

S T A T E O F A R K A N S A S

DEPARTMENT OF HUMAN SERVICES



COMMUNITY SERVICES BLOCK GRANT
APPLICATION

2004-2005

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**Arkansas Department of Human Services
Division of County Operations**

Donaghey Plaza South
P.O. Box 1437 Slot S330
Little Rock, AR 72203-1437
TDD (501) 682-8275

July 14, 2003

Mr. Clarence H. Carter, Director
Office of Community Services
Administration for Children and Families
370 L'Enfant Promenade, SW 5th Floor
Washington, DC 20447

Dear Mr. Carter:

Enclosed please find an original and one copy of Arkansas' Community Services Block Grant application for fiscal years 2004-2005.

The Department of Human Services is lead agency to administer the Community Services Block Grant program in Arkansas, and Kurt Knickrehm is the Department's Director.

Thomas Green, Assistant Director, Office of Community Services, is the agency contact person for CSBG program issues and award notices. You may contact me at P.O. Box 1437, Slot S330, Little Rock, Arkansas 72203, fax (501) 682-8736, e-mail thomas.green@mail.state.ar.us.

We will provide proof of Arkansas' Legislative Hearing when documentation is forwarded from the Legislative Committee.

Act 345 of 1985 provides authorization for the Department to appropriate and administer CSBG funds.

Please let me know if I can be of further assistance.

Sincerely,


Thomas E. Green, Assistant Director
Office of Community Services

TEG:td



STATE OF ARKANSAS
OFFICE OF THE GOVERNOR

State Capitol
Little Rock 72201

Mike Huckal
Governor

June 23, 2003

Mr. Jim Gatz, Program Specialist
DSA/CSBG Branch
Office of Community Services
370 L'Enfant Promenade, SW 5th Floor
Washington, DC 20447

Dear Mr. Gatz:

The Community Services Block Grant Act, section 676(a)(1), requires the Chief Executive of the state to designate an appropriate state agency to act as lead agency for administration of the Community Services Block Grant.

The Department of Human Services shall be the lead agency to administer the Community Services Block Grant and related programs in Arkansas.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Mike Huckabee".

Mike Huckabee

MH:rt:td

TO: COMMUNITY SERVICES BLOCK GRANT DIRECTORS

WOULD YOU PLEASE COMPLETE THIS FORM ASAP AND RETURN IT TO:

Mr. Jim Gatz
Department of Health and Human Services
Administration for Children and Families
Office of Community Services/Division of State
Assistance/CSBG Branch
370 L'Enfant Plaza Promenade, S.W.
5th Floor/West Wing
Washington, D.C. 20447

COMMUNITY SERVICES BLOCK GRANT PROGRAM

ARKANSAS

STATE ORGANIZATION

NAME OF OFFICIAL TO RECEIVE CSBG GRANT AWARD:

Thomas E. Green, Assistant Director

(Name & Title)

Office of Community Services

(Department/Agency/Office)

P.O. Box 1437/Slot S330, Little Rock, Arkansas 72203-1437

(Street Address)

(501) 682-8715

(Area code/Telephone Number)

CONTACT PERSON FOR CSBG ISSUES:

Thomas E. Green, Assistant Director, Office of Community Services

(Name, Title & Organization)

P.O. Box 1437/Slot S330 (7th and Main Street)

(Street Address)

Little Rock, Arkansas 72203-1437

(City, State, Zip Code)

(501) 682-8715

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CONTACT PERSON ON AUDIT ISSUES:

Bob Lewis, Director of Audit, Audit/Fiscal Review (501) 682-6231

(Name, Title & Telephone Number)

**GENERAL CSBG APPLICATION COMPLIANCE
FOR FISCAL YEARS 2004-2005**

Ninety Percent Pass Through Provision

Section 675

In compliance with the Community Services Block Grant Act, section 675 (C) (a) (1), the State of Arkansas will not use less than ninety percent of the funds allotted to the State to make grants to eligible entities for the purposes described in section 676 (b) (1) of the Act.

The Formal Request

Section 676

In compliance with the Community Services Block Grant Act, specifically with Section 672 (2), the State of Arkansas hereby submits the application for its Fiscal Years 2004-2005 allotment of Community Services Block Grant funds. This application contains the necessary provisions, which adequately describe the programs for which assistance is sought under this subtitle, and which are consistent with the requirements of Section 676 of this Act.

Designation of Lead Agency

Section 676 (a) (1)

The Chief Executive Officer of the State shall designate, in an application, an approved State Agency for the purpose of carrying out activities under this subtitle.

Assurance: Governor Mike Huckabee designates the Arkansas Department of Human Services as the lead agency to be responsible for carrying out activities under this subtitle for the State of Arkansas. In addition, through Act 345 of 1985, the Legislature has made the Department responsible for carrying out all aspects of the Act.

Through the administrative rule-making process, the State has established policies and procedures to be followed by eligible entities in carrying out the CSBG program in their specific service areas both generally and specifically consistent with the requirements of the Federal Act and regulations. The OCS Policy Manual is submitted as Attachment i and is part of the fiscal years 2004-2005 Arkansas State Plan. These policies and procedures, together with the following, constitute the plan:

Duties of Lead Agency

Section 676 (a) (2)

Duties of the lead agency shall be to:

- A. develop the State Plan to be submitted to the Secretary,
- B. hold at least one public hearing in the State, with sufficient time and statewide distribution of notice of such hearing, to provide opportunity for public comment on the proposed use and distribution of Community Services Block Grant funds, and
- C. conduct reviews of eligible entities under Section 678 B.

In fiscal years 2004-2005, Arkansas will submit a plan covering two fiscal years not later than 30 days prior to the beginning of the first fiscal year covered. The plan will contain such information as the Secretary shall require.

The Act requires the State to conduct at least one State Public Hearing to provide the public an opportunity to comment on the proposed use and distribution of funds in conjunction with development of the State Plan. The State will hold four such hearings. The public will be offered opportunity to comment on proposed use and distribution of funds for the plan period, which will be fiscal years 2004-2005.

The Act also calls for reviews of eligible entities. In fiscal years 2004-2005, OCS staff will conduct, at a minimum, an annual on-site program evaluation and compliance review of eligible entities in order to determine whether eligible entities meet the performance goals, administrative standards, financial management requirements, and other requirements of the State. As established in Section 678 B, the State will also conduct: (1) an on-site review of each newly designated entity immediately after the completion of the first year in which such entity receives funds; (2) follow-up reviews including prompt return visits to eligible entities, and their programs, that fail to meet the goals, standards, and requirements established by the State; and (3) other reviews as appropriate, including reviews of entities with programs that have had other Federal, State, or local grants (other than CSBG) terminated for cause.

Assurance: Governor Mike Huckabee so assures.

Legislative Hearing

Section 676 (a) (3)

The Legislature of the State shall hold at least one legislative hearing every three(3)years in conjunction with development of

the State Plan.

Assurance: Governor Mike Huckabee assures that the State Legislative Body will conduct a legislative hearing for fiscal years 2004-2005 prior to the first fiscal year covered in the plan, and prior to approval by the Secretary. The results of Hearing will be forwarded to the Secretary. By Act 345 of 1985, the Arkansas Legislature institutionalized the Community Services Program in Arkansas and determined that it is to be carried out primarily through the Arkansas local Community Action Agencies. It determined service areas of these agencies to include all seventy-five counties and mandated 90 percent pass through of CSBG funds to these agencies. Services will be provided in all seventy-five counties through the Community Action Agencies network. The Act also limits state administration expenditure out of CSBG funds to five percent. The remaining five percent of funds will be used as discretionary funds. The types of community services to be provided are consistent with requirements of the CSBG Federal Act. See Attachment iii for documentation of legislative hearing.

State Application and Plan

Section 676 (b)

A State shall prepare and submit to the Secretary an application and State Plan covering a period of not less than 1 fiscal year and not more than 2 fiscal years. The plan shall be submitted not later than 30 days prior to the beginning of the first fiscal year covered by the plan.

Assurance: Governor Mike Huckabee assures the State will submit an application and State Plan covering two fiscal years, 2004-2005, not later than 30 days prior to the beginning of the first fiscal year covered by the plan, and the plan shall contain such information as the Secretary shall require. The application is in a form based on guidance from the Federal Department of Health and Human Services, and the Arkansas Department of Human Services will be directly responsible for carrying out for the Governor and for the State of Arkansas the necessary compliances.

COMPLIANCE WITH FEDERAL STATUTORY ASSURANCES

Assurance 1 - "Use of Funds"

Section 676 (b) (1) (A)

The Chief Executive Officer shall assure, that funds made available to the State, will be used to support activities

designed to assist low-income families and individuals, including families and individuals receiving assistance under part A of

Title IV of the Social Security Act (42 U.S.C. 601 et seq.), homeless families and individuals, migrant or seasonal farm workers, and elderly low-income individuals and families; and a

description of how such activities will enable the families and individuals to:

1. remove obstacles and solve problems that block the achievement of self-sufficiency (including self-sufficiency for families and individuals who are attempting to transition off a State program carried out under part A of Title IV of the Social Security Act);
2. secure and retain meaningful employment;
2. attain an adequate education, with particular attention toward improving literacy skills of the low-income families in the communities involved, which may include carrying out family literacy initiatives;
4. make better use of available income;
5. obtain and maintain adequate housing and a suitable living environment;
6. obtain emergency assistance through loans, grants, or other means to meet immediate and urgent family and individual needs; and
7. achieve greater participation in the affairs of the communities involved, including the development of public and private grassroots partnerships with local law enforcement agencies, local housing authorities, private foundations, and other public and private partners to:
 - (a) document best practices based on successful grassroots intervention in urban areas, to

develop methodologies for widespread replication; and

- (b) strengthen and improve relationships with local law enforcement agencies, which may include participation in activities such as neighborhood or community policing efforts.

Governor Mike Huckabee so assures.

Section 676 (b) (1) (B)

The Chief Executive Officer assures funds are used to address the needs of youth in low-income communities through youth development programs that support the primary role of the family, give priority to the prevention of youth problems and crime, and promote increased community coordination and collaboration in meeting the needs of youth, and support development and expansion of innovative community-based youth development programs that have demonstrated success in preventing or reducing youth crime, such as; programs for the establishment of violence-free zones that would involve youth development, and intervention models and after-school child care programs.

Governor Mike Huckabee so assures.

Section 676 (b) (1) (C)

Governor Huckabee assures that funds will be used to make more effective use of, and to coordinate with, other programs related to the purposes of this subtitle (including State Welfare Reform efforts).

Governor Mike Huckabee so assures.

Assurance 2 - "Use of Discretionary Funds"

Section 676 (b) (2)

Governor Huckabee assures that five percent of funds will be used to include activities such as:

1. providing training and technical assistance to entities in need of such training and assistance;
2. coordinating State-operated programs and services, and

at the option of the State, locally-operated programs and services targeted to low-income children and families with services provided by eligible entities and other organizations funded under this subtitle, including detailing appropriate employees of State or local agencies to entities funded under this subtitle, to ensure increased access to services;

3. supporting statewide coordination and communication among eligible entities;
4. analyzing the distribution of funds made available under this subtitle within the State to determine if such funds have been targeted to the areas of greatest need;
5. supporting asset-building programs for low-income individuals, such as programs supporting individual development accounts;
6. supporting innovative programs and activities conducted by Community Action Agencies or other neighborhood-based organizations to eliminate poverty, promote self-sufficiency, and promote community revitalization;
7. supporting State charity tax credits; and
8. supporting other activities, consistent with the purposes of this subtitle.

Governor Mike Huckabee so assures.

Assurance 3 - "Secure Information From Eligible Entities"

Section 676 (b) (3)

The Governor assures the State agency will provide the following:

- (a) a description of the service delivery system, for services provided or coordinated with funds made available through grants made under 675 C(a), targeted to low-income individuals and families in communities,
- (b) a description of how linkages will be developed to fill identified gaps in the services, through the provision of information, referrals, case management and follow up consultations,
- (c) a description of how funds made available through grants made under section 675 C(a), will be coordinated with other public and private resources, and
- (d) a description of how the local entity will use the funds to support innovative community and neighborhood-based initiatives related to the purposes

of this subtitle, which may include fatherhood initiatives and other initiatives with the goal of strengthening families and encouraging effective parenting.

The Governor so assures.

Assurance 4 - "Nutrition and Emergency Assistance"

Section 676 (b) (4)

Governor Mike Huckabee assures that eligible entities in the State will provide, on an emergency basis, for the provision of such supplies and services, nutritious foods, and related services, as may be necessary to counteract conditions of starvation and malnutrition among low-income individuals.

The Governor so assures.

Assurance 5 - "Coordination and Linkages"

Section 676 (b) (5)

Governor Mike Huckabee assures that the State and the eligible entities in the State will coordinate, and establish linkages between, governmental and other social services programs to assure the effective delivery of such services to low-income individuals and to avoid duplication of such services, and a description of how the State and the eligible entities will coordinate the provision of employment and training activities, as defined in section 101 of such Act, in the State and in communities with entities providing activities through statewide and local workforce investment systems under the Workforce Investment Act of 1998.

The Governor so assures.

Assurance 6 - "Coordination Between Anti-Poverty Programs"

Section 676 (b) (6)

The Governor assures that the State will ensure coordination

between antipoverty programs in each community in the State, and ensure, where appropriate, that Emergency Energy Crisis Intervention Programs under Title XXVI (relating to low-income home energy assistance) are conducted in such community.

The Governor so assures.

Assurance 7 - Permit and Cooperate With Federal Investigations

Section 676 (b) (7)

The Governor assures that the State Agency will permit and cooperate with federal investigations undertaken in accordance with section 678D concerning the agency handling of funds and will make it a condition of funding that all eligible entities agree in writing to permit and assist in any such investigation of funds committed to them out of the CSBG.

The Governor so assures.

Assurance 8 - Notice and Opportunity for Hearing by Secretary Prior to Termination of Funding

Section 676 (b) (8)

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

The Governor so assures. State Policies and Procedures allow for such notice, opportunity for public hearing on the record and State determination subject to review by the Secretary.

Assurance 9 - Program Coordination and Partnerships

Section 676 (b) (9)

"Provide assurance that the State Agency and eligible entities will, to the maximum extent possible, coordinate programs with and form partnerships with other organizations serving low-income residents of the communities and members of the groups served

by the State, including religious organizations, charitable groups, and community organizations.”

The Governor so assures.

Assurance 10 - Procedures to Petition for Adequate Board Representation

Section 676 (b) (10)

“Provide assurance that the State will require each eligible entity in the State to establish procedures under which a low-income individual, community organization, or religious organization, or representative of low-income individuals that considers its organization, or low-income individuals, to be inadequately represented on the board (or other mechanism) of the eligible entity to petition for adequate representation.

The Governor so assures. State Policies and Procedures allow for eligible entities to establish procedures for low-income individuals, community groups, or organizations to petition for adequate board representation.

Assurance 11 - Community Action Plan

Section 676 (b) (11)

“Assurance to secure community action plan from eligible entities.”

The Governor assures that, as a condition to receive CSBG funding, the State will secure a community action plan from each eligible entity in the State (which shall be submitted to the Secretary, at the request of the Secretary, with the State Plan) that includes a community needs assessment for the community served, which may be coordinated with community-needs assessments conducted for other programs.

Assurance 12 - Participation in ROMA

“Assurance to participate in ROMA.”

The Governor assures that the State and all eligible entities in the State will, not later than fiscal year 2001, participate in the Results Oriented Management and Accountability System, another performance measure system for which the Secretary facilitated development pursuant to section 678 E(b), or an alternative system for measuring performance and results that meets the requirements of that section, and a description of outcome measures to be used to measure eligible entity performance in promoting self-sufficiency, family stability, and community revitalization.

The Governor so assures.

Assurance 13 - Implementation of Assurances

Section 676 (b) (13)

Assurance that the State will provide information in this plan describing how the State will carry out the assurances in the Act.

The Governor so assures.

PLAN FOR CARRYING OUT FEDERAL STATUTORY ASSURANCES

Plan for Compliance with Section 676 (b) (1) (A-C)

Use of Funds

Consistent with federal and state policies and procedures, each eligible entity is required, in order to be eligible for CSBG funding, by the seventh month prior to the end of the first fiscal year covered in the agency's two year plan, conduct a community needs assessment on the needs of the low-income persons in their area, and hold a public hearing to provide to the public an opportunity to comment on the proposed use and distribution of funds based on the results of the needs assessment. As a result of the hearing, the board must adopt a Statement of Purposes and Strategy, which indicates the primary poverty problems of the area, which the eligible entity will address each year, and the share of available funds to be allocated to each problem area. This serves as a basis for the service's projects proposed by the local board for funding. The needs assessment may be coordinated with community-needs assessments conducted for other programs.

The State has designated as eligible for funding out of the CSBG grant only those activities listed as eligible for funding in the Act. Activities include those which:

1. remove obstacles and solve problems that block the achievement of self-sufficiency (including self-sufficiency for families and individuals who are attempting to transition off a State program carried out under part A of Title IV of the Social Security Act);
2. secure and retain meaningful employment;
3. attain an adequate education; with particular attention toward improving literacy skills of low-income families;
4. make better use of available income;
5. obtain and maintain adequate housing and a suitable living environment;

6. obtain emergency assistance through loans, grants, or other means to meet immediate and urgent family and individual needs;
7. achieve greater participation in the affairs of the communities involved; including the development of public and private grassroots partnerships with local law enforcement agencies, local housing authorities, private foundations, and other public and private partners to:
 - (a) document best practices based on successful grassroots intervention in urban areas; to develop methodologies for widespread replication; and
 - (b) strengthen and improve relationships with local law enforcement agencies, which may include participation in activities such as neighborhood or community policing efforts;
8. address the needs of youth in low-income communities through youth development programs that support the primary role of the family, give priority to the prevention of youth problems and crime, and promote increased community coordination and collaboration in meeting the needs of youth, and support development programs that have demonstrated success in preventing or reducing youth crime; and
9. make more effective use of, and to coordinate with, other programs related to the purposes of this subtitle (including State welfare reform efforts).

The State will not approve an application which does not address a minimum number of designated services called for in Section 676 (b) (1) (A-C) of the Act and no activities are approved which are outside the scope of services called for in that section of the Act. In that way, the requirements of Section 676 (b) (1) (A-C) about use of the funds for provision of allowable community services are met from a planning aspect. The State requires, as a condition of continued funding, that eligible entities provide monthly fiscal reports and quarterly program reports to assure that the programs and expenditures are progressing consistently with the approved plans. Any downward program variances of 20% or more where eligible entities did not meet their plan must be satisfactorily explained. Corrective actions must be supplied where appropriate. In addition to the reports submitted and reviewed, each eligible entity is visited annually for an on-site evaluation of program performance and a compliance monitoring with Federal and State Policies and Procedures regulatory requirements. These are intended to assure that the funds are going to provide the community services to low-income clients as in the approved plan. Spot checks of client records are carried out to verify the documentation provided by the eligible entities, and interviews with randomly selected clients are conducted to verify that services were provided as reported and to see whether clients are satisfied with services received. A satisfaction survey will be completed on each randomly selected client. The program reviews will be conducted, at a minimum, annually as stated earlier, in accordance with section 678 B of the Act.

