

Arizona Monitoring Standard Operating Procedure

Monitoring is checking the Agency's programs to see if programs are running efficiently and in compliance with the grantee's approved plan, and federal and state laws and regulations.

The state CSBG office conducts the following reviews of CAAs within its state:

- An on-site or virtual review of each CAA at least once during each three-year period. Ongoing three-year monitoring of service delivery can help grantees:
 - assess progress toward short term outcomes
 - evaluate whether delivery process contributes to or deters from program objectives
 - identify findings and concerns that need corrective actions to address going forward in the program (internal or external)
 - course correct as needed
- A review of each newly-designated CAA immediately after completion of the first year that the entity received CSBG funds
- Other reviews as appropriate, including reviews of entities with programs that have had other federal, state or local grants terminated for cause; and/or
- A prompt follow-up review if a CAA fails to meet goals, standards and requirements established by the state
- Review compliance with the Contract Scope of Work and state and federal regulations every 3 years
- On-site or virtual visits occur on scheduled anniversary dates for each Agency, approximately 3 per year.
- Each visit takes approximately 3-5 days, including travel time and subcontractor visits depending upon the status of the Agency being monitored, and technical assistance needed
- Assure services are culturally relevant and linguistically appropriate to the population served

The only language in the federal CSBG Act that directly addresses the type of monitoring a state is to conduct requires a state to “determine whether eligible entities meet the performance goals, administrative standards, financial management requirements, and other requirements of a State. It is thus up to the states to determine the type of monitoring to conduct and the procedures to use within the parameters of the federal CSBG Act. No national uniform monitoring tools and procedures currently exist.

The federal CSBG Act sets forth the following parameters within which a state CSBG office is required to monitor an eligible entity:

- Performance goals
- Administrative standards
- Financial management requirements
- Other state requirements

Contracts team:

- Coordinates the monitoring date, schedule, agenda, facilities tour, and Contract Compliance Review (CCR) checklist completed by the Agency approximately three weeks prior to the onsite visit
- Manage the program checklists (LIHEAP, CSBG, NHN, TANF) (currently must remain as they exist per Contracts) one week prior to monitoring
- Review administrative requirements Community Service portion of Contract Compliance Review document – (CCR template) one week prior to monitoring

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- One week prior to monitoring, review the CCR Supplementary Information Checklist to confirm that documents have been collected and procedures are practiced accordingly

Monitoring coordinator:

- One month prior to monitoring, coordinates Agency monitoring dates with program coordinators and the Contracts team
- Coordinate/participate in monitoring for Low Income Heating Assistance Program (LIHEAP), Community Service Block Grant (CSBG), Temporary Assistance for Needy Families (TANF), Neighbors Helping Neighbors (NHN), and Short-Term Crisis Services (STCS) program contractor
- One week prior to monitoring, work with the CSBG Coordinator to identify and secure Board/Commission member interviews
- One week prior to monitoring, the monitoring coordinator will review:
 - Previous monitoring ROF
 - Bylaws
 - CCR
 - Board minutes and seatings
 - Org standards
- Facilitates timely completion of monitoring efforts as scheduled by:
 - Assessing program manager workload and pace
 - Managing facility tour pace
 - Managing board interview pace
 - Research community profiles on the Arizona Commerce Authority, U.S. Census Quick Facts, and/or Wikipedia web sites
- During the monitoring, through discussions with Agency staff and observations, identify trends/gaps to determine training needs
- During the monitoring, review case files with program coordinators for allowable expenditures, and federal and state eligibility requirements for the service provided

Case management

- Case management is the process through which the needs and eligibility of the individual applying for/receiving services are determined. Case management services targeting the family/caregiver focuses on the needs of the caregiver. For individuals eligible, appropriate services and/or benefits are identified, planned, obtained, provided, recorded, monitored, and follow-up provided where and when appropriate.
- The Agency maintains a network of qualified service provider that has the capacity to meet the home and community-based service needs of clients enrolled in the Agency's programs.
- Case management is provided to Agency clients to ensure necessary services are obtained in a cost-effective manner.
- A case manager determines what services and what frequency of services are required and develops an individualized care plan with the client.
- Prior to visiting the Agency, the monitoring coordinator:
 - Reviews Agency intake procedures via the CCR a week before monitoring
 - Retrieves the Agency's payment voucher lists for CSBG, LIHEAP, TANF, STCS, and NHN programs from the Agency's folder in the [Contracts Library folder](#) three weeks prior to monitoring

