points

The risk category each CAA is assigned to guide the frequency and intensity of its fiscal monitoring.

Level 3 Fiscal Risk Assessment

Agencies categorized as a Level 3 on the fiscal risk assessment are required to provide the following:

- "Other" Category Expenditures
 - Line item details for each of the following categories on all of the agency's Monthly Expenditure Reports.
 - All Other Benefits
 - Rent – All Other
 - Other Operating Expense
 - Other Travel Expense
 - Other Board Expense
- Dues and Membership Expenditures
 - Line item details on all of the agency's Monthly Expenditure Reports.
 - Submission for approval using the Dues and Membership Form.
- Discretionary Expenditures
 - Line item details on all of the agency's Monthly Expenditure Reports.
 - Line item details on all of the agency's Quarterly Expenditure Reports.
- Salary and Wage Expenditures
 - Employee information and CSBG percentage on all of the agency's Quarterly Expenditure Reports.
 - Supporting documentation for at least one staff member's salary and wage expenditures on at least three of the agency's Quarterly Expenditure Reports, at the discretion of the State CSBG Office.
- Indirect Cost Expenditures
 - Review the calculation of the indirect costs compared to the total personnel expenditures. If the agency has a federally approved indirect cost rate, and this calculated percentage (indirect costs/personnel costs) is over the federally approved indirect cost rate, then an explanation needs to be provided. The agency may still be in compliance if the percentage is higher, the explanation will need to be reviewed to understand if the agency is in compliance. If the agency does not have a federally approved indirect cost rate, then this will still need to be reviewed for reasonableness.
 - If an agency requests CSBG indirect costs which exceed the agency federal indirect cost rate the agency must provide a general ledger of the salary and benefits costs the agency attributed the CSBG indirect rate to along with the funding source for those costs.
 - List of programs for which CSBG is allocated to for indirect costs on all of the agency's Quarterly Expenditure Reports.
- Additional Expenditures
 - Line item details for at least one category on all four of the agency's Quarterly Expenditure Reports, at the discretion of the State CSBG Office.
 - Supporting documentation for at least one detailed line item from at least one category selected for sampling on all four of the agency's Quarterly Expenditure Reports, at the discretion of the State CSBG Office. Discretionary expenditures will need to be testing during at least one quarter.

Level 2 Fiscal Risk Assessment

Agencies categorized as a Level 2 on the fiscal risk assessment are required to provide the following:

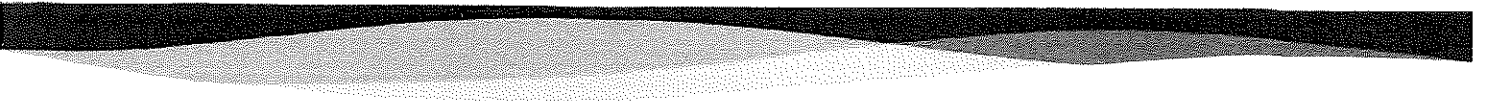
- "Other" Category Expenditures
 - Line item details for each of the following categories on all of the agency's Monthly Expenditure Reports.
 - All Other Benefits
 - Rent – All Other
 - Other Operating Expense
 - Other Travel Expense
 - Other Board Expense
- Dues and Membership Expenditures
 - Line item details on all of the agency's Monthly Expenditure Reports.
 - Submission for approval using the Dues and Membership Form.
- Discretionary Expenditures
 - Line item details on all of the agency's Monthly Expenditure Reports.
 - Line item details on all of the agency's Quarterly Expenditure Reports.
- Salary and Wage Expenditures

- Employee information and CSBG percentage on all of the agency's Quarterly Expenditure Reports.
- Supporting documentation for at least one staff member's salary and wage expenditures on at least two of the agency's Quarterly Expenditure Reports, at the discretion of the State CSBG Office.
- Indirect Cost Expenditures
 - Review the calculation of the indirect costs compared to the total personnel expenditures. If the agency has a federally approved indirect cost rate, and this calculated percentage (indirect costs/personnel costs) is over the federally approved indirect cost rate, then an explanation needs to be provided. The agency may still be in compliance if the percentage is higher, the explanation will need to be reviewed to understand if the agency is in compliance. If the agency does not have a federally approved indirect cost rate, then this will still need to be reviewed for reasonableness.
 - If an agency requests CSBG indirect costs which exceed the agency federal indirect cost rate the agency must provide a general ledger of the salary and benefits costs the agency attributed the CSBG indirect rate to along with the funding source for those costs.
 - List of programs for which CSBG is allocated to for indirect costs on all of the agency's Quarterly Expenditure Reports.
- Additional Expenditures
 - Line item details for at least one category on at least three of the agency's Quarterly Expenditure Reports, at the discretion of the State CSBG Office.
 - Supporting documentation for at least one detailed line item from at least one category selected for sampling on at least three of the agency's Quarterly Expenditure Reports, at the discretion of the State CSBG Office. Discretionary expenditures will need to be testing during at least one quarter.

Level 1 Fiscal Risk Assessment

Agencies categorized as a Level 1 on the fiscal risk assessment are required to provide the following:

- "Other" Category Expenditures
 - Line item details for each of the following categories on all of the agency's Monthly Expenditure Reports.
 - All Other Benefits
 - Rent – All Other
 - Other Operating Expense
 - Other Travel Expense
 - Other Board Expense
- Dues and Membership Expenditures
 - Line item details on all of the agency's Monthly Expenditure Reports.
 - Submission for approval using the Dues and Membership Form.
- Discretionary Expenditures
 - Line item details on all of the agency's Monthly Expenditure Reports.
 - Line item details on all of the agency's Quarterly Expenditure Reports.
- Salary and Wage Expenditures
 - Employee information and CSBG percentage on all of the agency's Quarterly Expenditure Reports.
 - Supporting documentation for at least one staff member's salary and wage expenditures on at least one of the agency's Quarterly Expenditure Reports, at the discretion of the State CSBG Office.
- Indirect Cost Expenditures
 - Review the calculation of the indirect costs compared to the total personnel expenditures. If the agency has a federally approved indirect cost rate, and this calculated percentage (indirect costs/personnel costs) is over the federally approved indirect cost rate, then an explanation needs to be provided. The agency may still be in compliance if the percentage is higher, the explanation will need to be reviewed to understand if the agency is in compliance. If the agency does not have a federally approved indirect cost rate, then this will still need to be reviewed for reasonableness.
 - If an agency requests CSBG indirect costs which exceed the agency federal indirect cost rate the agency must provide a general ledger of the salary and benefits costs the agency attributed the CSBG indirect rate to along with the funding source for those costs.
 - List of programs for which CSBG is allocated to for indirect costs on all of the agency's Quarterly Expenditure Reports.
- Additional Expenditures

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- Line item details for at least one category on at least two of the agency's Quarterly Expenditure Reports, at the discretion of the State CSBG Office.
 - Supporting documentation for at least one detailed line item from at least one category selected for sampling on at least two of the agency's Quarterly Expenditure Reports, at the discretion of the State CSBG Office. Discretionary expenditures will need to be testing during at least one quarter.