Training and technical assistance is provided during the course of a year to further enhance the quality of the services and program. The assistance provided by the State is primarily by CSBG staff, but consultant services are utilized from outside the agency when necessary.

A Community Action Agency Peer Review will be conducted on at least six eligible entities annually. The purpose of the Peer Review is to assess the design, performance, efficiency, and effectiveness of the agency's management systems, which are in place to ensure compliance with applicable laws, rules and regulations, to safeguard the agency's assets, to ensure that planned outcomes are achieved, and to project eligible entity vision/values through the organization into its community.

Plan for Compliance with Section 676 (b) (2) Use of Discretionary Funds

No more than 5% of grant will be spent as a discretionary fund within the State agency to fund activities deemed to be useful to advance the purposes of the Act. In fiscal years 2004-2005, approximately 20% of CSBG funds will be set aside for victims of natural disasters who meet the poverty guidelines. Approximately 40% will be used to provide technical assistance and training needed by eligible entities and organizations which serve the low-income communities, which training and assistance would not otherwise be available to them. The remaining 40% will be used to fund discretionary projects of nonprofit agencies and organizations. The percentages are only estimates of discretionary fund usage. The State's needs will dictate the criteria and guidelines for such projects.

Plan for Compliance with Section 676 (b) (3) Secure Information from Eligible Entities

Eligible entities will provide information to the State containing:

- (a) a description of the service delivery system, for services provided or coordinated with the funds made available through grants made under section 675 C(a), targeted to low-income individuals and families;
- (b) a description of how linkages will be developed to fill identified gaps in services, through the provision of information, referrals, case management, and follow-up consultations;
- (c) a description of how funds made available through grants made under section 675 C(a) will be coordinated with other public and private resources, and
- (d) a description of how the local entity will use the funds to support innovative community and neighborhood initiatives related to the purposes of this subtitle, which may include fatherhood initiatives and other initiatives with the goal of strengthening families and encouraging effective parenting.

Plan for Compliance with Section 676 (b) (4)
Nutrition and Emergency Assistance

Eligible entities will comply with the federal requirement to provide, on an emergency basis, for the provision of such supplies and services, nutritious foods, and related services, as may be necessary to counteract conditions of starvation and malnutrition among low-income individuals.

Plan for Compliance with Section 676 (b) (5)
Coordination and Linkages

The State and eligible entities will coordinate and establish linkages between, governmental and other social services programs to assure the effective delivery of such services to low-income individuals and to avoid duplication of such services; and provide a description of how the State and eligible entities will coordinate the provision of employment and training activities, as defined in section 101 of such Act, in the State and in communities with entities providing activities through statewide and local workforce investment systems under the Workforce Investment Act of 1998.

Plan for Compliance with Section 676 (b) (6)
Coordination between Anti-Poverty Programs

Both the CSBG program and the State HEAP program for Emergency Crisis Intervention are located in the same agency of State Government, the Department of Human Services. The Governor and the Director of the Department of Human Services have made it clear to both programs that they support and encourage the coordination of local anti-poverty activities with the crisis intervention program. This has been effected for several years. The eligible entities have utilized the HEAP Program in both assuring appropriate disbursements of crisis funds to eligible persons, and also in supporting weatherization services through this program.

Plan for Compliance with Section 676 (b) (7)
Permit and Cooperate with Federal Investigations

The director and staff persons of the State Agency are directed and required to cooperate fully with any federal investigation relative to State use or eligible entity use of CSBG funds. Any additional resources of State Government necessary to assist in such investigations are pledged, and

will be provided. Each eligible entity is required as a condition of funding to provide written assurances they will allow and cooperate with any Federal or State investigation relative to the use of CSBG funds.

Plan for Compliance with Section 676 (b) (8)
Hearing by Secretary

As outlined in section 678C(b) of the Act, the State will comply with the hearing review requirement when the State determines an eligible entity's designation will be terminated or funds reduced.

Plan for Compliance with Section 676 (b) (9)
Program Coordination and Partnerships

The State Agency and eligible entities will, to the maximum extent possible, coordinate programs with and form partnerships with other organizations serving low-income residents of the communities and members of the groups served by the State, including religious organizations, charitable groups, and community organizations. As a condition for funding, eligible entities will describe how they will coordinate with programs.

Plan for Compliance with Section 676 (b) (10)
Procedures to Petition for Adequate Board Representation

Each eligible entity will be required to establish procedures for a low-income individual, community organization, or religious organization, or representative of low-income individuals that considers its organization, or low-income individuals, to be inadequately represented on the board (or other mechanism) of the eligible entity to petition for adequate representation.

Plan for Compliance with Section 676 (b) (11)
Community Action Plan

The State will comply with the requirement to secure from each eligible entity in the State, as a condition for funding, a community action plan. Each community action plan will include: a community needs assessment for the community served; a description of the service delivery system targeted to low-income individuals and families in the service area; a description of how linkages will be developed to fill identified gaps in services through information, referral, case management if applicable, and follow-up consultation; a description of outcome measures to be used to monitor success in promoting self-sufficiency, family stability, and community revitalization. Community needs assessments may be coordinated with community needs assessments conducted for other programs.

Plan for Compliance with 676 (b) (12)
Participation in ROMA

The State and all eligible entities in the State will, not later than fiscal year 2001; participate in the Results Oriented Management and Accountability System, another performance measurement system that meets the requirements of section 678E (b), or an alternative system for measuring performance and results that meets the requirements of that section, and a description of outcome measures to be used to measure eligible entity performance promoting self-sufficiency, family stability, and community revitalization.

The State and eligible entities began implementation of ROMA in fiscal year 1997, and fiscal year 2004 will be the eighth year the State and eligible entities will participate in ROMA.

Plan for Compliance with 676 (b) (13)
Implementation of Assurances

This section entitled "Plan for Compliance with Federal Statutory Assurances", section 676(b)(1-13) describes how the State will carry out the assurances outlined in the Act.

HEARINGS AND PUBLIC REVIEWS

The State will hold one legislative public hearing and four additional statewide public hearings around the State. The public will be offered opportunity to comment on proposed use and distribution of funds for fiscal years 2004-2005.

Copies of the plan are available at the State Library, Department of Human Services, Legislative Council, CAAs, and internet. Notice of the four statewide hearings were provided in a statewide newspaper.

A legal notice was published June 22-28, 2003 in a newspaper with statewide circulation advertising the four statewide Community Services Block Grant Program public hearings. The public inspection and comment period was 30 days. Those who wished to comment could respond orally at any of the hearings, submit written comments through their local Community Action Agency, or submit comments directly to the Office of Community Services.

The four statewide hearings were held as follows:

PUBLIC HEARING SCHEDULE

<u>DATE/TIME</u>	<u>CITY</u>	<u>ADDRESS</u>
<i>June 30, 2003/11:00 A.M.</i>	<i>Brinkley</i>	<i>Mid-Delta Community Center 705 West 6th Street</i>
<i>June 30, 2003/11:00 A.M.</i>	<i>Lonoke</i>	<i>Lonoke County CADC Office 301 North Center Street</i>
<i>July 2, 2003/11:45 A.M.</i>	<i>Clinton Center</i>	<i>Van Buren Count Senior 570 Yellow Jacket Lane</i>
<i>July 3, 2003/10:30 A.M.</i>	<i>Conway Center</i>	<i>Faulkner Cnty Sr. Citizens 1620 North Donaghey</i>

The State Plan in its proposed form will be available at all sixteen Community Action Agencies and at the State Office for 30 days.

The legislative hearing was in addition to the four statewide public hearings and will be held separately from those hearings. Proof of the legislative hearing, including its date, time and location will be submitted after the hearing.

STATE ADMINISTRATIVE STRUCTURE

The Department of Human Services is the lead agency responsible for carrying out Community Services Block Grant activities in the State of Arkansas. More specifically, the Office of Community Services, within the Division of County Operations of the Department will be responsible for administration of the Community Services Block Grant Program.

The State conducts financial and compliance audits of block grant funds, which the State receives under the CSBG Act. Each audit will cover a one-year period and will be conducted in accordance with standards established by the Comptroller General for the audit of the governmental organizations, programs, activities and functions. Use of the Office of Management and Budget cost and accounting standards will apply. A copy of the audit conducted by the Legislative Audit staff will be made available to the State Legislature 30 days after completion, a copy is provided the Legislative Audit Committee, and a copy will be forwarded to the Secretary. Appropriate books, documents, papers, and records shall be made available to the Secretary and Comptroller General of the United States, or any duly authorized representatives.

CSBG is not audited as a major program under the State's single audit. It is audited by the State's Legislative Audit Division as part of the Department of Human Services' audit. The latest audit for the Department was dated October 21, 2002, and covered the period July 1, 2000 through June 30, 2001.

Grants Process

In order to be eligible for CSBG funding, each eligible entity shall by the seventh month prior to the first fiscal year covered in the agency's two year plan, conduct a public hearing on the needs of the low-income persons in the service area. The needs assessment of the primary poverty problems of the area, including the causes and effects of poverty, shall be updated at this time through citizen's input. Poverty problems to be addressed shall include problems of low-income persons in:

1. securing and retaining meaningful employment;
2. attaining an adequate education;
3. making better use of available income;
4. obtaining and maintaining adequate housing and a suitable living environment;
5. obtaining emergency assistance; including urgently needed health services, nutritional food, and other human services;
6. removing obstacles and solving problems blocking attainment of self-sufficiency;
7. participating in decisions which affect their lives;
8. addressing the needs of youth in low-income communities; and
9. making more effective use of and coordinating with other programs.

As a result of this hearing the board shall adopt a Statement of Purposes and Strategy which will indicate the primary poverty problems the eligible entity will address and the share of available funds to be allocated to each.

This statement (and any subsequent amendments) must be approved by the eligible entity's Board of Directors and will serve as a basis for the projects proposed by the board for CSBG funding. OCS approval is not required for the contents of the Statement of Purposes and Strategy, but an informational copy of this document must be forwarded to OCS upon adoption or amendment by the eligible entity.

No later than ninety days before the end of its two-year grant period, the eligible entity shall submit a funding application to OCS.

Distribution of funds - Ninety (90) percent of funds made available to the State will be used to make grants to eligible entities for stated purposes of the Community Services Block Grant program. A total of 35% of funds will be awarded based on poverty in the area and 65% of funds will be awarded based on hold harmless. As stated earlier, prior to receipt of funding by CAAs, each must submit an application (community action plan), which includes a community, needs assessment.

Board Representation

The State requires eligible entities to describe in their by-laws the procedure to ensure low-income individuals, community organizations, or religious organizations, or representatives of low-income individuals that consider its organization or low-income individuals, to be inadequately represented on the board (or other mechanism) to petition for adequate representation.

State policy 3200 E 3 states if there is no private nonprofit organization identified or determined to be qualified to serve as an eligible entity, the Governor may solicit application from, and designate a political subdivision to serve as an eligible entity to provide services in the non-served area. The political subdivision shall have a tripartite board or other mechanism to assure decision-making and participation by low-income individuals in the development, planning, implementation, and evaluation of programs. The board shall be constituted so as to assure that no less than 1/3 of the members are representatives of low-income individuals and families in the neighborhoods and that they reside in the neighborhoods served.

Eligible Entity Designation Process

State policy 3200 E entitled, "Establishing Eligible Entity Status", is as below:

If an existing eligible entity terminates its service, the Governor will solicit applications from eligible entities and designate an eligible entity to provide services in the non-served area. The eligible entity shall be:

1. A private nonprofit organization (which may be an eligible entity), that is geographically located in the non-served area, that is capable of providing a broad range of CSBG services designed to eliminate poverty and foster self-sufficiency.

Special consideration will be given to qualifying organizations that are providing related services in the non-served area, consistent with the needs identified by a community-needs assessment.

2. A private nonprofit eligible entity that is geographically located in an area contiguous to or within reasonable proximity of the non-served area and that is already providing related services in the non-served area. The nonprofit eligible entity selected shall have its board constituted so as to assure adequate board representation as follows:
 - a. The private nonprofit eligible entity shall administer the Community Services Block Grant Program through a tripartite board that fully participates in the development, planning, implementation, and evaluation of the program to serve low-income communities.
 - b. The members of the board shall be selected by the entity.
 - c. The board shall be composed so as to assure that:
 - (1) elected public official or their permanent representatives shall comprise one-third of the board;
 - (2) representatives of low-income persons shall comprise at least one-third of the board; and
 - (3) representatives of business, industry, labor, religious, law enforcement, education or other major groups and interests in the community shall comprise the remainder of the board.
3. No Qualifying Organizations in or Near Area. If there is no private non-profit organization identified or determined to be qualified to serve as an eligible entity, the Governor may solicit application from, and designate a political subdivision to serve as an eligible entity to provide services in the non-served area. The political subdivision shall have a tripartite board or other mechanism to assure decision-making and participation by low-income individuals in the development, planning, implementation, and evaluation of programs. The board shall be constituted so as to assure that no less than one-third of the members are representatives of low-income individuals and families in the neighborhoods and that they reside in the neighborhoods served.

Monitoring

Before funds will be released to an eligible entity receiving an initial contract using OCS funds, the eligible entity shall submit a statement to OCS certifying that its accounting system meets OCS financial requirements and standard acceptable accounting practices. The accounting system must have internal controls adequate to safeguard their assets, check the accuracy and reliability of accounting data promote operating efficiency and encourage compliance with OCS policies. The certification must be furnished by an independent Certified Public Accountant (CPA).

Reporting - As a condition for funding, the eligible entity signs assurances that it will provide monthly financial reports and quarterly progress reports, in the form and at the time the Office of Community Services requires. State policy 4140 M requires that the eligible entity shall provide monthly fiscal reports on the operation of funded project. This policy also states at the end of each quarter of its program year, the eligible entity shall report on the status of the implementation and operation of its work programs. All quarterly reports submitted to OCS subsequent to the last board meeting shall be presented for review and approval by the board. In addition to other safeguards, assurances are signed that the agency will, on an annual basis, conduct a single agency audit in accordance with OMB circular A-133 covering all funds received by the agency. A copy of the report will be provided to the Department of Human Services.

In accordance with section 678, below is a description of monitoring activities:

Eligible entities must provide monthly financial reports documenting expenditure of funds requested. Reports are reviewed by OCS and the Division of Administrative Services staffs to ensure funds requested are consistent with planned expenditures. Payment is made based on the monthly requests.

As part of the eligible entities community action plan (application), a budget is submitted detailing the proposed use of funds. The community action plan (application) containing the proposed budget is reviewed and approved by the Office of Community Services.

The Office of Community Services monitors will conduct, at a minimum an annual on-site program evaluation and compliance review of eligible entities in order to determine whether eligible entities meet the performance goals, administrative standards, financial management requirements, and other requirements of the State.

Official Notification - The Office of Community Services monitor contacts the eligible entity by telephone to establish monitoring dates for the program evaluation or compliance review. Follow-up correspondence is sent to the agency as official notification of the monitoring dates.

Entrance Conference - The entrance conference is held with the executive director or designee(s) to discuss the purpose, process, format, and procedures to be followed during the monitoring visit. Emphasis is placed on the positive nature of the monitoring assessment to be conducted.

Exit Conference - An exit conference is held with the executive director or designee(s) to report findings during the monitoring visit. The executive director or designee(s) is given the opportunity to provide comments and present additional evidence where a finding may be disputed by the agency.

Report to Agency - A monitoring report is forwarded to the agency. All monitoring reports must be reviewed and approved by the agency's Board of Directors.

Grantee Action Plans - When there are findings, the eligible entity will be notified in writing, provided suggested recommendations for improvement, and required to submit a plan detailing the actions it will take to correct monitoring findings. Plans should be submitted within the timeframe specified by OCS. Plans are reviewed by OCS to ensure all findings have been adequately addressed. Where findings are not adequately addressed, OCS will make necessary contacts with the eligible entity until all findings have been appropriately addressed, and will notify the agency when their plan is accepted.

The Program Evaluation - The program evaluation is primarily concerned with the quality of program reporting system and service delivery as indicated by records and client interviews. During the on-site program evaluation, agency records are reviewed in order to support actual services provided by the eligible entity and reported to OCS. Case management records are reviewed to determine agency and client's progress made in reaching the client's established self-sufficiency goals. Monitors verify documentation at the eligible entities sites, and interviews with randomly selected clients are conducted to verify that services were provided as reported and to determine whether clients are satisfied with services received. A satisfaction survey is completed on each randomly selected client interviewed.

Compliance Review - The compliance review is primarily concerned with the review of eligible entity program administration and planning, financial functions, board leadership and development, agency director leadership and other requirements of the State.

During the on-site compliance review, agency records are reviewed in order to determine compliance in specific areas including but not limited to: obligation to provide services in designated area; adequate board representation; board powers, responsibilities and training; composition of board committees; by-laws requirements; public hearings; statement of purposes and strategy, and needs assessment requirement; eligible activities; eligible populations and residency; requirements for funding application; grant award; citizens access; code of conduct; and financial record keeping. During the on-site review, monitors verify records to determine agency compliance with CSBG policies and procedures. Board members and in some instances the Executive Director are interviewed to determine the level of knowledge of board powers, roles and responsibilities, as well as responsibilities of the Executive Director.

Monitoring of newly designated entities - OCS will conduct an on-site review of each newly designated entity immediately after the completion of the first year in which such entity receives funds. Follow-up reviews will be conducted including prompt return visits to eligible entities, and their programs, that fail to meet the goals, standards, and requirements established by the State. And other reviews will be conducted as appropriate, including reviews of

entities with programs that have had other Federal, State or local grants (other than CSBG) terminated for cause.

Termination or Reduction of Funding

Section 3200 of the CSBG policies outlines the procedures for termination or reduction of funding. The section is entitled, "Corrective Action, Suspension, Termination and Establishment of Eligible Entity Status". The policy is as follows:

- A. **Corrective Action:** OCS shall require an agency to submit a Quality Improvement Plan (QIP) when OCS determines that an eligible entity has failed to comply with and meet the requirements contained in regulations or published administrative requirements of OCS, has failed to fulfill its funded work program, or has breached the terms of its funding agreement with OCS.

If the OCS Assistant Director determines that an emergency situation exists due to threat of imminent loss or waste of OCS funds and that immediate action is required due to the seriousness of the violation and/or is necessary to protect OCS funds or property:

1. OCS shall notify the agency (by certified mail) of the deficiency to be corrected and may require that the eligible entity develop a Quality Improvement Plan to correct the deficiency within sixty days from date of notice. OCS will establish a reasonable time frame for the eligible entity to correct the deficiency.
2. OCS may immediately suspend the agency from participation pending an opportunity for appeal.
3. OCS may offer training and technical assistance, if appropriate, to help correct the deficiency.

When technical assistance is offered by the State, OCS will prepare and submit to the Secretary a report describing the training and technical assistance offered within 60 days from the date of notification for QIP. If the State determines that such training and technical assistance are not appropriate, OCS will prepare and submit to the Secretary a report stating the reasons for this determination within sixty days from date of notification for QIP.