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- Three weeks prior to monitoring, conduct a risk assessment using the [Case File Number Generating tool](#) to determine the number of CSBG, LIHEAP, TANF, STCS, and NHN files to be reviewed
 - Assessment is based upon:
 - Number of Agency caseworkers including subcontractors
 - Number of findings from most recent DES monitoring
 - Number of findings from most recent single audit
 - Whether or not there are subcontractors
 - Three weeks prior to monitoring, get LIHEAP coordinator approval or modifications to the LIHEAP, TANF, STCS, and NHN case files to be reviewed
 - Three weeks prior to monitoring, get CSBG coordinator approval or modifications to the CSBG case files to be reviewed
 - Three weeks prior to monitoring, forward the list of selected case files to the Contracts team, who then forwards it to the Agency
 - Prior to monitoring, the Agency pulls the selected case files for the monitoring coordinator and program coordinators to review

Board/Commission Interviews

- Purpose
 - Identify how the governing body exercises its oversight responsibility and ensures accountability
 - Explore the governing body's knowledge of the organization
- One week prior to monitoring, work with the CSBG Coordinator and Agency to coordinate Board/Commission member interviews
- Attempt to interview 2-3 Board/Commission members
 - Identify at least one low-income representative
 - If the Agency provides services in multiple counties, seek Board/Commission members representing multiple counties
- Introduction
 - At the beginning of the interview, thank the Board/Commission member for taking the time to meet with DES
 - Introduce yourself and others from DES
 - Share any lighthearted stories/jokes to ease the tension
 - Some Board/Commission members will generally be reserved and tensed both before and during the interview regardless of how much that Agency has tried to calm them down
 - Some Board/Commission members will see the interviewers as "The State"
 - Some may have suspicions
 - Explain why the Agency is being monitored
 - Explain that monitoring is not a "Got You!" situation
 - Explain the reason for the interview
- Sample questions may include, but are not limited to:
 - Why did you become a Board/Commission member?
 - Describe new Board/Commission member orientation and training?
 - What is your role on the Board/Commission?
 - What do you bring to the Board/Commission?
 - Is there a provision for participation of low-income people in all phases of the operation including all Board/Commission committees?

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- Is the Board/Commission fully seated (at least 9 members)?
- Has the Board/Commission been trained on ROMA (Results Oriented Management and Accountability)?
- Describe how the Agency ensures Board/Commission member understanding of ROMA.
- What reporting is provided to Board/Commission members to keep them informed about progress, problems or changes in Agency programs?
- How does the Board/Commission receive programmatic and financial information?
- Describe linkages with other service providers.
- How does your Agency conduct a needs assessment?
- Describe how often the Board/Commission reviews and updates Agency by-laws.
- Describe how the Board/Commission participate in the development, planning, implementation, and evaluation of programs.
- Describe how the Agency coordinates and establishes linkages between governmental and other organizations while avoiding duplicating the effective delivery of such services.
- Describe the processes for the Agency coordination of CSBG funded programs with other community-based organizations to respond to local needs and conditions.
- Describe how the results of the needs assessment study were incorporated in the Agency's Community Action Plan.
- Explore the Board/Commission composition both prior to and during the interview
 - How are members elected/selected?
 - How many board members are there?
 - How many members attend meetings regularly?
 - How often is there not a quorum?
 - How does the Agency ensure there are no vacancies for more than 180 days?
- Post Board/Commission interview
 - Share interviewee comments during the exit meeting with Agency staff if the interviewee okays it.
 - Pass along compliments from the interviewee regarding staff or Agency if the interviewee okays it.
 - Following the Agency visit, but within 10 days, write brief comments regarding each interview in the Comments section of the ROF.

During the monitoring, Program coordinators will review Agency operations related to CSBG, LIHEAP, TANF, STCS, and NHH

- The Program and Monitoring coordinator will review the case management plan that includes the following:
 - An assessment of client/household resources and needs.
 - Specific objectives that relate to the goal of alleviating immediate crisis situations.
 - Eligibility (citizenship, income, category, etc.) for supportive services .
 - Direct provision of services or referral.
- The CSBG coordinator will identify how CSBG funds were used beyond vouchers.
 - Review Agency Community Action Plans to get an understanding of how they planned to use CSBG funds.
 - Review how NPI categories are addressed by the Agency.
 - Review Annual Reports of Common NPIs
 - ❖ Number of participants
 - ❖ Targets
 - ❖ Actual results.

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- Review CCRs for services provided and leveraged.
- CAAs on rare occasions will provide mass services in events where individual income verification are not possible or practical. The CSBG coordinator will address with the Agency what factors were used to verify income. As an example, in the event of an apartment building fire in a low-income neighborhood, where it is generally understood that residents in the burned structure are predominantly low-income, it may not be practical for the CAA to verify incomes when providing emergency shelter. The CAA could rely on known LIHEAP, TANF, or other program benefit applications, as well as neighborhood demographics.
- Wildfire Monitoring
 - One week prior to monitoring, the program and monitoring coordinators will:
 - ❖ Review previous ROF and CCR
 - ❖ Review contracted activities and priorities agreed upon with DES including:
 - Training and technical assistance
 - Presentations at regional and national conferences
 - Coordinating comments on programs and issues
 - Supporting Certified Community Action Professional candidates
 - Coordinate and develop news releases and interviews
 - Visiting Congressional members to discuss key issues related to CSBG, LIHEAP, and Weatherization funding
 - Intervening in utility rate cases that may negatively impact the low-income
 - Negotiating utility funding of energy assistance programs
 - Negotiating income eligibility for energy assistance programs
 - Review:
 - LIHEAP leveraging plan and results
 - Special CAA guest speaker training events
 - State-wide conference planning and results
 - Training and technical assistance plan and results
 - Special projects
- On a monthly basis, as finance distributes Contract Expense Reports, Program coordinators will review programmatic spending and activities
- During the Agency visit or on quarterly calls, the Program and Monitoring coordinator will review Agency CSBG activities and expenses with the Agency
- During the Agency visit, the Program and Monitoring coordinators (and other program staff if available) will review Agency CSBG case files and complete case record review sheets
 - During the CSBG portion of the monitoring:
 - ❖ Assure per federal law, CSBG grantees are statewide or local organizations, or associations with demonstrated expertise in providing training to individuals and organizations on methods of effectively addressing the needs of low-income families, and communities and organizations that are officially designated as a CAA or a Community Action Program under section 673(1) of the CSBG Act, as amended by the Human Service Amendments of 1994 (P.L. 103-252), and meets all requirements under section 673 (1) (A) and 676A of the CSBG Act, as amended by the COATES Human Services Reauthorization Act of 1998. The state in turn, awards grants to Agencies to provide services under the Act in their respective communities.
 - ❖ Assure and document that Agencies designated by DES use funds to provide an array of services to reduce poverty, revitalize low-income communities, and empower low-

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income families to become fully self-sufficient, while alleviating the causes and conditions of poverty in communities.