OCS will review the Quality Improvement Plan submitted by the agency and inform the eligible entity of its approval or disapproval status within 30 days from the date the Quality Improvement Plan is received by OCS.

If the plan is not approved, OCS will notify the eligible entity of disapproval (by certified mail), specify reason the plan was not approved, and give notice of suspension.

- B. **Suspension:** The suspension notification shall include a date beyond which no OCS funds may be expended by the entity, or alternatively, such other restrictions on OCS expenditures as OCS may require. If the eligible entity wishes to appeal this determination, it must

submit a written request to the Assistant Director to remove the suspension. This request must be made within twenty days of the date of the suspension notice. The eligible entity may include a request for a meeting with the DCO Director upon which the DCO Director shall schedule such a meeting to be held within ten days of receipt of the request and issue a finding, in writing, within ten days of adjournment of the meeting.

If entity requests review by HHS, no funds determination is final until HHS reviews. If the DCO Director denies the appeal, the eligible entity may appeal to the DHS Director, in writing within ten days. The DHS Director shall schedule such an appeal to be held within ten days of receipt of the request and shall issue written findings within ten days of adjournment of the appeal hearing. If the DHS Director denies the appeal, OCS may initiate termination of status of the agency as an eligible entity.

C. Termination of Funding

1. OCS may initiate procedures to terminate the status as an eligible entity of a Community Action Agency in the following instances:
 - a. Where an eligible entity has been suspended less than 3200 B, following either passage of the twenty days allotted for the eligible entity's appeal or a denial of the appeal by the DHS Director.
 - b. As provided in any exclusion or debarment law or rule.
2. The procedures for termination of status as an eligible entity of a subgrantee shall be as follows:
 - a. OCS shall provide the eligible entity with written notice (by certified mail) of OCS' intent to terminate the status of the eligible entity and the reasons for the termination. The notice shall specify the effective date of termination of status and termination of all OCS funded activities, which date shall be no sooner than sixty days from the time of sending such notice to the eligible entity. The notice shall also provide necessary program instructions, including any restrictions on eligible entity expenditures, pending the effective date of termination of status.
 - b. The eligible entity may appeal, in writing, to the DCO Director within twenty calendar days following receipt of the notice of OCS' intent to terminate status. This appeal shall address the reasons for termination and, where appropriate, any corrective action taken, or proposed to be taken, by the eligible entity. The appeal may also include a request by the eligible entity that the DCO Director or his/her designee hold a public hearing before making a decision, in which case such a public hearing "on the record" shall be held within twenty days. At this hearing the eligible entity shall have the right to present evidence and argument on all issues contained in the appeal.
 - c. The DCO Director shall make specific written findings of fact and conclusions of law and enter one of the following decisions:
 - (1) Reverse the agency decision and remove the notice of intent to terminate.
 - (2) Reverse the termination, but affirm the specific corrective action that must be taken in order for the agency to maintain its status as an eligible entity. If the eligible entity subsequently fails

to take corrective action, OCS may terminate the agency.

- (3) Affirm the agency action. The eligible entity may request review by the federal funding agency. If an agency requests a review by the federal funding agency, no determination, other than an emergency action shall be effective until the Federal funding agency affirms or rejects the State's finding of cause. The DHS Director's decision is the final agency determination.

D. Voluntary Suspension of Status as Eligible Entity

An eligible entity may request and OCS may approve voluntary suspension of the status of the eligible entity for a stated period of time. OCS shall make arrangements it deems necessary to assure the continued provision of services during the period of voluntary suspension. The voluntary status of suspension shall be lifted at the agreed upon time. If upon completion of the period of voluntary suspension, OCS determines that suspension shall continue, normal steps for corrective action prior to suspension shall apply, including the rights of appeal by the eligible entity. The eligible entity may request and OCS may approve the extension of the period of voluntary suspension.

E. Establishing Eligible Entity Status

This subject is specifically addressed in previous section of this plan entitled, "Eligible Entity Designation Process", page 20.

COMMUNITY SERVICES NETWORK DESCRIPTION

Act 345 of 1985 designates the Community Action Agencies to carry out the Community Services Block Grant Program in Arkansas and defines the geographic coverage of each. Together they give full statewide coverage. Below are eligible entities, counties served, budget and clients served for the latest available annual reporting period:

Eligible Entities	Counties
ARVAC Bob Adkison, Executive Director	Franklin
Arkansas River Valley Area	Logan
Council, Inc.	Perry
Post Office Box 808	Conway
Dardanelle, Arkansas 72834	Yell
Telephone: (479) 229-4861	Johnson
FAX: (479) 229-4863	Pope
	Polk
CSBG budget \$675,312	Scott
Clients served 10,054	

BRAD	James Jansen, Executive Director Black River Area Development Corporation 1403 Hospital Drive Pocahontas, Arkansas 72455 Telephone: (870) 892-892-4547 FAX: (870) 892-0707 CSBG budget \$230,642 Clients served 5,096	Clay Lawrence Randolph
CADC	Charles Cunningham, Executive Director Central Arkansas Development Council Post Office Box 580 Benton, Arkansas 72018 Telephone: (501) 315-1121 FAX: (501) 778-9120 CSBG budget \$1,950,544 Union Clients served 18,516	Saline Hot Spring Dallas Montgomery Pike Ouachita Columbia Calhoun Clark Pulaski Lonoke

Eligible Entities

Counties

CAPCA	Phyllis Fry, Executive Director Community Action Program for Central Arkansas, Inc. Post Office Box 1044 Conway, Arkansas 72032 Telephone: (501) 329-3891 FAX: (501) 329-8642 CSBG budget \$346,589 Clients served 10,883	White Faulkner Cleburne
CRDC	Robert Wilford, Executive Director Crowley's Ridge Development Council, Inc. Post Office Box 1497 Jonesboro, Arkansas 72401 Telephone: (870) 802-7100 FAX: (870) 935-0291 CSBG budget \$876,216 Clients served 27,717	Craighead Greene Jackson Poinsett Cross Crittenden Woodruff St. Francis
C-SCDC	Weldon Ramey, Executive Director Crawford-Sebastian Community Development Council, Inc. Post Office Box 4069 Fort Smith, Arkansas 72914 Telephone: (479) 785-2303 FAX: (479) 785-2341	Crawford Sebastian

CSBG budget \$324,138
Clients served 17,715

CSO Leon Massey, Executive Director Garland
Community Services Office, Inc.
Post Office Box 1175
Hot Springs, Arkansas 71901
Telephone: (501) 624-5724
FAX: (501) 624-1645

CSBG budget \$320,829
Clients served 3,825

Eligible Entities

Counties

EOAWC Kathleen Randall, Executive Director Washington
Economic Opportunity Agency of
Washington County, Inc.
614 East Emma Avenue, Suite M401
Springdale, Arkansas 72764
Telephone: (479) 872-7479
FAX: (479) 872-7482

CSBG budget \$284,016
Clients served 4,676

MCAEOC Samuel Scruggs, Executive Director Mississippi
Mississippi County, Arkansas Economic
Opportunity Commission, Inc.
Post Office Drawer 1289
Second St. Bldg. 205, Former EAFB
Blytheville, Arkansas 72316-1289
Telephone: (870) 532-2348
FAX: (870) 532-2625

CSBG budget \$331,820
Clients served 25,285

M-DCS Margaret Staub, Executive Director Phillips
Mid-Delta Community Services, Inc. Monroe
Post Office Drawer 745 Prairie
Helena, Arkansas 72342 Lee
Telephone: (870) 338-6406
FAX: (870) 338-3629

CSBG budget \$390,444
Clients served 23,390

NADC Larry Goodwin, Executive Director Fulton
Northcentral Arkansas Development IZard
Council, Inc. Sharp
Post Office Box 3349 Stone
Batesville, Arkansas 72503 Independence

Telephone: (870) 793-5765
FAX: (870) 793-2167

CSBG budget \$277,831
Clients served 5,184

Eligible Entities

Counties

OHC

Bill Brown, Executive Director
Office of Human Concern, Inc.
Post Office Box 778
Rogers, Arkansas 72757
Telephone: (479) 636-7301
FAX: (479) 636-7312

Benton
Carroll
Madison

CSBG budget \$259,497
Clients served 1,200

OOI

Roger Ratchford, Executive Director
Ozark Opportunities, Inc.
105 E Crandall Avenue
Harrison, Arkansas 72601
Telephone: (870) 741-9406
FAX: (870) 741-0924

Van Buren
Searcy
Boone
Marion
Baxter
Newton

CSBG budget \$467,556
Clients served 9,290

PB-JCEOC

Betty Smith, Executive Director
Pine Bluff-Jefferson County Economic
Opportunities Commission, Inc.
Post Office Box 7228
Pine Bluff, Arkansas 71611
Telephone: (870) 536-0046
FAX: (870) 535-7558

Jefferson
Arkansas
Lincoln
Cleveland
Grant

CSBG budget \$426,644
Clients served 4,242

SEACAC

Larry Henderson, Executive Director
Southeast Arkansas Community Action
Corporation
Post Office Box 312
Warren, Arkansas 71671
Telephone: (870) 226-2668
FAX: (870) 226-5637

Bradley
Desha
Ashley
Chicot

CSBG budget \$378,748
Clients served 5,946

Eligible Entities

Counties

SWADC Tom Lockard, Executive Director
 Southwest Arkansas Development
 Council, Inc.
 3902 Sanderson Lane
 Texarkana, Arkansas 71854
 Telephone: (870) 773-5504
 FAX: (870) 772-2974

Little River
 Hempstead
 Miller
 Lafayette
 Howard
 Sevier
 Nevada

CSBG budget \$376,284
 Clients served 26,482

Scope of CSBG Services provided Statewide

CSBG funds will be used in accordance with PL 105-285 676 (b). Eligible entities submitted information describing the programs, services and activities to be conducted in fiscal years 2003-2004.

The general program components to be addressed are self-sufficiency, employment, education, income maintenance, housing, emergency services, nutrition, community participation, health and welfare independence. Eligible entities will provide services and activities under program components to address the needs of clients. Conditions to be addressed are a result of needs assessments conducted by eligible entities. The latest information is for customers served in fiscal year 2003.

Program Components and Services

<u>Self-Sufficiency</u>	<u>Served</u>
Low-income people become more self-sufficient	<u>4075</u>
The conditions in which low-income people's lives are improved	<u>603</u>
Low-income people own a stake in their community	<u>647</u>
Partnerships among providers of services to low-income people are achieved	<u>97</u>
Agencies increase their capacity to achieve results	<u>16</u>
Low-income people, especially vulnerable populations, achieve their potential by promoting family and other supportive environments	<u>15,113</u>
Households realizing a reduction in energy burden	<u>49,085</u>
Other	<u>0</u>
<u>Employment</u>	<u>Served</u>
Placed in full-time jobs	<u>651</u>
Placed in part-time jobs	<u>69</u>

Placed in job training or work experience	<u>475</u>	
Referrals to job training or jobs	<u>2,367</u>	
Follow-ups on placements		<u>2,989</u>
Other	<u>25,354</u>	

Education

Served

Provided early childhood education	<u>17,887</u>	
Number of persons provided counseling or tutorial services	<u>2,495</u>	
Received college loan or other financial assistance	<u>299</u>	
Families assisted to allow students to stay in school	<u>920</u>	
Provided Adult Basic Ed. GED, College Prep. (Other)	<u>472</u>	
Provided literacy services	<u>2,824</u>	
Referrals to educational programs	<u>14,009</u>	
Other	<u>77,942</u>	

Income Maintenance

Served

Attend classes in income utilization (number of persons)	<u>2,187</u>	
Received individual income counseling (number of persons)	<u>1,188</u>	
Number of persons assisted in preparing family budget		<u>1,428</u>
Provided consumer education	<u>925</u>	
Assisted in tax preparation (number of persons)	<u>555</u>	
Referrals to income counseling	<u>183</u>	
Referrals to legal services	<u>998</u>	
Other	<u>122</u>	

Housing

Served

Houses repaired		<u>77</u>
Houses weatherized		<u>1,170</u>
Other	<u>1,230</u>	
Housing referrals	<u>2,544</u>	
Assisted in housing loan preparation	<u>962</u>	
Other	<u>900</u>	

Emergency Services

Served

Provided check for utility assistance (CIP, Project Deserve, FEMA, etc.)	<u>94,791</u>	
Persons provided food, clothing or travel assistance	<u>16,400</u>	
Emergency lodging provided (number of persons)	<u>3,207</u>	
Provided information about available services	<u>34,033</u>	
Other	<u>11,294</u>	
Referrals to other emergency services	<u>6,124</u>	
Other	<u>13,202</u>	

<u>Nutrition</u>	<u>Served</u>
Received commodities or other food	<u>2,268,354</u>
Hot meals provided (congregate, number of persons)	<u>215,611</u>
Hot meals provided (home delivered, number of persons)	<u>278,082</u>
Child care feeding programs (centers, number of persons)	<u>12,827</u>
Provided nutrition program referrals	<u>1,100</u>
Provided nutrition training	<u>7,665</u>
Other	<u>791</u>
<u>Community Participation/Linkages</u>	<u>Served</u>
Placed on community decision-making bodies	<u>544</u>
Participated in organized crime prevention activities	<u>5,678</u>
Community improvements achieved	<u>62</u>
Board and committee meetings attended (number of persons)	<u>6,650</u>
Speeches outside agency about needs of low-income persons	<u>539</u>
Number of volunteers recruited and retained	<u>20,070</u>
Hours of volunteer service provided	<u>770,561</u>
Hours spent developing and maintaining linkages with area groups	<u>58,176</u>
Other	<u>0</u>
<u>Welfare Independence</u>	<u>Served</u>
Persons removed from welfare rolls	<u>54</u>
Other	<u>24,812</u>
Welfare participants referred to other agencies for assistance	<u>573</u>
Referrals to child support offices	<u>0</u>
Other	<u>860</u>
<u>Health</u>	<u>Served</u>
Persons provided alcohol/drug abuse services	<u>14,681</u>
Persons assisted in obtaining medical assistance	<u>15,823</u>
Number of persons assisted in obtaining family planning services	<u>2,941</u>
Pregnant youth provided agency services (number of persons)	<u>66</u>
Referral to health services	<u>2,998</u>
Other	<u>71,361</u>
<u>Total Services by Program Component</u>	<u>Served</u>
Self Sufficiency	<u>69,632</u>

Employment	<u>31,905</u>
Education	<u>116,848</u>
Income Maintenance	<u>7,586</u>
Housing	<u>6,883</u>
Emergency Services	<u>179,051</u>
Nutrition	<u>2,784,430</u>
Community Participation	<u>861,280</u>
Health	<u>107,871</u>
Welfare Independence	<u>26,299</u>
Other	<u>0</u>

(ROMA) IMPLEMENTATION

CSBG funds are used to "support activities that are designed to assist low-income families and individuals, including families and individuals receiving assistance under part A of Title IV of the Social Security Act (42U.S.C. 601 et seq.), homeless families and individuals, migrant or seasonal farm workers, and elderly low-income individuals and families". Following is a description of the system the State and eligible entities use to measure performance and results of the CSBG program.

Eligible entities are mandated to report outcomes under the six national goals. Eligible entities have the option to address as many other measures as they may choose, and they may report measures developed by their agency. At the beginning of the program year, eligible entities may determine a specific group of clients who volunteer to participate in the eligible entities' case management activities. (It should be noted that some agencies may report zero under some national mandated measures).

Case management is the process used to assist clients to reach their established goals and move them toward self-sufficiency. Although outcomes are reported under the measures selected, the range of activities and services provided by the agency to assist the client to achieve outcomes are reported by program component (i.e. education, housing, emergency services, etc.).

Case management activities conducted by eligible entities are monitored annually as a part of the regular program evaluation of agencies. Statewide training sessions are provided to all CAAs. If there is a need for training and technical assistance during routine monitoring visits, state monitors will provide training or provide needed assistance at the time of monitoring visit.

In order to report on some goals, eligible entities ask case management clients to complete a CAA Client Assessment Survey. Questions on the survey include: general demographic information, assistance provided by the agency, whether the client feels self-sufficient (prior to and after receiving services), whether living conditions are improved, whether the client has a stake in the community, and whether family conditions have improved. Results of the CAA Client Assessment Surveys are compiled by eligible entities and reported to OCS on forms developed by OCS.

Agencies also develop individual case records on case management participants who do not complete a CAA Client Assessment Survey and provide necessary services based on action plans. Agencies then report outcomes on forms developed by OCS.

GOALS AND MEASURES

Goal 1: Low-Income People Become Self-Sufficient

Measures

Average change in the annual income per household 1,250

Average change in the annual income per individual	<u>2,022</u>
Number of participants who consider themselves more self-sufficient	<u>759</u>
Number of participants reporting an increase in its household income	<u>44</u>

Goal 2: The Conditions in Which Low-Income People Live are Improved

Measures

Number of families moving from substandard to standard housing	<u>108</u>
Number of enrollees in education literacy programs who attend regularly	<u>5</u>
Number of participants who believe agency has improved living conditions	<u>217</u>
LIHEAP performance measure (number of case management participants)	<u>273</u>

Goal 3: Low-Income People Own a Stake in Their Community

Measures

Number of persons participating in or volunteering for one or more groups	<u>149</u>
Number of participants who report they are a part of the community	<u>457</u>
Number of persons owning or actively participating in management of their housing	<u>29</u>
Community investment brought into community by network targeted to low-income	<u>8</u>

Goal 4: Partnership Among Providers of Services to Low-Income People Are Achieved

Measures

Numbers of new and renewed joint agreements reached 97

Total dollars mobilized by agency 9,839,053

Total dollars mobilized as compared with CSBG dollars 1,139,040

Goal 5: Agencies Increase Their Capacity to Achieve Results

Measures

Board has conducted a periodic organizational assessment (number) 16

Number of funding sources 85

Goal 6: Low-Income People, Especially Vulnerable Populations, Achieve their Potential by Promoting Family and Other Supportive Environments

Measures

Development contacts as a percent of all contacts 12

Number of programs targeted to special populations 25

Number of requests for emergency services 14,839

Number of participants indicating improved family functioning 237

PLANNED USE OF CSBG FUNDS

Grants to Eligible Entities

The State of Arkansas will not use less than ninety percent of the funds allotted to the State to make grants to private non-profit eligible entities (Community Action Agencies) for the purposes described in 42 USC 9901.

The State has designated as eligible for funding out of the CSBG grant only those activities listed as eligible for funding in the Act. Activities include those which:

1. remove obstacles and solve problems that block the achievement of self sufficiency (including self sufficiency for families and individuals who are attempting to transition off a State program carried out under Part A of Title IV of the Social Security Act);
2. secure and retain meaningful employment;
3. attain an adequate education, with particular attention toward improving literacy skills of low-income families;
4. make better use of available income;
5. obtain and maintain adequate housing and a suitable living environment;
6. obtain emergency assistance through loans, grants, or other means to meet immediate and urgent family and individual needs;
7. achieve greater participation in the affairs of the communities involved, including the development of public and private grassroots partnerships with local law enforcement agencies, local housing authorities, private foundations, and other public and private partners to:
 - a. document best practices based on successful grassroots intervention in urban areas, to develop methodologies for widespread replication; and
 - b. strengthen and improve relationships with local law enforcement agencies, which may include participation in activities such as neighborhood or community policing efforts.
8. address the needs of youth in low-income communities through youth development programs that support the primary role of the family, give priority to the prevention of youth problems and crime, and promote increased community coordination and collaboration in meeting the needs of youth, and support development programs that have demonstrated success in preventing or reducing youth crime; and
9. make more effective use of, and to coordinate with, other programs related to the purposes of the subtitle (including State welfare reform efforts).