- ❖ Assure that eligibility and procedural policies set forth in the most current DES [CSBG policy and procedure manual](#), as may be amended, are followed.
- ❖ Assure the Agency operates under organizational standards designed to ensure the Agency has the capacity to provide high-quality services to families and communities with low-incomes.
 - The standards are organized into three thematic groups, comprising nine categories with a total of 58 for private/nonprofit CEEs and 50 for public/governmental entity CEEs. The three groups and nine categories are:
 - Maximum feasible participation
 - Consumer input and involvement
 - Community engagement
 - Community assessment
 - Vision and direction
 - Organizational leadership
 - Board governance
 - Strategic planning
 - Operations and accountability
 - Human resource management
 - Financial operations and oversight
 - Data and Analysis
 - DES is responsible for assessing the status of standards among Agencies annually and for reporting to OCS on the standards in the CSBG Annual Report.
- ❖ Assure the Agency has conducted a community needs assessment within the past 3 years, and has established a profile of the community, including the population to be served, noting both needs as well as community resources.
 - The community needs assessment should include:
 - Municipalities
 - Geographic areas such as neighborhoods and census tracks
 - Gender
 - Age
 - Race/ethnicity
 - Income
 - Community assets
 - Transportation networks
 - Social services providers
 - Academia
 - Medical facilities
 - Housing
 - [Community Commons](#) is a reliable source for poverty data.
 - The US Census is also a source where data more specific to a geographic area is detailed.
- ❖ Document with copious notes when necessary:
 - ❖ How did an Agency verify income for services with limited in-take procedures, e.g. food and shelter following a forest fire

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- ❖ The performance goals, financial management requirements, ROMA and other requirements established by HHS and ADES for CAAs
- ❖ How funds were actually spent, including administrative costs and direct delivery of local services
- ❖ Verify the Agency did not exceed the 25% CSBG spending cap on stabilization
- ❖ Evidence of DES's requirement that Agency establish and implement procedures for a tripartite board, conduct a needs assessment, submit a CAP, participate in the ROMA system, form linkages with other programs, create effective service delivery systems, coordinate with other social service programs and provide for emergency food services
- ❖ How the Agency's innovative community and neighborhood-based initiatives with discretionary funds
- ❖ Agency activities and service delivery systems that are based on needs assessments, have performance goals, coordinate with other programs, limit duplication and are managed and evaluated for results
- ❖ Evidence of new partners, new partnerships, and newly coordinated service delivery systems resulting from State's efforts to stimulate coordination and linkages within the Agency system
- ❖ Evidence of agreements that establish linkages, partnerships or collaborations with other social service program providers, i.e., Memoranda of Understanding (MOU)
- ❖ Evidence of agreement(s) with WIA, which determine to what extent cooperation and linkages are developed and nurtured
- ❖ The number and characteristics of clients served by the CSBG program based on payment vouchers
- ❖ Examples of Agency's coordinating information from CAP needs assessments with needs assessments conducted for other programs
- ❖ The Agency's review process for Community Action Plans
- ❖ Evidence of training opportunities for learning to create outcome measures that promote self-sufficiency, family stability and community revitalization
- ❖ Methods for ensuring that services are provided to qualifying low-income families and individuals
- ❖ Emergency food provision plans –qualifications, limitations, evaluations, and coordination with other programs
- ❖ Strategies to reduce reliance on nutritional services
- ❖ Emergency services provision plan –qualifications, limitations, evaluations, and coordination with other programs
- ❖ Strategies to reduce reliance on emergency services
- ❖ Compliance with Federal and State statutes, laws, policies and procedures
- ❖ Oversight procedures to review data collection, data tabulation and data verification methods used by Agencies
- ❖ Training/technical assistance in areas such as governance, management, service delivery, and program operation
- ❖ Procedures to ensure Agency's compliance with the national goals and outcome measures
- ❖ Agency's training

LIHEAP coordinator and the Monitoring coordinator (and other program staff if available) will review LIHEAP, TANF, STCS, and NHN case files and complete case record review sheets