State Administration

The Department of Human Services, Division of County Operations, Office of Community Services, will use 5% of the total allocation for administration at the State level.

Discretionary Funds

The remaining 5% will be spent as a discretionary fund within the State agency to fund activities deemed to be useful to advance the purposes of the Act. Approximately 20% of CSBG funds will be set aside for victims of natural disasters who meet the poverty guidelines. Another 40% will be used to provide technical assistance and training needed by eligible entities and organizations, which serve the low-income communities, which training and assistance would not otherwise be available to them. The remaining 40% will be used to fund discretionary projects of nonprofit agencies and organizations. The percentages are only estimates of fund usage. The State's needs will dictate the criteria and guidelines for such projects.

Recapture and Redistribution of Funds

State policy 4140 K states any unobligated funds of an eligible entity exceeding 20% carryover at the end of the program year may be redistributed by OCS to fund activities consistent with the purposes of the CSBG Act.

COORDINATION AND LEVERAGING OF OTHER FUNDING AT STATE LEVEL

The plan calls for the State Agency and eligible entities, to the maximum extent possible, to coordinate programs with and form partnerships with other organizations serving low-income residents of the communities and members of the groups served by the State, including religious organizations, charitable groups, and community organizations. As a condition for funding, CSBG Policy 4140 B 5 requires eligible entities to coordinate and establish linkages between governmental and other social services programs to assure the effective delivery of such services to low-income individuals. Eligible entities will describe in their plans how they will coordinate with other programs.

The Office of Community Services participated in the statewide workgroup to assist in development of the Workforce Investment Act unified State Plan, an eligible entity Executive Director was appointed by the Governor to serve on the Arkansas Workforce Investment Board, and local eligible entities serve on local Workforce Investment Boards.

Attachments

Attachment (i)

Arkansas Community Services Block Grant
Policies and Procedures Manual

It is the mission of the Office of Community Services (OCS) to be the lead agency in state government in dealing with the problems of the poor. This agency is responsible for providing technical assistance to local communities and local agencies in providing community services to low-income persons. OCS is responsible for administration of the Community Services Block Grant (CSBG), Emergency Shelter Grants Program (ESGP), Home Energy Assistance Program (HEAP), Weatherization Assistance Program (WAP) and other grant programs designated by state government to be administered by OCS. OCS is also responsible for addressing the needs of the homeless in the state. OCS is charged with informing the Governor, Legislature and state government about the problems of the poor and the overall efforts of the agency and eligible entities to improve the quality of life for these Arkansans.

OCS policies and procedures are designed to maintain programmatic and fiscal control over all grants administered by OCS and its eligible entities. These policies and procedures are, in principle, a plan of organization under which the duties are so described as to ensure effective operation of all programs.

The purpose of this manual is to set forth procedures that contribute to sound organizational functioning.

2100 Administration of OCS Programs

The OCS of the Division of County Operations (DCO) of the Arkansas Department of Human Services (DHS) has been designated by the Governor as the agency responsible for administering CSBG, HEAP and WAP. Other Divisions of DHS provide certain support functions for OCS. OCS negotiates subgrant agreements with local agencies and governments, primarily with local eligible entities, to administer specific OCS program functions.

The relationship between OCS and eligible entities is described in the various subgrant agreements. In general, eligible entity responsibilities include outreach, application intake, eligibility determination, provision of services, and other administrative functions specified in the various subgrant agreements and in this manual. Eligible entities are responsible for effective and efficient program implementation in accord with program requirements.

OCS responsibilities include program planning and coordination, development of policy, procedures and forms, evaluation of program implementation by program monitoring, management of program funds, and other administrative functions specified in the various subgrant agreements and in this manual.

All OCS programs will be coordinated in every way feasible to assure that a comprehensive package of services is offered to low-income persons within the resources available.

2110 Applicability of Manual

This manual is organized as follows: General sections apply to all OCS programs except as specified otherwise. The remaining sections contain policies particular to specific OCS programs.

2120 Severability

The provisions of these regulations are severable, and if any provision is held unconstitutional or a violation of statute by any court of competent jurisdiction, or shall otherwise cease to be effective, all other provisions of these regulations shall remain in effect.

2130 Implementation and Waiver

Each eligible entity shall take all necessary steps, including but not limited to the adoption of amendments to existing by-laws, in order to comply with the requirements of these regulations at the effective date of these regulations. In the event that compliance with any requirement(s) set forth in these regulations would pose a hardship for any eligible entity, that agency may request a waiver. Such a request shall be in writing and shall state with particularity the requirement for which the waiver is sought, the length of delay of implementation requested and the reasons for the request. The Assistant Director of Community Services or his/her designee shall grant or deny the request in writing.

2140 Maintenance of the Manual

Material in this manual will be reviewed periodically and will be updated as necessary by OCS consistent with the requirements of the State Administrative Procedures Act.

Eligible entities will be provided copies of modifications to these materials in a format determined by OCS. Eligible entities are responsible for filing issuance letters, in numerical order, in the front of this manual.

3000.

GENERAL GRANTS MANAGEMENT

3100. Citizen Access and Privacy

- A. The following documents must be made available for public inspection:
1. Funding applications submitted to OCS for funds;
 2. The eligible entity's most recent Articles of Incorporation, by-laws, board membership list, needs assessment and Statement of Purposes and Strategy;
 3. All contracts (including funding, consulting, goods and services) pertaining to OCS funds;
 4. All final reports (including audits) made to OCS on projects funded with OCS funds;
 5. Minutes of the meetings of the Board of Directors;
 6. Position titles, salary ranges and job descriptions for all compensated positions.
- B. These documents may be made available to the public at the eligible entity's office at a reasonable time scheduled by the eligible entity and as agreed to by the person requesting the information. If the requesting person wishes copies of the document and it is feasible to provide such copies, the eligible entity may request a reasonable fee, not to exceed actual costs; for the copying of such documents.
- C. Privacy: State and federal regulations shall apply for privacy of personal data held by the eligible entity relative to OCS-supported personnel, programs and activities.

3110 Personnel Policies and Procedures

- A. Published Personnel Policies: To provide for the consistent and equitable treatment of employees and to insure that all such employees fully understand the terms and conditions of their employment, each eligible entity shall issue published personnel policies which include:
1. Access to a salary schedule listing the salary or salary range with steps for each position or group of positions.
 2. Access to a job description for each agency position.
 3. Agency rules governing vacations, sick leave, periodic salary increases and other conditions of employment.
 4. A description of any benefit plans with details on agency and employee contributions to those plans.

5. Agency rules governing promotion, separation, resolution of grievances and regulations of employee conduct.
6. Code of Conduct for employees as set forth in 3120.
7. A hiring process for the position of the eligible entity's Executive Director, including at a minimum the recruitment and screening process, criteria for selection, board role in the selection process and other such relevant procedures.
8. Procedures and policies to meet the requirements set forth in 3110 C.

B. Standards Governing the Selection of Personnel for Employment in OCS-Funded Programs.

1. Each eligible entity shall employ persons who can perform their duties with competence and integrity.

Every consideration must be given to providing employment opportunity to low-income persons who have been denied the benefit of formal education. Each eligible entity shall make certain that its recruiting procedures afford adequate opportunity for the hiring and advancement of people to be served by community action programs. The attainment of a high level of education may be important to performance in certain positions. However, formal educational or licensing qualifications, unless required by state or local law, shall not be made a requirement for employment or advancement in either professional or non-professional capacities if a candidate has the ability to perform the duties of the position.

2. When the eligible entity Executive Director position is vacated or about to be vacated, the eligible entity board shall notify OCS as soon as possible.
3. No eligible entity shall discriminate in its hiring and personnel procedures against any applicant for employment or any employee because of race, creed, or color, national origin, religion, handicap, sex or age.

C. Personnel Practices

1. The salary for each position shall be in accord with prevailing practices for comparable positions in local public and/or private non-profit agencies. The eligible entity shall maintain records of comparability studies that support such salary determination and make them available to OCS on request.
2. An eligible entity may provide for periodic salary increases that are in accord with prevailing practice in

comparable local public and/or private non-profit agencies.

3. An eligible entity may participate in existing benefit plans or establish new plans which are in accord with prevailing practice in comparable local public and/or private non-profit agencies. Grant funds may not be used to provide benefits in excess of the State of Arkansas employee benefit plan or an approved alternate plan.
4. Travel reimbursement policies must be included in the eligible entity's published personnel policies. These policies must not exceed the State of Arkansas travel reimbursement policies or approved alternate plan.
5. Employee grievances shall be given prompt and fair consideration. Eligible entities shall make provision for review of personnel actions by the governing body in any case in which there is a claim of unfair treatment or of dismissal without cause in compliance with the procedures set forth in the eligible entity personnel policies.
6. Eligible entities shall enforce the following provisions relating to outside employment of their employees:
 - a. Such employment shall not interfere with the efficient performance of the employee's duties with the eligible entity.
 - b. Such employment shall not involve the performance of duties which the employee shall perform as part of his/her employment with the eligible entity.
 - c. Such employment shall not occur during the employee's regular or assigned working hours in the eligible entity agency unless the employee, during such employment, is on either annual leave, compensatory leave or leave without pay.

D. Maintenance of Personnel Records. Eligible entities shall keep the following records on all employees.

1. Appropriate records on all personnel actions including hiring and discharge, promotion and discipline.
2. Records on the salary and any salary increases received by each full time employee.
3. Time and attendance records for all employees signed by both the employee and the employee's supervisor.

The eligible entity shall observe the following minimum standards governing the conduct of board members, employees and their immediate families.

For the purpose of these requirements, immediate family members shall be defined as follows: Husband, Wife, Father, Father-in-law, Mother, Mother-in-law, Brother, Brother-in-law, Sister, Sister-in-law, Son, Son-in-law, Daughter and Daughter-in-law.

- A. Board members, employees and members of their immediate families shall not solicit or accept gifts, gratuities, favors, or anything of monetary value from:
 - 1. Any contractor, potential contractors or subcontractors of the eligible entity.
 - 2. Any person applying for or receiving benefits or services through or from the eligible entity.
 - 3. Any person in a position to benefit otherwise from the activities of the eligible entity.

- B. No board member, employee or member of his/her immediate family shall have a financial interest in a contract of the eligible entity (except an employee's contract of employment) which is supported by OCS funds. This shall not be construed to deny services provided by the eligible entity to a person otherwise eligible to receive such services.

- C. A board member or employee of an eligible entity agency shall not participate in any matter involving OCS funds or other funds administered by OCS which affects, to his/her knowledge, the financial interest of:
 - 1. Such board member or employee, or his/her immediate family (this prohibition shall not apply to matters of reimbursement of board members in accordance with these regulations or to an employee's contract of employment);
 - 2. His/her business partner(s) or a business organization with which he/she is associated;
 - 3. Any person or organization with whom he/she is negotiating or has any arrangement concerning prospective employment.

- D. No person may serve on the eligible entity board who is:
 - 1. An employee of the eligible entity agency, DHS, the U. S. Department of Health and Human Services, or the U. S. Department of Energy.

- E. No person shall be employed while he/she or a member of his/her immediate family serves on a board or committee of an eligible entity if that board or committee has authority to order personnel actions affecting his/her job.

- F. No person shall hold a position of employment over which a member of his/her immediate family exercises supervisory authority.
- G. Board members and employees of the eligible entity agency shall refrain from conduct which gives the appearance of violating any of the above standards.
- H. Failure of an agency to comply with these policies shall be cause for suspension.

3130 Affirmative Action

An equal opportunity and affirmative action work plan which must establish objectives to indicate compliance with federal and state laws relative to nondiscrimination in the use of OCS funds must be on file and available for review.

- A. At a minimum, objectives and activities must include:
Procedures for addressing any prohibited discrimination and resolving any complaints and grievances pertaining to such discrimination; means for addressing the underutilization of any protected class in employment or receipt of OCS program benefits; and methods to insure that no person is denied program access on account of handicap in accordance with federal and state law.

- B. The following information must be updated: Name of the Equal Opportunity Officer and a description of his/her duties; a description of duties of the Equal Opportunity Governing Board (if any) and a list of its members; a numerical analysis of the composition of the agency's work force by position type and the Governing Board membership on the basis of sector represented.

The agency may not appoint as its Equal Opportunity Officer the Executive Director. The eligible entity shall have this information available for review by OCS Monitors or available upon request by OCS.

3135 Americans with Disabilities Act

The Americans with Disabilities Act (ADA) of 1990 prohibits discrimination against any individual with a disability in regard to employment, benefits, and services. As an integral part of its overall affirmative action plan, the eligible entities must comply with the guidelines and requirements specified in the ADA.

In accordance with ADA, the eligible entity will not discriminate against any individual with a disability and shall ensure compliance in the following areas:

- A. The eligible entity will not discriminate against any employee, client, or applicant for employment because of physical or mental disability.

- B. The eligible entity further agrees to comply with the rules and regulations promulgated by OCS and specified in the Americans with Disabilities Act of 1990.

- C. The eligible entity agrees to post in conspicuous places relating to clients, employees and applicants for employment, any notices approved by the Director of U.S. Department of Labor or other federal funding agencies.

- D. The eligible entity must notify OCS of any complaints received regarding non-compliance with ADA.

3140

Prohibited Political Activities

- A. The Coats Human Services Reauthorization Act of 1998 specifically makes eligible entities subject to certain provisions of the federal Hatch Act. Unless superseded by federal statute, guidelines, directives, or regulations, the following is intended to provide guidance to eligible entities as to appropriate standards of conduct relative to political activities, as well as to the use of OCS funds for political purposes.
 - 1. Eligible entities must administer programs in a politically nonpartisan manner. The use of OCS funds, the provision of services and the assignment of personnel must not result in the identification of the program with any partisan political activity which is designed to further any election or defeat of a candidate for public or party office. In addition, the eligible entity may not use OCS funds, the provision of services, or the assignment of personnel in connection with transporting voters or potential voters to the polls.
 - 2. Anti-poverty programs often include activities which may become the subject of political controversy. Eligible entities may, of course, undertake activities dealing with issues related to their basic program responsibilities, such as organizing and advocating for the needs of low-income persons. In carrying out their basic mission and goals, eligible entities may actively engage in campaigns connected with constitutional amendments, referenda, municipal ordinances, law reform and lawful attempts to influence government officials to respond to the grievances of the poor. Eligible entities need not avoid such activities merely because partisan officials or candidates for public office may take or have taken positions with respect to the issue. Agency officials acting in their official capacities must, however, deal with questions which have become a subject of political controversy on their merits and not because they are supported or opposed by a particular party or candidate.
 - 3. Except as set forth in these requirements, employees of eligible entity agencies are free to engage in various kinds of political activities during their off-duty hours and in their private capacities. A broad range of participation in elections is permitted. These restrictions apply to the use of OCS funds, the provisions of services, and the assignment of agency personnel in a manner which identifies any OCS-funded programs with partisan political activity, nonpartisan activity associated with a candidate or contending faction or group

in an election for public or party office, voter registration and the transportation of voters to the polls. These restrictions are, in a broad sense, designed to prohibit the use of OCS funds for certain purposes. They apply to all OCS-funded personnel. Insofar as the individual employee is concerned, however, these restrictions deal only with what he or she does as an employee.

4. The following restrictions apply to all employees, volunteers and board members:
 - a. Must not use their official position, authority or influence with the agency for the purpose of interfering with or affecting the result of an election or a nomination for a party or public office.
 - b. Must not directly or indirectly coerce, attempt to coerce, command or advise an employee or any other person who is subject to these restrictions to pay, lend or contribute personal services to a party, committee, organizations, agency or person for political purposes.
 - c. Must not use OCS funds for any political purpose or to influence any election for public or party office.
 - d. Must not permit the use of equipment or premises purchased or leased with OCS funds for any political purpose or to influence outcome of any election for public or party office. This restriction applies only to facilities when under the control of the eligible entity.
 - e. Must not discriminate, or threaten or promise discrimination, against or in favor of any employee or beneficiary in the program, or any potential employee or beneficiary, because of his/her political affiliations or beliefs, or require any applicant, employee or beneficiary to disclose his/her political affiliation.
 - f. Must not offer any person employment, promotion or benefits under the program as a reward for the support or defeat of any political party or candidate for public or party office, or threaten or create disadvantage in employment or deprivation of benefits as a penalty for such support, except that a person may be deprived of employment or subject to lesser

penalties for engaging in activities which are forbidden by this subsection.

g. May not, while carrying out the programs of their agencies, engage in voter registration activity or in transporting voters or prospective voters to the polls. (Board members are not included in this restriction.) This restriction applies to the use of OCS funds, facilities or equipment purchased with OCS funds, as well as to the provision of OCS services, and the assignment of OCS-funded personnel. All persons may participate in voter registration during their off-duty hours, so long as they avoid identification of such off-duty activities with the eligible entity.

h. An eligible entity may properly conduct a citizenship education program which includes, as part of the curriculum, information about the mechanics and function of voter registration. Such a program may be valuable in educating the poor as to the legitimate and constructive roles they as citizens may play in local community life and in the American democratic process.

i. Candidates' meetings, even if all rival candidates for one or more public offices appear, shall not be sponsored or conducted with OCS funds or facilities. This restriction on the use of OCS funds does not, however, limit the rights of employees, volunteers or board members to participate in candidates' meetings, subject to these restrictions.

3150

Bonding and Liability Insurance

- A. The eligible entity must, as a condition for the receipt of OCS funds, secure fidelity bond coverage for appropriate eligible entity officials. Coverage must be secured for each person authorized to sign or countersign checks or to transport, maintain custody of, or disburse sizable amounts of cash (such as for payrolls) in the minimum amount equal to ten percent of the total funds awarded to be disbursed.
- B. Prior to its initial agreement with OCS for funding, each eligible entity shall submit assurance that this condition has been met. This assurance shall take the form of a letter from a

bonding company or agent stating the type of bond, amount and period of coverage, positions covered, and the annual cost of the bond that has been obtained. OCS must be notified by the eligible entity within thirty days of any changes in bonding coverage.

3160 Travel Reimbursement

- A. Travel costs will be reimbursed at actual cost not to exceed the current rate paid by the State of Arkansas to its employees.

- B. The eligible entity cannot charge travel costs in excess of the maximums outlined in state agency regulations except in an alternative travel reimbursement plan approved by OCS prior to implementation by the eligible entity.

- C. Receipts must be obtained for all travel expenses except meals. Travel forms showing destination and reason for the trip must be approved by the director before reimbursement for mileage.

- D. The travel day shall commence at 6:00 a.m., include breakfast, lunch, dinner and one night's lodging and shall end the following morning at 6:00 a.m.