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- Low-Income Energy Assistance Program (LIHEAP) (<https://liheappm.acf.hhs.gov/national-training-2016>)
 - Assure the Agency provides utility assistance services that assist low-income households lower basic home energy bills with specific emphasis on those households with the lowest income and highest energy burden, and respond to problems related to the termination of heating and/or cooling
 - Assure that utility assistance is funded with LIHEAP, and Neighbors Helping Neighbors (NHN) funds
 - Assure for LIHEAP eligibility, the household income limit is sixty (60) percent of the State Median Income (SMI) or 150 percent of the Federal Poverty Guideline (FPG), whichever is greater, as may be amended (for the most recent guidelines, see the DES Guidance and waivers regarding COVID-19 originally published March 18, 2020, and last revised Oct 1, 2021)
 - Assure for NHN eligibility, the household income limit is 125 percent of the FPG except for individuals sixty years of age or older or disabled, where the household income limit is 150 percent of the FPG, as may be amended. The Agency shall offer utility assistance services as a component program under the overall case management service structure.
 - Benefits may include:
 - Utility payments or deposits
 - Payment of water bills related to cooling (May 1 through October 1)
 - Temporary emergency shelter (if needed due to energy related crisis)
 - Rental assistance where utility payment is included in the rent
 - [LIHEAP Glossary](#)
 - Assure that eligibility and procedural policies set forth in the most current [DES LIHEAP policy and procedure manual](#), as may be amended, are followed
 - Document with copious notes if necessary:
 - The performance goals, financial management requirements, and other requirements established by DES for CAAs
 - The use of funds - examine the planned use of funds, and how funds were actually spent, including administrative costs and direct delivery of local services
 - Evidence that the Agency established and implemented procedures for a tripartite board, conducted a needs assessment, formed linkages with other programs, created effective service delivery systems, coordinated with other social service programs and provided for emergency food services
 - How the Agency supported innovative community and neighborhood-based initiatives with discretionary funds
 - Agency activities and service delivery systems that are based on needs assessments, have performance goals, coordinate with other programs, limit duplication and are managed and evaluated for results
 - Evidence of agreement(s) with WIA, which determine to what extent cooperation and linkages are developed and nurtured
 - Examples of Agency's coordinating information from CAP needs assessments with needs assessments conducted for other programs
 - The Agency's review process for Community Action Plans
 - Evidence of training opportunities for learning to create outcome measures that promote self-sufficiency, family stability and community revitalization
 - Methods for ensuring that services are provided to qualifying low-income families and individuals
 - Emergency services provision plan –qualifications, limitations, evaluations, and coordination with other programs
 - Strategies to reduce reliance on emergency services

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- Compliance with Federal and State statutes, laws, policies and procedures
- Oversight procedures to review data collection, data tabulation and data verification methods used by eligible entities
- Training/technical assistance in areas such as governance, management, service delivery and program operation
- Procedures to ensure Agency's compliance with the national goals and outcome measures
- Agency's training
- Review Agency's performance management to gain an understanding of the process of using data to make decisions about LIHEAP program delivery and administration
 - Prior to requesting an updated CCR remove requests for documents that we currently have in possession
- Review Agency's LIHEAP performance measures
 - Performance measurement is:
 - ❖ The process of collecting and compiling data necessary to assess whether or not a program is doing what you intended it to do
 - ❖ The process of evaluating performance measurement data (both mandatory and voluntary), and then using this information to make informed program decisions
- Assurance 16
 - Background - Assurance 16 allows grantees to use up to 5 percent of LIHEAP funds to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance
 - Allowable administrative costs:
 - ❖ Vendor Advocacy – Helping the client to communicate effectively with the vendor to maintain service
 - ❖ Needs Assessment and Referral – Reviewing the client's case record and identifying the most appropriate referrals
 - ❖ Energy Education – Furnishing information about how to reduce energy usage and obtain energy efficiency services
 - There are no additional administrative funds associated with Assurance 16
 - Assure that allowable expenditures under Assurance 16 are used appropriately by:
 - ❖ providing services that encourage and enable households to reduce their home energy needs (services not equipment)
 - ❖ providing needs assessments, counseling, and assistance with working with energy vendors
 - Evaluating an Assurance 16 program
 - Logic Model: Work with the Agency to document and address the following:
 - ❖ What problem are you trying to solve?
 - ❖ What resources are you going to use?
 - ❖ What services are you going to deliver?
 - ❖ What change do you expect to effect?
 - ❖ What impact do you expect to have on the client?
 - ❖ What impact do you expect to have on the need for LIHEAP assistance?
 - Data Tracking System: Did the Agency set up a data tracking system that allows it to see who was served and what services they received, and that allows the Agency to conduct follow-up research to measure program impacts.
 - Process Evaluation: Was the information collected helpful to understand whether the program appears to be working as planned?