- E. Before an employee can claim reimbursement for meals and lodging, an "official station" must be established by the Executive Director. Reimbursement cannot be claimed for meals and lodging within the city or town designated as the traveler's "official station". The city or town where meals and lodging were purchased must be listed on the travel form. When privately owned vehicles are used for authorized travel, the eligible entity will assume no responsibility for any maintenance, operational costs, accidents or fines incurred by the owner of the vehicle.

- F. The following are not reimbursable expenses: entertaining, tips, flowers, valet service, laundry, cleaning or other similar services.

- G. When traveling by air on official business, the traveler should use less than "first class" accommodations when available.

- H. All claims for travel by agency employees must be made out by the traveler and payment will be made only to the traveler. One employee may not include in his travel expense statement the expenses of another employee traveling in his company.

- I. Claims made out in the name of a hotel or claimant other than the traveler will not be approved for payment.

- J Expenses for rental of space, decorations, entertainment or other arrangements in connection with banquets held solely for the benefit of employees are not reimbursable.
- K. For out-of-state travel, reimbursement shall be the lesser of air fare according to H above, or the current state mileage reimbursement rate when a private car is used.

3170 Procurement

- A. Procurement Procedures. The eligible entity shall establish written procurement procedures which provide for, at a minimum, the following:
1. Proposed procurement actions shall follow a procedure to assure that unnecessary or duplicative items are not purchased. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economically practical procurement.
 2. Solicitations for goods and services shall be based on a clear and accurate description of the technical requirements for the material, product or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equal" description may be used as a means to define the performance or other salient requirements of a procurement, and when so used the specific features of the named brand which must be met by bidders/offerers shall be clearly specified.
 3. The type of procuring instruments used, e.g., fixed price contracts, cost reimbursable contracts, purchase orders, incentive contracts, shall be determined by the procuring party but must be appropriate for the particular procurement and for promoting the best interest of the grant project or program involved. The "cost-plus-a-percentage of construction costs" method of contracting shall not be used.
 4. Contracts shall be only with responsible contractors who possess the ability to perform successfully under the terms and conditions of a proposed procurement.
 5. All procurement transactions shall be conducted in a manner to provide to the maximum extent practical, open and free competition.

- a. Purchases of less than \$500.00 may be made without competitive bids.
 - b. Purchases of \$500.00 but less than \$5,000.00 shall require at least three informal bids. These may be either verbal or written. The records should indicate these bids and how they were obtained.
 - c. Purchases of \$5,000.00 or more shall be made only after receiving sealed bids in response to advertised requests.
 - d. Written justification must be in the file if other than the lowest bid is accepted.
 - e. Splitting purchases to avoid competitive bids will not be allowed.
 - f. Notice inviting bids shall be given not less than five (5) calendar days nor more than thirty (30) calendar days preceding the date for the opening of bids by publishing such notice at least one (1) time in at least one (1) newspaper having general circulation in the state, but in all instances, adequate notice shall be given. The notice shall include a general description of the commodities or services to be procured and shall state where invitations for bid may be obtained. The notice shall also state the date, time, and place of bid opening.
 - g. Bids shall be opened publicly in the presence of one (1) or more witnesses at the time and place designated in the invitation for bids. Each bid, together with the name of the bidder, shall be recorded and open to public inspection.
6. Solicitations shall clearly set forth all requirements that the bidder/offerer must fulfill in order for the bid/offer to be evaluated. Awards shall be made to the responsible bidder/offerer whose bid/offer in response to the solicitation is most advantageous to the eligible entity, price and other factors considered. Factors such as discounts, transportation costs, and taxes may be considered in determining the lowest bid. Any and all bids/offers may be rejected when it is in the eligible entities interest to do so.

Eligible entities may not place unreasonable requirements on firms in order to qualify to do business or unnecessary experience and bonding requirements.

7. The eligible entity must make some form of price or cost analysis in connection with every procurement action with a total cost of \$500.00 or more. Price analysis may be accomplished in various ways, including the comparison of price quotations, market prices and similar indicators together with discounts. Cost analysis is the review and evaluation of each element of cost proposed by the offerer to determine reasonableness, allocability and allowability.
 8. Where an eligible entity proposes to enter into a sole-source contract, or a contract where only one bid or proposal is received, such contract shall be subject to prior approval by OCS.
 9. Eligible entities shall maintain records sufficient to detail the significant history of a procurement. These records shall include, but are not necessarily limited to, information pertinent to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection and the basis for the cost or price.
 10. A system of contract administration shall be maintained to ensure contractor conformance with terms, conditions, and specifications of the contract and to ensure adequate and timely follow-up of all purchases.
- B. Contracts for Procurement. All contracts for procurement of property and/or services shall be in writing and shall provide appropriate remedies to the eligible entity in case of breach of the contractor.
- C. Minority Procurement. Where possible, eligible entities shall make every effort to contract with minority businesses.

3180

Financial Policies and Procedures Manual

- A. Financial Procedures Manual. All eligible entities are required to maintain an updated Financial Procedures Manual which establishes procedures to meet each fiscal standard as set forth in these requirements. This manual will set forth the procedures for the authorization of purchases, approval of obligations, preparation of vouchers, the signing of checks, the recording of financial data in books or record, inventory control and, in general, the safeguarding of assets and records. The completed manual (and any amendments thereto) must be approved by the eligible entity's Board of Directors and an informational copy submitted to OCS.

B. Standards for Eligible Entity Financial Management Systems. As a condition for receipt of OCS funds, the eligible entity must have a financial management system that meets the following standards:

1. Accurate, current and complete disclosure of OCS programs so that funds can be traced from receipt to actual delivery of services to low-income persons.
2. Records that identify adequately the source and application of funds for OCS-sponsored programs. The records shall contain information pertaining to awards, authorizations, obligation, unobligated balances, assets, outlays and income.
3. Effective control over and accountability for all funds, property and other assets. Agencies shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.
4. Comparison of actual outlays with budget amounts for each grant or other agreement. Financial information should be related to performance data.
5. Procedures for determining the reasonableness, allowability and allocability of costs in accordance with the provisions of the applicable cost principles and the terms of the contract.
6. Accounting records that are supported by source documentation.
7. Audit to determine, at a minimum, the fiscal integrity of financial transactions and reports, and the compliance with laws, regulations, and administrative requirements. The eligible entity will schedule and complete such audits annually.
8. A systematic method to assure timely and appropriate resolution of audit findings and recommendations.

C. Property Management.

1. Real Property. No real property may be purchased in whole or in part with OCS funds unless specifically approved by OCS in writing.
2. Property Disposition: When property purchased with OCS funds is no longer needed for the approved project, the eligible entity shall request from OCS disposition instructions or permission to use that property in other

programs consistent with OCS purposes. This provision applies to tangible personal property having a useful life of more than one year and an acquisition cost of \$1,000.00 or more per unit.

3. Inventory Procedures:

- a. The eligible entity shall maintain an inventory listing of all property (with a unit cost of \$500.00 or more) purchased with OCS funds. This listing shall include the date of purchase, inventory number, cost, portion of OCS funds used to purchase the property, if not fully paid for by OCS funds, procurement procedures used for purchase, location of property, and the OCS contract/program for which the property was purchased. This listing shall be kept current at all times.
- b. All property (with a unit cost of \$500.00 or more) shall be labeled with the inventory number assigned to it by the inventory listing required below.
- c. This inventory listing need not be submitted to OCS but must be made available on request.
- d. A comprehensive inventory to assure inventory listing accuracy must be conducted and recorded at least every two years.

D. Cost Principles. Each eligible entity shall adhere to the Cost Principles set forth in the U. S. Office of Management and Budget (OMB) Circular A-110 and A-122 ("Cost Principles for Non-Profit Organizations") in the use of OCS funds. All OCS funds shall be maintained in a bank account separate from any other funds an agency might possess. However, this will be waived if the agency can demonstrate that their system provides for program identification of funds. OCS bank statements will be reconciled to the general ledger and checkbook monthly. All checks written on OCS bank accounts will require two signatures, one of which will be the Executive Director or designee.

1. Salaries and wages: Regular full-time, part-time, and extra help employees must be supported by time sheets.

2. Fringe benefits: The agency's proportion of the amounts necessary to contribute the agency's share to match the deductions from the salaries of employees for social security and other approved benefits. The maximum amount allowed in this category shall not exceed the current amount allowed for fringe benefits by the State of Arkansas to its employees.
3. Professional Fees: Expenses for contractual agreements entered into by the eligible entity with an individual, partnership, corporation or anyone other than an employee of the respective eligible entity to provide a particular document, report, speech, or study must be supported by itemized invoice authorized by the agency director.
4. Travel: Actual costs of the agency employee's travel, subsistence, meals, lodging, and transportation while traveling on official business and actual cost of travel expense for representatives of agency boards, subject to travel reimbursement provisions of 3160.
5. Space Costs and Rentals, Operating Expense: Postage, equipment, surety and performance bonds, insurance premiums, association dues and memberships, contractual services, newspaper, court cost, and equipment not capitalized must be approved by the Executive Director.
6. Lease and Purchase of Equipment: Lease or purchase of vehicles, office equipment and furniture and expenditures from this category must have the written approval of the OCS Assistant Director. Items are considered to be equipment which have a unit cost of \$500.00 or more and a life of two years or more. Each agency must maintain an inventory of fixed assets which can be reconciled to the accounting records. The approval should be maintained in the property records for audit purposes.

E. Prohibition on Use of OCS Funds for Lobbying Activities. No OCS funds of a contract or grant recipient may be used to pay the salary or expenses of any staff member or agent acting for such recipients to engage in activity designed to influence legislation or appropriations pending before the U. S. Congress or the Arkansas Legislature.

F. Retention and Disposition of Records

1. Financial records, supporting documents, statistical records, and all other records pertinent to an OCS contract are covered by these requirements.
2. The retention period for each year's records starts from the end date of the eligible entity's program year.
3. Records shall be retained for a minimum of three years. If any litigation, claim or audit has not been fully resolved before the expiration of the three year period, all relevant records shall be retained until one year after resolution.
4. When records and materials are to be discarded, they will be destroyed by burning or shredding. These methods of destruction will maintain confidentiality by insuring that none of the confidential information can be obtained by unauthorized individuals.
Records, such as data forms, policy issuances, etc., which do not contain client names or information which is traceable to a client, may be discarded as the eligible entity deems best.

G. Access to Records

Eligible entities shall provide OCS and/or its authorized representative access to all books, records, documents and compilations of data relating to OCS programs.

H. Certification of Accounting System.

1. Before funds will be released to an eligible entity receiving an initial contract using OCS funds, the eligible entity must submit a statement to OCS certifying that its accounting system meets OCS financial requirements and standard acceptable accounting practices. The accounting system must have internal controls adequate to safeguard their assets, check the accuracy and data, promote operating efficiency and encourage compliance with OCS policies. The certification shall be furnished by an independent Certified Public Accountant (CPA).

2. Within three months after the effective date of an initial contract, an eligible entity must have its accounting system surveyed and evaluated by an independent CPA. If the independent CPA's findings show significant departure from these policies, OCS shall take steps to have the eligible entity correct the deficient practices prior to suspension or termination.

3. Although accounting system certifications are usually required only for the initial OCS contract with an eligible entity, if the submitted annual audit or finance reports indicate system deficiencies, OCS may require a new certification from an ongoing contract agency.

3200 Corrective Action, Suspension, Termination and
Establishment of Eligible Entity Status.

- A. Corrective Action: OCS shall require an agency to submit a Quality Improvement Plan (QIP) when OCS determines that an eligible entity has failed to comply with and meet the requirements contained in regulations or published administrative requirements of OCS, has failed to fulfill its funded work program, or has breached the terms of its funding agreement with OCS.

If the OCS Assistant Director determines that an emergency situation exists due to threat of imminent loss or waste of OCS funds and that immediate action is required due to the seriousness of the violation and/or is necessary to protect OCS funds or property: 1) OCS shall notify the agency (by certified mail) of the deficiency to be corrected and may require that the eligible entity develop a Quality Improvement Plan to correct the deficiency within sixty days from date of notice. OCS will establish a reasonable time frame for the eligible entity to correct the deficiency. 2) OCS may immediately suspend the agency from participation pending an opportunity for appeal. 3) OCS may offer training and technical assistance, if appropriate, to help correct the deficiency.

When technical assistance is offered by the State, OCS will prepare and submit to the Secretary a report describing the training and technical assistance offered within 60 days from the date of notification for QIP. If the state determines that such training and technical assistance are not appropriate, OCS will prepare and submit to the Secretary a report stating the reasons for this determination within sixty days from date of notification for QIP.

OCS will review the Quality Improvement Plan submitted by the agency and inform the eligible entity of its approval or disapproval status within 30 days from the date the Quality Improvement Plan is received by OCS.

If the plan is not approved, OCS will notify the eligible entity of disapproval (by certified mail), specify reason the plan was not approved, and give notice of suspension.

- B. Suspension: The suspension notification shall include a date beyond which no OCS funds may be expended by the entity, or alternatively, such other restrictions on OCS expenditures as OCS may require. If the eligible entity wishes to appeal this determination, it must submit a written request to the Assistant Director to remove the suspension. This request must be made within twenty days of the date of the suspension notice. The eligible entity may include a request for a meeting with the DCO Director upon which the DCO Director shall schedule such a meeting to be held within ten days of receipt of the request and issue a finding, in writing, within ten days of adjournment of the meeting.

If entity requests review by HHS, no funds determination is final until HHS reviews. If the DCO Director denies the appeal, the eligible entity may appeal to the DHS Director, in writing within ten days. The DHS Director shall schedule such an appeal to be held within ten days of receipt of the request and shall issue written findings within ten days of adjournment of the appeal hearing. If the DHS Director denies the appeal, OCS may initiate termination of status of the agency as an eligible entity according to procedures as set forth in 3200 C.

C. Termination.

1. OCS may initiate procedures to terminate the status as an eligible entity of a Community Action Agency in the following instances:
 - a. Where an eligible entity has been suspended under 3200 B., following either passage of the twenty days allotted for the eligible entity's appeal or a denial of the appeal by the DHS Director.
 - b. As provided in any exclusion or debarment law or rule.
2. The procedures for termination of status as an eligible entity of a subgrantee shall be as follows:
 - a. OCS shall provide the eligible entity with written notice (by certified mail) of OCS's intent to terminate the status of the eligible entity and the reasons for this termination. The notice shall specify the effective date of termination of status and termination of all OCS funded activities, which date shall be no sooner than sixty days from the time of sending such notice to the eligible entity. The notice shall also provide necessary program instructions, including any restrictions on eligible

entity expenditures, pending the effective date of termination of status.

b. The eligible entity may appeal, in writing, to the DCO Director within twenty calendar days following receipt of the notice of OCS's intent to terminate status. This appeal shall address the reasons for termination and, where appropriate, any corrective action taken, or proposed to be taken, by the eligible entity. The appeal may also include a request by the eligible entity that the DCO Director or his/her designee hold a public hearing before making a decision, in which case such a public hearing "on the record" shall be held within twenty days. At this hearing the eligible entity shall have the right to present evidence and argument on all issues contained in the appeal.

c. The DCO Director shall make specific written findings of fact and conclusions of law and enter one of the following decisions:

(1) Reverse the agency decision and remove the notice of intent to terminate.

(2) Reverse the termination but affirm the specific corrective action that must be taken in order for the agency to maintain its status as an eligible entity. If the eligible entity subsequently fails to take such corrective action, OCS may terminate the agency.

(3) Affirm the agency action. The eligible entity may request review by the federal funding agency. If an agency requests a review by the federal funding agency, no determination, other than an emergency action shall be effective until the federal funding agency affirms or rejects the state's finding of cause. The DHS Director's decision is the final agency determination.

D. Voluntary Suspension of Status as Eligible Entity

An eligible entity may request and OCS may approve voluntary suspension of the status of the eligible entity for a stated period of time. OCS shall make arrangements it deems necessary to assure the

continued provision of services during the period of voluntary suspension. The voluntary status of suspension shall be lifted at the agreed upon time. If upon completion of the period of voluntary suspension, OCS determines that suspension shall continue, normal steps for corrective action prior to suspension shall apply, including the rights of appeal by the eligible entity. The eligible entity may request and OCS may approve an extension of the period of voluntary suspension.

E. Establishing Eligible Entity Status

If an existing eligible entity terminates its service, the Governor will solicit applications from eligible entities and designate an eligible entity to provide services in the unserved area. The eligible entity shall be:

1. A private nonprofit organization (which may be an eligible entity), that is geographically located in the unserved area, that is capable of providing a broad range of CSBG services designed to eliminate poverty and foster self-sufficiency. Special consideration will be given to qualifying organizations who are providing related services in the unserved area, consistent with the needs identified by a community-needs assessment.
2. A private nonprofit eligible entity that is geographically located in an area contiguous to or within reasonable proximity of the unserved area and that is already providing related services in the unserved area. The nonprofit eligible entity selected shall have its board constituted so as to assure adequate board representation as follows:
 - a. The private nonprofit eligible entity shall administer the Community Service Block Grant Program through a tripartite board that fully participates in the development, planning, implementation, and

evaluation of the program to serve low-income communities.

- b. The members of the board shall be selected by the entity.
 - c. The board shall be composed so as to assure that (1) elected public officials or their permanent representatives shall comprise one-third of the board. (2) representatives of low-income persons shall comprise at least one-third of the board. (3) Representatives of business, industry, labor, religious, law enforcement, education or other major groups and interests in the community shall comprise the remainder of the board.
3. No Qualifying Organizations in or Near Area:
If there is no private nonprofit organization identified or determined to be qualified to serve as an eligible entity, the Governor may solicit application from, and designate a political subdivision to serve as an eligible entity to provide services in the unserved area. The political subdivision shall have a tripartite board or other mechanism to assure decision making and participation by low-income individuals in the development, planning, implementation, and evaluation of programs. The board shall be constituted so as to assure that no fewer than 1/3 of the members are representatives of low-income individuals and families in the neighborhoods and that they reside in the neighborhoods served.

3210 Abuse or Misuse of Funds

Any evidence of suspected criminal activity related to OCS funds or programs by an eligible entity or any of its staff or board members shall be referred to appropriate authorities for possible prosecution.

3220 Single Agency Audit

A. Annual Audit.

- 1. Each eligible entity shall arrange for an annual audit to confirm that the financial statements present fairly and accurately the financial position of the eligible entity, that the eligible entity is complying with applicable OCS requirements and with general and special contract conditions, and that appropriate financial and administrative procedures and controls have been installed, are operating effectively, and are consistent with the eligible entity's Financial Procedures Manual. The audit shall cover the eligible entity's prior audit

year in total and shall be submitted to OCS no later than 120 days after the eligible entity's program year ends.

2. Eligible entities are required to conduct a single agency audit in accordance with OMB Circular A-133.
3. Each eligible entity shall enter into a written agreement with an auditor for this purpose specifically stating the scope of the audit, that OCS regulations will be applied as the basis of the audit, the auditor's responsibility, the date by which the audit will be completed, and the fee to be paid by the eligible entity.
4. If an audit report does not meet the standards of the Single Agency Audit Act Amendments of 1996, the eligible entity will receive notice as to what further action, if any is necessary, to meet these requirements. The cost of an audit that does not meet these requirements may be disallowed as a charge against OCS funds.
5. On the basis of resultant findings and conclusions, OCS will determine whether any of the costs or expenditures incurred shall be disallowed as charges against OCS funds. In the event of disallowance, OCS may seek recovery of sums by appropriate means. OCS may also impose additional requirements to assure that conditions which gave rise to the disallowance have been corrected and are not likely to recur.