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- Impact Evaluation: Was the information collected helpful to document what impact the program had on household needs for energy assistance?
- Performance Management: Were the lessons learned incorporate into the LIHEAP Performance Management plan to maximize the impact of the overall LIHEAP program by making use of A16 services?
- Short-Term Crisis Services (STCS)
 - Background - STCS is an Arizona state program (A.R.S. 46-241) that provides temporary assistance to persons who have an emergent need that cannot be met immediately by their own income or resources
 - Services available through the STCS program include:
 - Emergency temporary shelter
 - Eviction/foreclosure prevention
 - Move-in assistance
 - Utility assistance
 - Special needs related to obtaining or maintaining employment
 - Assure that all eligibility and procedural policies set forth in the [DES/DAAS STCS policy manual](#) and related policy clarifications or revisions are followed
- Temporary Assistance to Needy Families (TANF)
 - TANF monitoring follows the same patterns as STCS monitoring
 - Assure that TANF funds are used for:
 - case management services
 - temporary emergency shelter
 - move-in assistance
 - eviction prevention
 - utility assistance
 - Assure that all eligibility and procedural policies set forth in [TANF laws and regulations](#) are met
- Neighbors Helping Neighbors (NHN)
 - NHN provide eligible recipients with assistance in paying utility bills, conserving energy and weatherization
 - Assure eligible recipients:
 - are individuals who have a household income at or below 125% of the poverty level or individuals who are sixty years of age or older or handicapped and who have a household income at or below 150% of the poverty level
 - vulnerable to the rising costs of utilities by having either an obligation to pay a utility bill directly to a utility company or in non-subsidized rent which includes utilities
 - are U.S. Citizen or a Qualified Non-Citizen with Legal Permanent Resident (LPR) status
 - have executed a sworn affidavit stating the documentation provided as listed on the Proposition 200 Instructions during the verification process is/are true
 - show an energy burden, and accumulate the required number of points using the LIHEAP worksheet
 - are resident of Arizona
- Assure utility payments were for heating/cooling bill assistance:
 - Electric
 - Gas
 - Propane
 - Wood/coal
 - Payment to landlords (when utility costs are included in rent)

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- Water bills (related to evaporative cooling for bills incurred for the months of May through October 31)
- Assure funding was for temporary emergency shelter (if needed due to energy related crisis)
- Assure that all eligibility and procedural policies set forth in the NHN policy manual are met

Following the monitoring:

- Contracts, Programs, and the Monitoring coordinator jointly conduct a second risk assessment, this time using the [Risk Assessment Chart](#), to identify and rate the Agency's administrative, fiscal, case management and community service performance.
- Scan and send the completed case record review sheets to the Contracts team after the monitoring

Report of Findings and Recommendations

Every question in a state's monitoring tool that may result in a deficiency, i.e., a finding or recommendation, should be tied to a legal requirement such as the federal CSBG Act; other applicable federal laws or regulations such as nondiscrimination laws and regulations; the Office of Management and Budget (OMB) circulars codified in the code of federal regulations (C.F.R.); a state's CSBG act and/or regulations; and/or a CAA's CSBG contract with the state. Legal requirements place an organization on notice of the standards by which it is required to operate.

OCS recommends that a state CSBG office document the basis for a performance deficiency or failure to comply with a state requirement and maintain records of correspondence or other communication relating to actions taken. OCS also recommends that a state CSBG office maintain records of correspondence or other communications related to an enforcement action against a CAA to establish compliance with the federal CSBG Act. The federal CSBG Act does not define a "deficiency." Rather, it defines the "cause" that a state must determine exists... The term "cause" in the CSBG Act includes a CAA's failure to comply with the terms of its CSBG agreement with the state, the state plan or a state requirement.