B. Audit Resolution

1. The eligible entity shall respond in writing to all findings, recommendations, observations, and questioned costs in its annual audit reports when requested to do so by OCS. The response shall be submitted to OCS within thirty calendar days from the date OCS notifies the eligible entity of its findings and recommendations or the stated time period requested by OCS.
2. In the response, the eligible entity may take exceptions to particular findings and recommendations. The rationale for such exceptions should be clearly set out in the response. The response should point out corrections already made and state what action is proposed and the estimated completion date of such action. Although the eligible entities need not send OCS all documentation supporting corrections unless requested to do so, documentation of actions taken is very important and must be available for review during later audits.
3. OCS will consider the response and any additional requested information in determining whether specific expenditures of OCS funds will be disallowed. If any are

disallowed, OCS will send the eligible entity written notice of the determination.

4. Any appeal of disallowed expenditures shall be submitted in writing within thirty days of the notice of disallowance and shall contain a clear statement of the issue(s) which the eligible entity wishes to have considered. The eligible entity may include with the appeal statements any supporting facts or arguments which the eligible entity feels should be considered. OCS shall offer the subgrantee an informal hearing conducted by the OCS Assistant Director or his/her designee. The eligible entity is allowed legal counsel during the course of this appeal. The decision on the appeal shall be made in writing within thirty days of the hearing and be final.

Arkansas Statutes Section 5-713 provides subgrantees the right to appeal this decision to the Circuit Court of any County in which the eligible entity is located or does business or to the Circuit Court of Pulaski County. This request must be filed within thirty days of receipt of the appeal decision.

5. In the absence of an appeal, disallowances become final thirty days after the notice provided for in B.3. All final disallowances shall be satisfied within ninety days of the date on which notification of the disallowance was made through cash payments to OCS unless the eligible entity has received written notice allowing an alternative means of notification. Failure by the eligible entity to satisfy a final disallowance or take corrective action to remedy deficiencies in its accounting system and internal controls after audit may result in corrective action, suspension, termination of status as an eligible entity or other remedial action. In addition, OCS reserves the right to bring suit or take other appropriate legal action to recover the amounts in question.

C. Selection of an Auditor and Auditor Responsibilities

1. The services of an independent Certified Public Accountant shall be secured.
2. An eligible entity receiving an initial OCS contract shall, within thirty days following the contract starting date, supply OCS with the name of the auditor or auditing organization which it has selected. OCS will notify the eligible entity in writing within thirty days if the selection is not acceptable, along with the reason(s).
3. The auditor approved to conduct the preliminary audit survey may also conduct the annual audit. Once an auditor has been selected and approved, it is not necessary to renominate the auditor in subsequent years. However, when

an eligible entity changes its auditor or when OCS notifies the eligible entity in writing that its present auditor is unacceptable and why, renomination must take place and approval must again be obtained from OCS.

4. The eligible entity shall furnish the auditor with copies of the OCS approved work program and budget, all official OCS contracts, and all applicable OCS requirements.
5. The auditor selected by the eligible entity is responsible for conducting a preliminary audit survey and/or annual audit in accordance with OCS requirements. The audit survey will be directed toward an evaluation of the adequacy of the eligible entity's accounting system and internal controls. The survey should determine whether sufficient internal controls have been established to safeguard assets, check the accuracy and reliability of accounting data, promote operating efficiency and encourage compliance with prescribed management policies and any additional fiscal responsibilities and accounting requirement established by OCS. The report should include an evaluation of the accounting system and internal controls and make recommendations for improvements.
6. The auditor must submit one copy of all completed audit reports to OCS concurrently with his/her submission to the eligible entity.

3230 Closeout Reports

Within 45 days after the completion date of each grant administered by OCS, each eligible entity shall submit a financial closeout report and other reports, as required, by the terms and conditions of the award.

The closeout report shall consist of the following:

- A. Funds carryover from the previous grant year.
- B. Actual funds received for the respective grant year.
- C. Cumulative interest earned on the program in which the report is intended.
- D. Actual expenditures on costs incurred and paid within the program year

Purpose and Scope

Following passage of the federal Omnibus Budget Reconciliation Act of 1981, which established the Community Services Block Grant (CSBG), the Governor designated the Office of Community Services (OCS) in the Division of County Operations (DCO) in the Department of Human Services (DHS) to administer the CSBG program in Arkansas. Act 345 of 1985 designates the same agency to administer the CSBG program. Community Action Agencies (CAAs) located throughout the state receive CSBG funds from OCS to carry out the purposes of the Act.

In order to meet the requirements of the Act and to encourage the efficient and effective use and management of these funds, OCS is issuing these regulations which are applicable to CAAs and other eligible entities.

Designation of Community Action Agencies

Act 477 of 1977, as amended by Act 345 of 1985, designates the Community Action Agencies of the state (which are eligible CSBG grantees) and their service areas.

As required by federal law, OCS has established reasonable program and fiscal requirements which a CAA must meet to receive (CSBG) funds from the state.

A. Purposes of a Community Action Agency. An agency designated as a Community Action Agency has the following purposes:

1. Community Action Agencies are private non-profit recognized 501 (C) (3) organizations providing to low-income persons in the state human services such as aging, health, transportation, nutrition, housing, developmental child care, and other related activities. An agency designated as a Community Action Agency has the responsibility of carrying out the purposes of the Community Services Block Grant in the counties its area encompasses.
2. At all reasonable opportunities, the CAA shall provide substantive comment on projects proposed to be operated by the State of Arkansas within its designated area(s) which are to meet the needs of low-income persons and counties.

B. Areas to be served.

1. Act 345 of 1985 specifies the counties to be included in each Community Action Agency's service area. The CAA shall carry out CSBG programs funded by OCS only in these counties, unless specifically approved to do otherwise by OCS. The CAA shall assure access to its programs for all low-income persons in its designated areas.
2. Changes of service areas may be effected only as described in Act 345 of 1985.
3. The OCS shall develop formulas for equitable distribution of CSBG funds to the various service areas, taking into account existing levels of services, the share of the state's low-income persons living in the area and other considerations the OCS deems appropriate.

Requirements for a CAA or Other Eligible Entity Board of Directors

A. Composition of the Board. The board shall consist of at least fifteen and not more than thirty-nine members, except in the

case of an agency whose designated service area has a population of over 250,000 persons, in which case the board size may be not more than fifty-one.

1. Elected public officials or their permanent representatives shall comprise one-third of the board.
2. Representatives of low-income persons shall comprise at least one-third of the board.
3. Representatives of business, industry, labor, religious, law enforcement, welfare, education, and other major groups or interests in the community shall comprise the remainder of the board.

B. Public Officials.

1. For each designated eligible entity, all elected public officials in the service area of the entity shall be afforded equitable opportunity to serve or be represented on the Board of Directors.
2. In the event there are not enough elected public officials available and willing to fill positions on the board, appointed public officials may be selected. Both the elected and the appointed public officials selected to serve on the board shall have either general governmental responsibilities or responsibilities which require them to be involved with poverty-related matters. The selected public official may choose one permanent representative to serve on the board full-time in his/her stead. These representatives need not be public officials themselves, but they shall have full authority to act for the elected (or appointed) official on the board. If the public officials, both elected and appointed, who are willing to serve do not comprise one-third of the board, then those unfilled seats must remain vacant. (The selection of public officials to serve on the board must reasonably reflect the geographic distribution of the low-income population served by the entity.)

C. Representatives of Low-income Persons. Representatives of low-income persons shall be chosen in accordance with democratic selection procedures adequate to assure they represent the low-income persons in the geographic area served by the entity. Representatives of low-income persons may be selected either to represent a specific area, group or neighborhood served by the entity. Among the selection procedures which may be used, either separately or in combination, are the following:

1. Nominations and elections, either within the neighborhoods or within the community as a whole.

2. Selection at a meeting or conference of low-income persons such that the date, time and place of such a meeting or conference have been adequately publicized.
3. Selection on a small area basis (such as a neighborhood or town) of representatives who in turn select members for the eligible entity board.
4. The eligible entity board may recognize a group(s) or organization(s) composed primarily of low-income persons and representing the interests of the low-income population, whose membership may select one or more representatives to the eligible entity board.

Persons at or below one hundred twenty-five percent of the poverty line shall be permitted to vote in these selection processes. An eligible entity may request a waiver from this one hundred twenty-five percent of poverty line eligibility in order to establish residency or other criteria as a basis for eligibility. The eligible entity shall make the request in writing to the Assistant Director of the Office of Community Services including specific justification.

- D. Representatives of Organizations. Organizations shall be selected in such a manner as to assure the board will benefit from broad community involvement. Once an organization is selected and indicates its agreement to be represented, it shall choose the person to represent it on the board.
- E. Residency Requirement. Each member of the board selected to represent a specific geographic area within the community must reside in the area he/she represents.
- F. Limitations on Board Service. No board member may serve more than ten years. Public officials or their representatives, serve at the pleasure of the official or officials selecting them and only as long as the public official is currently holding office. A representative of a public official may not serve more than ten years even if the public official represented continues to hold office; in such cases, the public official may choose to serve directly or name a new representative.
- G. The board of a political subdivision shall be constituted so as to assure that no fewer than 1/3 of the members are representatives of low-income persons.

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Board Responsibility

Board members of a CAA or other eligible entity must recognize that it is they rather than the staff of the agency to whom the CSBG award is made. The board is responsible to see the funds go to provide the services needed by the low-income persons of their area and that the funds are spent for

the purposes stated. Board members may be responsible as individuals where they negligently or knowingly allow the misuse or abuse of CSBG funds. Annual training shall be conducted in order to ensure board members are knowledgeable of their legal and fiduciary responsibilities. The board is responsible for an orientation process for new members.

- A. Board Responsibilities. The governing board of an eligible entity must carry out the following responsibilities:
1. To hire, fire and evaluate the performance of the Executive Director of the entity. (Evaluations must be conducted annually.)
 2. To determine major personnel, organization, fiscal and program policies.
 3. To determine and approve overall program goals and priorities for the entity, including provisions for evaluating programs against performance.
 4. To make final approval of all programs, applications, proposals, budgets and amendments.
 5. To enforce compliance with all contract and grant requirements.
 6. To oversee the extent and the quality of the participation of the poor in the programs of the entity.
 7. To determine rules and procedures for the governing board.
 8. To select the officers and the executive committee, if any, of the governing board.
 9. To develop short and long range strategic plans for the agency.
- B. By-Law Requirements. The by-laws of the eligible entity shall include the following:
1. The total number of seats on the board and the allotment of seats to public officials, representatives of low-income individuals and representatives of organizations.
 2. Procedures for selecting board members as follows:
 - a. A description of the selection process for members who are public officials or their representatives.
 - b. A plan for selecting representatives of low-income person, ensuring that all areas of the low-income community will be represented in proportion to their low-income population. This plan shall

include procedures and safeguards to limit voting to persons 16 years of age and older, with one vote per person.

- c. A plan for selecting representatives of organizations, indicating the criteria for such selection. Representatives will be allocated among business and industry, labor, religious, welfare, law enforcement, educational and other major groups or interests in the community.
3. A description of any performance standards (such as attendance, etc.) for members of the board, the violation of which may be grounds for removal. This shall include standards of conduct for board members.
 4. A description of specific procedures to be followed in the case of removal of representatives of low-income persons, organizations, and public officials. However, only the representatives of public officials and not the public officials themselves may be removed while such public officials continue to hold office.
 5. Procedures for selecting new board members in the case of a vacancy on the board. For the purpose of this paragraph, there is a vacancy on the board when a member has been notified of his/her official removal by the board for cause; when a member notifies the board of his/her resignation; when a member dies; when a member who is a public official leaves office or is removed by the selecting local official; or, in the case of public officials, when the selecting official leaves office.
 - a. With respect to representatives of low-income persons, the by-laws shall include one of two methods for filling a vacancy: the selection procedure under above may be repeated, or alternatively, the remaining low-income representatives may select a replacement to serve for the remainder of the term. In the latter case, the person selected shall, to the maximum extent possible, represent the same constituency as the original representative.
 - b. When the seat of a representative of an organization is vacant, the board shall ask the organization to name another representative to serve the remainder of the term. In the event the organization chooses not to name a new representative, the board shall choose another organization to name a new representative.

- c. When the seat of a public official is vacant, the board shall request the selecting public official to name a replacement.
6. Procedures for low-income individuals, community organizations, or religious organizations, or representatives of low-income individuals that considers its organization or low-income individuals, to be inadequately represented on the board (or other mechanism) to petition for adequate representation.
7. The quorum for a meeting of the board shall be at least 50 percent of the non-vacant seats on the board.
8. The board shall meet at least quarterly. The meetings shall be scheduled for the convenience of its members and of the general public. The eligible entity shall provide notice (in writing) of any meeting and an agenda to all members at least seven days in advance. The eligible entity shall provide public notice of its meeting at least five days in advance.
9. All meetings of the eligible entity boards shall be open to the public. Executive sessions may be held where consistent with the rules for openness of meetings in state regulations. The board shall keep written minutes for each meeting in accordance with Robert's Rules of Order. These minutes shall be signed by the Board Secretary and maintained in an orderly manner at the principle office of the eligible entity. All minutes of board meetings will be made available upon request to OCS or its designee. Minutes will also be made available for public review during normal business hours.
10. The board may appoint an executive committee composed of some of its members to transact business for the full board. Each sector of the board must be fairly represented. The executive committee shall provide a written report and obtain board ratification for its actions at the next meeting of the full board. The quorum for the executive committee may not be less than fifty percent of the non-vacant seats on the committee.
11. The board may establish any committees it considers necessary for carrying out its business. Each sector of the board must be fairly represented on such committees to the maximum extent feasible.
12. Voting by proxy is not permitted at meetings of the board or of its committees. This prohibition applies to all members of the board.

13. The by-laws shall designate the procedures, including persons responsible, for convening board meetings.
14. Alternates may be provided for only under the following conditions:
 - a. Selection and service of alternates must be described in the by-laws of the agency.
 - b. Alternates must be elected/selected in the same manner, at the same time and by the same people who have elected/selected the representative.
 - c. Representatives of public officials may not select alternates to substitute for them.
 - d. All alternates must be listed on the membership roster of the Board of Directors.
 - e. No alternate may be counted toward a quorum or cast a vote when his/her primary board member is attending the meeting.
 - f. No alternate may hold an office of the board.

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Planning, Funding Application, and Reporting Requirements

A. Local Community Services Plans.

1. In order to be eligible for CSBG funding, each eligible entity shall by the seventh month prior to the end of their CSBG fiscal year, conduct a public hearing on the needs of low-income persons in the service area. The needs assessment of the primary poverty problems of the area, including the causes and effects of poverty, shall be updated at this time through citizen input. Poverty problems to be addressed shall include: problems of low-income persons in: 1) securing and retaining meaningful employment; 2) attaining an adequate education; 3) making better use of available income; 4) obtaining and maintaining adequate housing and a suitable living environment; 5) obtaining emergency assistance; including urgently needed health services, nutritional food, and other human services; 6) removing obstacles and solving problems blocking attainment of self-sufficiency; and 7) participating in decisions which affect their lives. 8) to address the needs of youth in low-income communities; and 9) to make more effective use of and coordinate with other programs. As a result of this hearing the board shall adopt a Statement of Purposes and Strategy which will indicate the primary poverty problems the eligible entity will address and the share of available funds to be allocated to each.

This statement (and any subsequent amendments) must be approved by the eligible entity's Board of Directors and will serve as a basis for the projects proposed by the board for CSBG funding. OCS approval is not required for the contents of the Statement of Purposes and Strategy, but an informational copy of this document must be forwarded to OCS upon adoption or amendment by the eligible entity.

- B. CSBG Purposes and Eligible Activities. The following eligible entity program activities are eligible for funding by OCS with Community Services Block Grant funds. In the funding application, each eligible entity shall demonstrate that its goals and objectives address, at a minimum, (1), (2)g, (3), (4), (5) and (6) of the eligible activities set forth below. In addition, the State OCS may set out goals and objectives within which the eligible entities shall develop their priorities.
1. To provide a range of services and activities having a measurable and potentially major impact on causes of poverty in the community or those areas of the community where poverty is a particularly acute problem; this may include advocacy, organizing and development of self-help institutions as means of improving community conditions.
 2. To provide activities designed to assist low-income participants including the elderly poor:
 - a. to secure and retaining meaningful employment;
 - b. to attain an adequate educational level;
 - c. to make better use of available income;
 - d. to obtain and maintain adequate housing and a suitable living environment;
 - e. to obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs, including the need for health services, nutritious food, housing and employment related assistance;
 - f. to remove obstacles and solve problems which block the attainment of self-sufficiency; and
 - g. to achieve greater participation in the affairs of the community.
 3. To make more effective use of other programs related to meeting the needs of low-income persons and communities.

4. To provide on an emergency basis for the provisions of such supplies and services, nutritious foods and related services as may be necessary to counteract conditions of starvation and malnutrition among the poor.
5. To coordinate and establish linkages between governmental and other social services programs to assure the effective delivery of such services to low-income individuals.
6. To encourage the use of entities in the private sector of the community in efforts to ameliorate poverty in the community.

C. Eligible Population

1. Eligible entities shall use the most current poverty line definition as promulgated by the Director of the Office of Management and Budget and published in the U. S. Federal Register to establish eligibility of individuals to receive service provided with CSBG funds.
2. No person on the basis of race, sex, religion, national origin, age or handicap shall be excluded from participation in, or be denied the benefits of, or otherwise be subjected to discrimination in any eligible entity program funded with CSBG funds.

D. Funding Application

1. OCS shall notify the eligible entity of the amount of funds available for application in accordance with the Arkansas CSBG State Plan (as amended), any special conditions for funding, and the documents necessary for submission prior to the beginning of its program year. Those documents that are to be submitted upon request or updated and submitted:

any changes in the Articles of Incorporation, By-laws, and Personnel Policies and Procedures,

Financial Procedures,

Administrative Procedures,

evidence of current bond and Equal Opportunity and Affirmative Action Plan,

current listing of eligible entity board members by sector and by county, and

inventory list.

The eligible entity shall be notified by letter which of these documents are required to be submitted to OCS, in whole or in part, along with any other documents that are necessary. The OCS Monitor may submit required documents as part of the on-site monitoring process.

2. The eligible entity Board of Directors shall review, amend as appropriate, and approve the following agency documents annually: Articles of Incorporation, By-Laws, Personnel Policies and Procedures, Financial Procedures, and administrative procedures. Upon approval, the Board Chairperson must attest to the date each document was approved.
3. No later than ninety days before the end of its program year, the eligible entity shall submit a funding application in conformance with any special requirements contained in the notification from OCS. This application shall include the following:
 - a. A work program with objectives and activities for the eligible entity to accomplish in each project area which the eligible entity will operate during its CSBG program year. These objectives shall state in verifiable terms the results to be achieved in each quarter of the program year.
 - b. A budget which specifies the CSBG program costs to accomplish each of the projects.
 - c. A comprehensive administrative budget for the eligible entity which indicates how CSBG funds and funds from other funding sources finance the administration of the eligible entity.
 - d. These work programs and budgets shall be submitted in a form prescribed by OCS.

- E. Use of CSBG Funds for Agency Administration. Each eligible entity may use CSBG funds for agency administration of CSBG-related activities of an eligible entity provided the costs do not exceed 10 percent of the agency's total budget consisting of all funds received which are CSBG-related.

For purposes of this paragraph, administrative services are considered to be management and operating functions which span several or all agency functions. With the approval of the Assistant Director of OCS, a different definition for administrative services may be used by an eligible entity for purposes of this paragraph.

All requests to use CSBG funds for administration must include full justification. Additionally, where application is made to

utilize CSBG funds for administrative support of programs funded from other sources than CSBG, the agency shall:

1. submit the total eligible entity budget,
2. list the amount and sources of funds in (1) above,
3. indicate the amount of funds from each source in (2) above which are actually to be used for administrative costs, and
4. document efforts by the agency to obtain the use of funds for administrative costs from each source in (2) above.

F. Match. There is no match requirement.

G. Accrued Leave. Funds must be reserved for accrued leave monthly. The amount reserved shall be based on salaries and fringe costs in effect that month. As leave is used, funds will be released from the reserve on a first in first out basis.

H. Transfer of Funds. An eligible entity may transfer up to ten percent between line items of costs within the same cost center/program activity. (An agency may not transfer funds between cost centers/program activity without a formal request to, and approval by, OCS. Additionally, a subsequent budget revision incorporating the change is required.) The Assistant Director of OCS may waive these prior approval requirements in the case of natural disaster or health threatening emergency.

I. Separate Firms. Any eligible entity whose bookkeeping/accounting is being performed by an independent accounting firm may not use the same firm for auditing purposes.

J. Carryover Funds. Eligible entities will be allowed to reprogram up to 20% CSBG funds from their annual CSBG budget. Eligible entities are encouraged to conduct periodic internal evaluations of programs, compare actual expenditures with budgets and develop appropriate programs in order to ensure a pattern of reprogramming funds is not a practice.

K. Recapture and Redistribution of Funds. Any unobligated funds of an eligible entity exceeding 20% carryover at the end of the program year will be redistributed by OCS to fund activities consistent with the purposes of the CSBG Act.

L. Grant Award. If OCS determines that the eligible entity has met the requirements for CSBG funding, OCS shall provide the eligible entity with a CSBG funding grant containing such terms and conditions as OCS may require, which shall accord with the officially adopted Arkansas CSBG State Plan, the promulgated

CSBG regulations, and other state and federal laws or regulations which may be applicable. The State Agency shall notify the eligible entities of the amount of federal funds available to them ninety days prior to the application date, subject to that information being made available by the federal funding source.

When the CSBG section of OCS has completed review of the application work program and budgets, the Assistant Director of OCS will determine whether the application should be approved as submitted, or he may place special conditions on the grant, or he may require changes. He will notify the applicant agency of his decision in writing. The state agency shall reply to the eligible entity within forty five days of receipt of a completed application. If no response is sent by the state agency within forty five days, the application shall be deemed to be complete and acceptable as submitted. The state agency shall issue a Notice of Grant Award within fifteen days after a work program has been approved, subject to receipt of federal funds.

In the event the eligible entity does not accept any stated conditions or does not agree to any required changes, the eligible entity may appeal, in writing, to the Assistant Director of OCS within ten days, stating the reasons why the stated conditions or changes should not be required. If the Assistant Director does not agree with the appeal, he will so notify the eligible entity, in writing, within ten days. At this point, the eligible entity, within ten days, may request the Assistant Director of OCS to seek the advice of an appeals body to be appointed by him. The body shall be appointed and directed to meet within ten days of receipt of the request by the OCS Assistant Director. The appeals body shall consist of two eligible entity directors and a staff member of the CO Division not previously involved in the decision. The appeals body shall review the application file, discuss, deliberate and issue a written recommendation to the OCS Assistant Director within five days of adjournment. If the appeals body cannot reach a consensus, dissenting members may submit separate written recommendations within the same five day period. After reviewing the advice of the appeals body, the Assistant Director of OCS will make his finding to the eligible entity, in writing, within ten days. At this point, within ten days, the eligible entity may appeal, in writing, to the DCO Director. The DCO Director shall notify the eligible entity of his finding within ten days. The eligible entity may appeal his finding, within ten days, to the Director of DHS. The Director of DHS shall respond within ten days. The findings of the Director of DHS shall be final.

- M. Reporting. The eligible entity shall provide a monthly fiscal report on the operation of funded projects. This report is to be submitted to OCS not later than ten days after the end of each month of the funding period. Reports will meet this

requirement if postmarked by the tenth (10th) of the month. Additionally, at the end of each quarter of its program year, the eligible entity shall report on the status of the implementation and operation of its work programs. This report is to be submitted to be received in OCS not later than thirty calendar days after the end of the period covered by the report and is required for the release of funds for the second month of each program quarter. All reports submitted to OCS subsequent to the last board meeting shall be presented for review and approval by the board.

Failure to comply with this requirement by a timely and accurate reporting of financial and program activity in the format requested may result in corrective action prior to suspension of funding for the respective project. Where an eligible entity has a history of failure to comply with reporting requirements, OCS may suspend all funding to the eligible entity which fails to submit any required report in a timely and complete manner or fails to respond to any other reasonable request by OCS regarding their program. Any financial or program report at least thirty days in arrears may serve as the basis for the initiation of corrective action proceeding prior to suspension of all funding.

Monitoring and audit reports shall be submitted to the Board for review and approval.

- N. Amendments. The eligible entity may propose amendments to its work program and budget at any time for approval by OCS. Amendments are required to delete, add or change work program objectives.
- O. Administrative Procedures. Eligible entity will maintain an Administrative Procedures Manual which outlines management and operating procedures.
- P. Failure of agency to provide services as agreed upon in the agency approved work program. When an agency submits its quarterly program reports, it shall adequately explain any variances of twenty percent or more from the approved work program in any activity or objective when the goal was not met. The agency shall include any necessary corrective actions the agency intends to make to satisfy the work program activity or objective where the goal was not met. The Assistant Director of OCS shall determine the adequacy of the explanation and of the intended corrective actions. If they are not adequate, he will inform the agency of any steps necessary to meet the requirements of the grant and set a time for their accomplishment. If the agency does not agree to the corrective actions or fails to meet them in the stated time, the Assistant Director of OCS may withhold any further funding to the agency until such time as the conditions are met, or he may institute corrective action proceedings prior to suspension of agency funds. If no notification is sent by the OCS within three

weeks after receipt of quarterly reports, the report shall be deemed to be accepted as submitted.

Attachment (ii)

Percentage Share of Arkansas Persons
Living in Poverty By County And By CAAs Area

Percentage share of Arkansas' Persons Living in Poverty by
Community Action agency Area*

ARVAC		CRDC	
Conway	0.7832%	Craighead	2.9739%
Franklin	0.6467%	Crittenden	3.0812%
Johnson	0.8852%	Cross	0.9298%
Logan	0.8259%	Greene	1.1873%
Perry	0.3419%	Jackson	0.7091%
Polk	0.8825%	Poinsett	1.2968%
Pope	1.9476%	St. Francis	1.7814%
Scott	0.4789%	Woodruff	<u>0.5673%</u>
Yell	<u>0.7747%</u>	TOTAL	12.5268%
TOTAL	7.5666%		
BRAD		C-SCDC	
Clay	0.7385%	Crawford	1.8213%
Lawrence	0.7689%	Sebastian	<u>3.7423%</u>
Randolph	<u>0.6635%</u>	TOTAL	5.5636%
TOTAL	2.1709%		
CADC		CSO	
Calhoun	0.2259%	Garland	3.0514%
Clark	0.9899%		
Columbia	1.2543%	EOAWC	
Dallas	0.4031%	Washington	5.3680%
Hot Spring	1.0207%		
Lonoke	1.3332%	MCAEOC	
Montgomery	0.3769%	Mississippi	2.8540%
Ouachita	1.3504%		
Pike	0.4521%	M-DCS	
Pulaski	11.4453%	Lee	0.7845%
Saline	1.4304%	Monroe	0.6727%
Union	<u>2.0305%</u>	Phillips	2.0747%
TOTAL	22.3127%	Prairie	<u>0.3531%</u>
		TOTAL	3.8850%

		SEACAC	
CAPCA		Ashley	1.0156%
Cleburne	0.7557%	Bradley	0.7815%
Faulkner	2.5094%	Chicot	0.9310%
White	<u>2.1590%</u>	Desha	1.0637%
TOTAL	5.4241%	Drew	<u>0.8031%</u>
		TOTAL	4.5949%
NADC		SWADC	
Fulton	0.4543%	Hempstead	1.1446%
Independence	1.0467%	Howard	0.5248%
Izard	0.5231%	Lafayette	0.4739%
Sharp	0.7472%	Little River	0.5042%
Stone	<u>0.5197%</u>	Miller	1.8461%
TOTAL	3.2910%	Nevada	0.5462%
		Sevier	<u>0.7245%</u>
OHC		TOTAL	5.7643%
Benton	3.6915%	PB-JCEOC	
Carroll	0.9415%	Arkansas	0.8808%
Madison	<u>0.6353%</u>	Cleveland	0.3150%
TOTAL	5.2683%	Grant	0.4017%
OOI		Jefferson	3.9349%
Baxter	1.0185%	Lincoln	<u>0.5316%</u>
Boone	1.1970%	TOTAL	6.0640%
Marion	0.5899%		
Newton	0.4213%		
Searcy	0.4736%		
Van Buren	<u>0.5941%</u>		
TOTAL	4.2944%		

*Poverty rates for 2000 based on 1990 Census of Population and Housing. Summary File 3, Demographic Profiles, Census 2000.
 Prepared by: Census State Data Center, Institute for Economic Advancement, UALR.

Attachment (iii)

Documentation Of Legislative
And Public Hearings

Documentation of legislative hearing will be furnished when we receive documentation from Legislative Committee.

Dates to be published: June 22 - 28, 2003

Office of Community Services
Post Office Box 1437, Slot S330
Little Rock, Arkansas 72203-1437

Attachment A

Contact Person: Mae Bishop
Telephone Number: 682-8719

NOTICE OF RULE MAKING

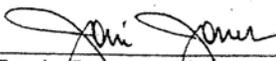
The Department of Human Services/Office of Community Services (OCS) intends to adopt a State Plan for distribution of Community Services Block Grant funds for fiscal years 2004-2005 covering the period from 10/01/03 to 09/30/05. Funding is expected to be approximately \$8,700,000 in federal monies annually.

Parties who wish to comment on the proposed plan may attend public hearings at the listed locations or may comment in writing to: Office of Community Services, Post Office Box 1437/Slot S330, Little Rock, AR 72203-1437. The plan will be available for review at all Community Action Agencies and OCS during normal working hours June 30-August 5, 2003.

Hearings:

Mid-Delta Community Center, 705 West 6th Street, Brinkley, AR, June 30, 2003 at 11:00 A.M.; Lonoke County CADC Office, 301 North Center Street, Lonoke, AR, June 30, 2003 at 11:00 A.M.; Van Buren County Senior Center, 570 Yellow Jacket Lane, Clinton, AR, July 2, 2003 at 11:45 A.M.; Faulkner County Senior Citizens Center, 1620 North Donaghey, Conway, AR, July 3, 2003 at 10:30 A.M.

Special accommodations will be made available upon request, by calling 682-8719.



Joni Jones, Director
Division of County Operations

PUBLIC HEARING SCHEDULE

DATE/TIME	CITY	<u>ADDRESS</u>
June 30, 2003 11:00 A.M.	Brinkley	Mid-Delta Community Center 705 West 6 th Street
June 30, 2003 11:00 A.M.	Lonoke	Lonoke County CADC Office 301 North Center Street
July 2, 2003 11:45 A.M.	Clinton	Van Buren County Senior Center 570 Yellow Jacket Lane
July 3, 2003 10:30 A.M.	Conway	Faulkner County <u>Senior Citizens Center</u> 1620 North Donaghey

PLAN AVAILABILITY

The State Plan in its proposed form will be available at all sixteen Community Action Agencies and at the State Office from June 30 through August 5, 2003.

Attachment (iv)

State Law Designating CAAs
Act 345 Of 1985

ACT 345

The Community Services and Community Action Program Act of 1985; to Recognize Community Action Organizations Operating Within the State and Various Programs Administered by Such Agencies; to Define Operational Jurisdictions of Community Action Agencies; to Prescribe Procedures for the Allocation and Expenditure of Funds Appropriated to the Division of Community Services for the Program; to Require that Funds Received by the State from the Federal Government Under the Community Services Block Grant be Distributed to Those Non-Profit Organizations Which are Defined as Community Action Agencies by Act 477 of 1977 and the Community Services Block Grant Act of 1981; and for Other Purposes.

WHEREAS, community action organizations have been organized and are operational as non-profit corporations serving the low-income citizens of Arkansas; and

WHEREAS, such agencies have been, and are now, providing human services in such fields as aging, health, transportation, nutrition, housing, home weatherization, developmental child care, family planning and other related activities which the General Assembly considers as vital to the well-being of lower-income persons of the State,

NOW THEREFORE,

Be It Enacted by the General Assembly of the State of Arkansas:

SECTION 1. (a) This Act shall be known as the "Community Service and Community Action Program Act of 1985". The purpose of this Act is to encourage non-

profit community action organizations which have been formed to provide basic and essential human services to low-income and elderly citizens of Arkansas in the areas of health, transportation, housing, home repair and weatherization, aging programs and aging alternatives to institutionalization, developmental child care and enrichment, youth opportunity programs, low income home energy assistance programs, and other related activities which the General Assembly recognizes as beneficial to a large number of Arkansas citizens. In furtherance of the purposes of this Act, the General Assembly hereby recognizes community action organizations in their efforts to provide services beneficial to low-income citizens of this State, and establishes a program of financial assistance to recognized Community Action Agencies to enable them to continue and expand such aforementioned activities and programs.

(b) It is further the purpose of this Act to encourage and promote the operations and activities of Community Action Agencies whether such activities are conducted by one Agency or by two or more cooperating Agencies.

SECTION 2. (a) The General Assembly of the State of Arkansas hereby recognizes as Community Action Agencies and their jurisdiction, the following nineteen (19) existing community action organizations:

- (1) Arkansas River Valley Council consisting of Franklin, Scott, Yell, Johnson, Pope, Conway, Perry, Logan and Polk Counties;
- (2) Black River Area Development Corporation, consisting of Randolph, Clay and Lawrence Counties;
- (3) Central Arkansas Development Council, consisting of Saline, Hot Spring, Clark, Pike and Montgomery Counties;

- (4) Community Action Program for Central Arkansas, consisting of White, Faulkner and Cleburne Counties;
- (5) Crowley's Ridge Development Council, Inc., consisting of Craighead, Greene, Jackson and Poinsett Counties;
- (6) Crawford-Sebastian Community Development Council, Inc., consisting of Crawford and Sebastian Counties;
- (7) Community Services Office, Inc., consisting of Garland County;
- (8) East Central Arkansas Economic Opportunity Corporation, consisting of Cross, St. Francis, Woodruff, Crittenden and Lee Counties;
- (9) Economic Opportunity Agency of Pulaski County, consisting of Pulaski and Lonoke Counties;
- (10) Economic Opportunity Agency of Washington County, consisting of Washington County;
- (11) Mississippi County, Arkansas Economic Opportunity Commission, Inc., consisting of Mississippi County;
- (12) Mid-Delta Community Services, Inc., consisting of Phillips, Monroe and Prairie Counties;
- (13) Northcentral Arkansas Development Council, consisting of Fulton, Izard, Sharp, Stone and Independence Counties;
- (14) Office of Human Concern, consisting of Benton, Carroll and Madison Counties;

- (15) Ozark Opportunities, Inc., consisting of Van Buren, Searcy, Boone, Marion, Baxter and Newton Counties;
- (16) Pine Bluff-Jefferson County Economic Opportunities Commission, Inc., consisting of Jefferson, Grant, Arkansas, Lincoln and Cleveland Counties;
- (17) South Central Community Action Authority, consisting of Ouachita, Columbia, Calhoun, Dallas and Union Counties;
- (18) Southeast Arkansas Community Action Corporation, consisting of Bradley, Drew, Desha, Ashley and Chicot Counties; and
- (19) Southwest Arkansas Development Council, Inc., consisting of Little River, Hempstead, Miller, Lafayette, Howard, Sevier and Nevada Counties.
- (b) The Department of Human Services, Division of Community Services is hereby authorized to change the boundaries and the number of officially recognized Community Action Agencies, provided that concurrence therein is obtained of the governing boards of each of the affected existing Agencies as recognized in subsection (a) of this Section.
- (c) Nothing in this Act is intended to change or in any way conflict with the status, boundaries, or functions of regional or metropolitan planning commissions or councils of governments established under Act 26 of 1955 (Ark. Stats. Ann. 19-2820 through 19-2824), as amended, nor the status, boundaries, and functions of Planning and Development Districts as established and recognized under Act 118 of 1969 (Ark. Stats. Ann. 9-324 through 9-328), as amended.

SECTION 3. (a) The governing boards of directors of the nineteen (19) existing community action organizations are recognized as the representative organizations of the Community Action Agencies as recognized in Section 2 (a) of this Act.

(b) The Department of Human Services, Division of Community Services is hereby authorized, whenever Agency boundaries have been changed in accordance with Section 2 (b), to recognize the representative organizations of the new Community Action Agencies.

(c) In order to qualify for recognition and further benefits under this Act, a Community Action Agency shall have been organized and constituted under the provisions of the Community Service Block Grant Act of 1981, and shall have a governing board whose members are elected, and are representatives of specific community interests in accordance with the Community Service Block Grant Act of 1981.

SECTION 4. The Governor shall appoint a nine person Community Services Advisory Board to advise him and make recommendations to him concerning matters affecting low-income persons in the State. The Board shall provide to the Governor an annual report on poverty conditions in the State. Board members shall serve terms concurrent with the Governor's term of office. The Board shall be made up as follows:

(1) Three (3) Executive Directors of Community Action Agencies, one of whom must be the President of the Arkansas Community Action Agencies Association;

(2) Three (3) members from the Boards of Directors of Community Action Agencies;

(3) Three (3) members from the public who have received assistance or services from the Community Action Agencies;

(4) The Director of the Division of Community Services shall serve as an ex-officio member of the Board.

The Board shall elect a chairperson and other officers it deems necessary. The Board shall meet at the call of the Chairperson but no less than quarterly. The Division of Community Services shall provide technical assistance and reimbursement for the expenses of the Board.

SECTION 5. (a) The Department of Human Services, Division of Community Services, is hereby authorized to make payments from time to time to officially recognized organizations of Community Action Agencies from State funds appropriated for such purpose. Payments shall be scheduled to begin as nearly as possible on July 1 of each fiscal year and on the first day of each calendar quarter thereafter.