- Within 10 days of completing the Agency monitoring, the Monitoring coordinator completes the IV. Program Section – Case Management – Findings/Recommendations section of ROF for CSBG, LIHEAP, TANF, STCS, and NHN if there is a Finding or Recommendation
- The Monitoring coordinator present the ROF to the program coordinators for review
- Per section, (Administrative/Fiscal, Program – Case Management, and Program – Community Services) findings should be listed prior to recommendations
- Prepare Report of Findings (ROF) for Agency. Template specific to the Agency will be provided by the Contracts team (monitoring docs – ROF and checklists).
 - Include detailed instructions/technical assistance that communicates the issue and offers the information and resources needed to address a finding or recommendation.
 - Complete the ROF within 15 days of visit. This item is due within 30 days of the visit however, program staff must allow for internal review time by Contracts Staff, and Unit Administration.
 - The Contracts Specialist will track time-bound items for the Agency's responses to the ROF and any applicable deliverables
 - The Contract Specialist will also communicate to Agencies when due dates approach for CSBG specific items
 - Copy the Contract Specialist on these communications.
 - Review and respond to Agency ROF response, and respond again to Agency through the Contracts team, indicating if the response was sufficient or insufficient. If insufficient, offer an explanation, and indicate what actions the Agency must take to close the item, and include a reasonable timeframe.

Findings

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- Findings identify contract deficiencies that must be corrected.
 - Instruction to the Agency is provided by the Contracts team, program coordinator, and/or monitoring coordinator for each finding.
- A finding could potentially lead to defunding or termination of a contract if the condition persists.
 - An example of a CSBG finding, may be the Agency does not have low-income persons or organizations representing at least 1/3 of its Board of Directors membership (a short-term vacancy - <120 days does not constitute a finding, but a recommendation, and will be noted and tracked by CSBG program staff until filled.
 - Another example could be the Agency has expended funds for a purpose that is not allowable under CSBG/LIHEAP or has supplanted CSBG service dollars for a service that is covered by other federal funds. CSBG may be used for a service generally covered by other federal dollars if the other funding is not available or the client does not meet all the other fund's criteria.
- If a finding exists, the Agency will be required to respond with a Corrective Improvement Plan (CIP).
 - A CIP is a document provided by the Contracts team outlining the Agency's plan (with a timeline) to correct the deficiency.
 - The form is to be completed by the Agency for each finding.
 - A CIP must detail logical steps to be taken by the Agency to expeditiously correct the finding.
 - The program and/or monitoring coordinator will review the CIP once submitted back to AZDES/DASS, and inform the Agency if it is acceptable, or needs additional information.
- Failure to submit or implement a CIP may result in further negative actions up to and including an official Demand for Assurance, possible reduction/redistribution of funding, and potential contract termination.

Recommendations

- Recommendations identify areas to which ADES strongly encourages an improvement to the Agency's operations as soon as possible.
 - Instruction to the Agency is provided by the Contracts team, program coordinator, and/or monitoring coordinator for each recommendation.
 - The Agency must develop and submit a narrative response for each recommendation and identify a methodology for implementation.
 - If the Agency chooses not to implement a recommendation, the Agency narrative must provide a valid justification to be reviewed and approved by ADES.
 - All required information/documents are to be submitted by the identified due dates.
 - If the Agency's response is not complete and timely, ADES may invoke a demand for assurance per Term and Condition State's Contractual Remedies, Section 54.1.

Relevant references include formal documentation of policy, but are not limited to:

- Federal and State Legislation ([CSBG](#), [LIHEAP](#), [STCS](#), [TANF](#))
- Program Policy Manuals ([CSBG](#), [LIHEAP](#), [STCS](#), [NHN](#))
- Information Memoranda ([CSBG](#), [LIHEAP](#), [TANF](#))

Instructions: date sent to contractor: xx/xx/xxxx

- ADES's instructions should state what the Agency needs to correct. The Agency then informs ADES how they will correct the issue.
- Give the Agency a specific date when their response is due to ADES
 - As an example:
 - (ADES instructions) By February 28, 2022 the Agency should identify steps it will take to ensure documentation supports eligibility or ineligibility, and sufficient detail is provided.

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- (AGENCY response to ADES) Effective January 1, 2022, the Agency's Community Action Program (CAP) implemented the policy that birth certificates for all household members must be in the files before services are provided to the client when using LIHEAP/STCS/TANF funds. The Agency's CAP Policy and Procedure manual will be updated accordingly.

If a CAA wishes to challenge a monitoring Finding or Recommendation, the CAA should:

- Check the state's procedures to determine the process for responding to monitoring findings. These procedures should be specified in at least one of the following:
 - Letter from the state CSBG office informing the CAA of the finding
 - Monitoring tool or instructions to the monitoring tool
 - State CSBG laws and/or regulations
 - State CSBG contract with CAA

If the CAA is unable to obtain or find the procedures, it should request them in writing from the state CSBG office.

- Ensure that the state has linked its finding to a legal requirement. There should be a citation to a statute, regulation or contract provision (such as 42 U.S.C. § 9908(a) or 2 C.F.R. Part 230, Appendix A or CSBG Contract Section A.B2) as part of the finding.
- If the state included a citation to a legal requirement, ask the state to either provide the legal requirement(s) or explain where it may be found.
- If the state did not link its finding to a legal requirement, request in writing the citation to the legal requirement on which the finding is based and a copy of the legal requirement.
- If a CAA disagrees with the application of the legal requirement and has evidence to prove that it met the standard, it should provide the state CSBG office with copies of that evidence along with a letter explaining why the evidence should have been considered.
- If the CAA disagrees with the state's interpretation of the legal requirement or believes that the legal requirement does not apply to the CSBG program, it should work with an attorney in its state familiar with state government laws, federal grant laws and/or nonprofits or contact CAPLAW.
- If a CAA believes the factual basis for the finding is inaccurate, it should compile evidence that supports its understanding of the facts on which the finding is based and provide copies of this evidence to the state CSBG office with an explanation of why the CAA's understanding is more accurate.
- Always document in writing any conversation, request, response and corrective action taken. Also, always ask the state to follow up any oral responses with a written response.

Agency reply: date sent to DES

- When the Contracts team receives the Agency's response to Contract's, the monitoring, and/or the program coordinator's instructions:
 - Review the response to determine if the Agency responded to DES's instructions satisfactory
 - If the Agency responded sufficiently, insert, "Agency response is sufficient" in the "DES Response to Agency: Date sent to Agency: xxxx" section of item under review in the ROF
 - If the Agency response is not sufficient, ask the Agency to be more specific on how they will correct the issue.
 - Contracts will return the ROF to the Agency for more detailed information.

Additional comments may include:

- Complements from DES
- Complements from Board/Commission members
- Thank yous
- Observations
- Concerns that were not findings or recommendations

Arizona Monitoring Standard Operating Procedure

- The number of case files reviews (or not reviewed, and why)
- Examples of comments include:
 - Administrative/Fiscal
 - It was great to meet everyone, and we would like to thank the staff at Gila County for your time and efforts throughout the visit. As noted above, the Administrative portion of the review was completed with findings. The Fiscal portion of the review was completed with no findings or recommendations. The backup documentation in support of the fiscal files was very well organized.
 - Case Files
 - There were 130 LIHEAP, 20 STCS/TANF, and 1 NHN case files reviewed during the monitoring session. The files were orderly, complete for the most part, and easy to read. Case notes were copious and well organized. A few noted files had incomplete documentation.
 - There were 35 CSBG case files reviewed. Files were well typed, complete, very well organized, and easy to read. CAAs can learn good case management documentation from Gila County
 - Board Governance - CSBG
 - Advisory Board – via a conference call, DES met with 5 board members, and Dorine Prine, Gila County's Community Action Program Coordinator. Currently, there are no board vacancies. The board was very engaged on the call and demonstrated a good awareness of the Agency's operations.

Obtain and review the Agency's [contractor survey](#) from Contracts following the monitoring to better understand the Agency's operations.

Community Action Partnership's "Monitoring Map for CAAs"

- Quality Improvement Plan are addressed starting on page 26
- See Appendix B for state monitoring tool examples
- See Appendix D for a sample letter setting forth monitoring findings