(b) Funds appropriated for payments to such organizations of Community Action Agencies shall be allocated on the basis of equitable criteria established by the Department of Human Services, Division of Community Services based upon application for programs.

(c) If, in the future, any change occurs in the jurisdictions of any of the officially recognized nineteen (19) Community Action Agencies, as authorized in Section 2 (b) of this Act, the first allocation of appropriated funds to the former Agency or Agencies, which comprise counties reorganized under the jurisdiction of a newly recognized Agency, shall be apportioned to the new Agency or Agencies in accordance with equitable criteria estab-

lished by the Department of Human Services, Division of Community Services.

(d) At least ninety percent (90%) of the funds received and appropriated by the State from the United States Government under the Community Services Block Grant shall be allocated to Community Action Agencies, as defined in this Act, under a formula to be determined by the Department of Human Services, Division of Community Service, which is hereby designated as the disbursing agency for Community Services Block Grant funds. The powers of every Community Action Agency governing board shall include the power to appoint persons to senior staff positions to determine major personnel, fiscal, and program policies to approve overall program plans and priorities, and to assure compliance with conditions of and approve proposals for financial assistance under this Act. No more than five percent (5%) of the Community Services Block Grant may be used by the disbursing agency for administrative purposes. Any subsequently remaining funds may be used for purposes to be determined by the disbursing agency.

In the event the Community Services Block Grant is eliminated, each Community Action Agency shall be funded, subject to the restrictions of applicable law or regulation, in the distribution of other federal funds which can be used to support antipoverty programs.

SECTION 6. Whenever the General Assembly shall have appropriated funds in order to make payments to officially recognized Community Action Agencies as authorized in this Act, the Department of Human Services, Division of Community Services, shall notify the respective governing boards of such Agencies, of the amount allocated to such Agency as provided in Section 4 hereof,

and shall notify the respective boards that application for such funds may be made upon forms provided therefor by the Department of Human Services, Division of Community Services. Upon the receipt of application for such funds, the Department of Human Services, Division of Community Services, shall determine that the following conditions have been met before disbursing such payments:

(1) That the community action organization is an officially recognized Community Action Agency, in accordance with Section 2 of this Act, and has been constituted in accordance with Section 3 (c) of this Act;

(2) The Agency board of directors shall certify that a proposed budget has been established for the expenditure of State funds for purposes consistent with the purpose of this Act; and

(3) At the end of each fiscal year, an audited report of each Community Action Agency shall be submitted to the Department of Human Services, Division of Community Services. Any amounts of State funds unexpended or unobligated by June 30th shall be returned by the Agency to the State Treasury. If any Community Action Agency shall have expended any State funds for any purpose not within the purpose and intent of this Act, such amount shall be reimbursed by such Agency to the State of Arkansas before any additional payments may be made to such Agency.

SECTION 7. State funds appropriated by the General Assembly to the Department of Human Services, Division of Community Services, for payments to be made to recognized Community Action Agencies in accordance

with this Act, shall used by such Agencies for funding antipovertry programs designated by State regulations.

SECTION 8. If any provision of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable.

SECTION 9. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 10. EMERGENCY. It is hereby found and determined by the General Assembly that Community Action Agencies provide services which are basic and essential to the well-being of low-income and economically disadvantaged persons of this State. It is further determined that the delivery of such services should be officially recognized in order to assure the continuation of such services, and to promote the development of new services to solve existing human service problems. Therefore, an emergency is hereby declared to exist and this Act being necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

APPROVED: March 13, 1985.

Attachment (v)
Signed Statutory Assurances
And
Certifications

2004-2005

STATES

COMMUNITY SERVICES BLOCK GRANT STATUTORY ASSURANCES-AS AMENDED
BY P. L. 105-285 COATS HUMAN SERVICES REAUTHORIZATION ACT OF
1998.

As part of the annual or biannual application and plan required by Section 676 of the Community Services Block Grant Act, as amended, (42 U.S.C. 9901 et seq.) (The Act), the designee of the chief executive of the State hereby agrees to the Assurances in Section 676 of the Act-

A. Programmatic Assurances

- (1) Funds made available through this grant or allotment will be used:
 - (a) To support activities that are designed to assist low-income families and individuals, including families and individuals receiving assistance under part A of Title IV of the Social Security Act (42 U.S.C. 601 et seq.), homeless families and individuals, migrant or seasonal farmworkers, and elderly low-income individuals and families to enable the families and individuals to:
 - (i) remove obstacles and solve problems that block the achievement of self-sufficiency (including self-sufficiency for families and individuals who are attempting to transition off a State program carried out under part A of Title IV of the Social Security Act);
 - (ii) secure and retain meaningful employment;
 - (iii) attain an adequate education, with particular attention toward improving literacy skills of the low-income families in the communities involved, which may include carrying out family literacy initiatives;
 - (iv) make better use of available income;
 - (v) obtain and maintain adequate housing and a suitable living environment;
 - (vi) obtain emergency assistance through loans, grants, or other means to meet immediate and urgent family and individual needs; and
 - (vii) achieve greater participation in the affairs of the communities involved, including the development of public and private grassroots partnerships with local law enforcement agencies, local housing authorities, private foundations, and other public and private partners to document best practices based on

successful grassroots intervention in urban areas, to develop methodologies for widespread replication; and strengthen and improve relationships with local law enforcement agencies, which may include participation in activities such as neighborhood or community policing efforts;

- (b) To address the needs of youth in low-income communities through youth development programs that support the primary role of the family, give priority to the prevention of youth problems and crime, and promote increased community coordination and collaboration in meeting the needs of youth, and support development and expansion of innovative community-based youth development programs that have demonstrated success in preventing or reducing youth crime, such as programs for the establishment of violence-free zones that would involve youth development and intervention models (such as models involving youth mediation, youth mentoring, life skills training, job creation, and entrepreneurship programs); and after-school childcare programs; and
 - (c) To make more effective use of, and to coordinate with, other programs (including State welfare reform efforts).
- (2) To describe how the State intends to use discretionary funds made available from the remainder of the grant or allotment described in Section 675C(b) of the Act in accordance with the Community Services Block Grant Program, including a description of how the State will support innovative community and neighborhood-based initiatives related to the purposes of the Community Services Block Grant Program;
- (3) To provide information provided by eligible entities in the State, including:
- (a) a description of the service delivery system, for services provided or coordinated with funds made available through grants made under Section 675C(a) of the Act, targeted to low-income individuals and families in communities within the State;
 - (b) a description of how linkages will be developed to fill identified gaps in the services, through the provision of information, referrals, case management, and follow-up consultations;
 - (c) a description of how funds made available through grants made under Section 675(a) will be coordinated with other public and private resources; and,
 - (d) a description of how local entities will use the funds to support innovative community and neighborhood-based initiatives related to the purposes of the Community Services Block Grant, which may include fatherhood

initiatives and other initiatives with the goal of strengthening families and encouraging effective parenting.

- (4) To ensure that eligible entities in the State will provide, on an emergency basis, for the provision of such supplies and services, nutritious foods, and related services, as may be necessary to counteract conditions of starvation and malnutrition among low-income individuals.
- (5) That the State and the eligible entities in the State will coordinate, and establish linkages between, governmental and other social services programs to assure the effective delivery of such services to low-income individuals and to avoid duplication of such services, and State and the eligible entities will coordinate the provision of employment and training activities in the State and in communities with entities providing activities through statewide and local workforce investment systems under the Workforce Investment Act of 1998;
- (6) To ensure coordination between antipoverty programs in each community of the State, and ensure, where appropriate, that Emergency Energy Crisis Intervention Programs under Title XXVI (relating to Low-Income Home Energy Assistance) are conducted in such communities.
- (7) To permit and cooperate with Federal investigations undertaken in accordance with Section 678D of the Act.
- (8) That any eligible entity in the State that received funding in the previous fiscal year through a Community Services Block Grant under the Community Services Block Grant Program will not have its funding terminated under this subtitle, or reduced below the proportional share of funding the entity received in the previous fiscal year unless, after providing notice and an opportunity for a hearing on the record, the State determines that cause exists for such termination or such reduction, subject to review by the Secretary as provided in Section 678C(b) of the Act.
- (9) That the State and eligible entities in the State will, to the maximum extent possible, coordinate programs with and form partnerships with other organizations serving low-income residents of the communities and members of the groups served by the State, including religious organizations, charitable groups, and community organizations.
- (10) To require each eligible entity in the State to establish procedures under which a low-income individual, community organization, or religious organization, or representative of low-income individuals that considers its organization, or low-income individuals, to be inadequately represented on the board (or other mechanism) of the eligible entity to petition for adequate representation.

- (11) To secure from each eligible entity in the State, as a condition to receipt of funding, a community action plan (which shall be submitted to the Secretary, at the request of the Secretary, with the State plan) that includes a community-needs assessment for the community served, which may be coordinated with community-needs assessments conducted for other programs;
- (12) That the State and all eligible entities in the State will, not later than fiscal year 2001, participate in the Results Oriented Management and Accountability System, another performance measure system for which the Secretary facilitated development pursuant to Section 678E(b) of the Act.
- (13) To provide information describing how the State will carry out these assurances.

B. Administrative Assurances

The State further agrees to the following, as required under the Act:

- (1) To submit an application to the Secretary containing information and provisions that describe the programs for which assistance is sought under the Community Services Block Grant Program prepared in accordance with and containing the information described in Section 676 of the Act.
- (2) To use not less than 90 percent of the funds made available to the State by the Secretary under Section 675A or 675B of the Act to make grants to eligible entities for the stated purposes of the Community Services Block Grant Program and to make such funds available to eligible entities for obligation during the fiscal year and the succeeding fiscal year, subject to the provisions regarding recapture and redistribution of unobligated funds outlined below.
- (3) In the event that the State elects to recapture and redistribute funds to an eligible entity through a grant made under Section 675C(a)(1) when unobligated funds exceed 20 percent of the amount so distributed to such eligible entity for such fiscal year, the State agrees to redistribute recaptured funds to an eligible entity, or require the original recipient of the funds to redistribute the funds to a private, nonprofit organization, located within the community served by the original recipient of the funds, for activities consistent with the purposes of the Community Services Block Grant Program.
- (4) To spend no more than the greater of \$55,000 or 5 percent of its grant received under Section 675A or the State allotment received under Section 675B for administrative expenses, including monitoring activities.
- (5) In states with a charity tax credit in effect under state law, the State agrees to comply with the requirements and limitations specified in Section 675(c) regarding use of funds for statewide activities to provide charity tax credits to qualified charities whose predominant activity is the provision of direct services within the United States to individuals and families whose annual incomes generally do not exceed 185 percent of the poverty line in order to prevent or alleviate poverty among such individuals and families.
- (6) That the lead agency will hold at least one hearing in the State with sufficient time and statewide distribution of notice of such hearing, to provide to the public an opportunity to comment on the proposed use and distribution of funds to be provided through the grant or allotment under Section 675A or 675B for the period covered by the State plan.

- (7) That the Chief Executive Officer of the State will designate, an appropriate State agency for purposes of carrying out State Community Services Block Grant Program activities.
- (8) To hold at least one legislative hearing every three years in conjunction with the development of the State plan.
- (9) To make available for the public inspection each plan or revised State plan in such a manner as will facilitate review of and comment on the plan.
- (10) To conduct the following reviews of eligible entities:
 - (a) full on-site review of each such entity at least once during each three-year period;
 - (b) an on-site review of each newly designated entity immediately after the completion of the first year in which such entity receives funds through the Community Services Block Grant Program;
 - (c) follow-up reviews including prompt return visits to eligible entities, and their programs, that fail to meet the goals, standards, and requirements established by the State;
 - (d) other reviews as appropriate, including reviews of entities with programs that have had other Federal, State or local grants (other than assistance provided under the Community Services Block Grant Program) terminated for cause.
- (11) In the event that the State determines that an eligible entity fails to comply with the terms of an agreement or the State plan, to provide services under the Community Services Block Grant Program or to meet appropriate standards, goals, and other requirements established by the State (including performance objectives), the State will comply with the requirements outlined in Section 678C of the Act, to:
 - (a) inform the entity of the deficiency to be corrected;
 - (b) require the entity to correct the deficiency;
 - (c) offer training and technical assistance as appropriate to help correct the deficiency, and submit to the Secretary a report describing the training and technical assistance offered or stating the reasons for determining that training and technical assistance are not appropriate;
 - (d) at the discretion of the State, offer the eligible entity an opportunity to develop and implement, within 60 days after being informed of the deficiency, a quality improvement plan and to either approve the proposed plan or specify reasons why the proposed plan cannot be approved;

- (e) after providing adequate notice and an opportunity for a hearing, initiate proceedings to terminate the designation of or reduce the funding to the eligible entity unless the entity corrects the deficiency.
- (12) To establish fiscal controls, procedures, audits and inspections, as required under Section 678D(a) (1) and 678D(a) (2) of the Act.
- (13) To repay to the United States amounts found not to have been expended in accordance with the Act, or the Secretary may offset such amounts against any other amount to which the State is or may become entitled under the Community Services Block Grant Program.
- (14) To participate, by October 1, 2001, and ensure that all eligible entities in the State participate in the Results Oriented Management and Accountability (ROMA) System.
- (15) To prepare and submit to the Secretary an annual report on the measured performance of the State and its eligible entities, as described under '678E(a) (2) of the Act.
- (16) To comply with the prohibition against use of Community Services Block Grant funds for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than low-cost residential weatherization or other energy-related home repairs) of any building or other facility, as described in Section 678F(a) of the Act.
- (17) To ensure that programs assisted by Community Services Block Grant funds shall not be carried out in a manner involving the use of program funds, the provision of services, or the employment or assignment of personnel in a manner supporting or resulting in the identification of such programs with any partisan or nonpartisan political activity or any political activity associated with a candidate, or contending faction or group, in an election for public or party office; any activity to provide voters or prospective voters with transportation to the polls or similar assistance with any such election, or any voter registration activity.
- (18) To ensure that no person shall, on the basis of race, color, national origin or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with Community Services Block Grant Program funds. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) or with respect to an otherwise qualified individual with a disability as provided in Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 12131 et seq.) shall also apply to any such program or activity.
- (19) Section 679. Operational Rule.

"(a) *Religious Organizations Included as Nongovernmental Providers.* - For any program carried out by the Federal Government, or by a State or local government under this subtitle, the government shall consider, on the same basis as other nongovernmental organizations, religious organizations to provide the assistance under the program, so long as the program is implemented in a manner consistent with the Establishment Clause of the first amendment of the Constitution. Neither the Federal Government nor a State or local government receiving funds under this subtitle shall discriminate against an organization that provides assistance under, or applies to provide assistance under, this subtitle, on the basis that the organization has a religious character.

(b) Religious Character and Independence.

(1) In General. - A religious organization that provides assistance under a program described in subsection (a) shall retain its religious character and control over the definition, development, practice, and expression of its religious beliefs.

(2) Additional Safeguards. - Neither the Federal Government nor a State or a local government shall require a religious organization -

(A) to alter its form of internal governance, except (for purposes of administration of the Community Services Block Grant Program) as provided in section 676B; or

(B) to remove religious art, icons, scripture, or other symbols; in order to be eligible to provide assistance under a program described in subsection (a).

(3) Employment Practices. - A religious organization's exemption provided under section 702 of the Civil Rights Act of 1964 (42 U.S.C. 2000E-1) regarding employment practices shall not be affected by its participation in, or receipt of funds from, program describe in subsection (a).

(c) Limitations of Use of Funds for Certain Purposes.

- No funds provided directly to a religious organization to provide assistance under any program described in subsection (a) shall be expended for sectarian worship, instruction, or proselytization.

(d) Fiscal Accountability. -

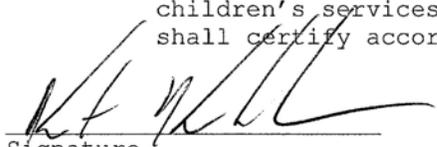
- (1) In General. - Except as provided in paragraph (2), any religious organization providing assistance under any program described in subsection (a) shall be subject to the same regulations as other nongovernmental organizations to account in accord with generally accepted accounting principles for the use of such funds provided under such program.
- (2) Limited Audit. - Such organization shall segregate government funds provided under such program into a separate account. Only the government funds shall be subject to audit by the government.

(e) Treatment of Eligible Entities and Other Intermediate Organizations. - If an eligible entity or other organization (referred to in this subsection as an 'intermediate organization'), acting under a contract, or grant or other agreement, with the Federal Government or a State or local government, is given the authority under the contract or agreement to select nongovernmental organizations to provide assistance under the programs described in subsection (a), the intermediate organization shall have the same duties under this section as the government."

C. Other Administrative Certifications

The State also certifies the following:

- (1) To provide assurances that cost and accounting standards of the Office of Management and Budget (OMB Circular A-110 and A-122) shall apply to a recipient of Community Services Block Grant Program funds.
- (2) To comply with the requirements of Public Law 103-227, Part C Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994, which requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18 if the services are funded by a Federal grant, contract, loan, or loan guarantee. The State further agrees that it will require the language of this certification be included in any subawards, which contain provisions for children's services and that all subgrantees shall certify accordingly.


Signature

6-23-03
Date

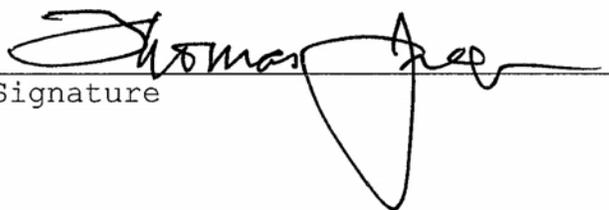
Director, Department of Human Services
Title

CERTIFICATION

Public Law 103-227, Part C, Environmental Tobacco Smoke

P. L. 103.227, also known as the Pro-Children Act of 1994, requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by the Federal programs either directly or through States, or local government by Federal grant, contract, loan or loan guarantee.

By signing and submitting this assurance the grantee certifies that it will comply with the requirement of the Act. The grantee further agrees that it will require the language of this certification be included in any subawards which contain provisions for children's services and that all subgrantees shall certify accordingly.


Signature

June 16, 2003
Date

ENVIRONMENTAL TOBACCO SMOKE CERTIFICATION

108 STAT. 272

PUBLIC LAW 103-227—MAR. 31, 1994

(5) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

20 USC 6083.

SEC. 1043. NONSMOKING POLICY FOR CHILDREN'S SERVICES.

(a) PROHIBITION.—After the date of the enactment of this Act, no person shall permit smoking within any indoor facility owned or leased or contracted for and utilized by such person for provision of routine or regular kindergarten, elementary, or secondary education or library services to children.

(b) ADDITIONAL PROHIBITION.—After the date of the enactment of this Act, no person shall permit smoking within any indoor facility (or portion thereof) owned or leased or contracted for by such person for the provision by such person of regular or routine health care or day care or early childhood development (Head Start) services to children or for the use of the employees of such person who provides such services, except that this subsection shall not apply to—

(1) any portion of such facility that is used for inpatient hospital treatment of individuals dependent on, or addicted to, drugs or alcohol; and

(2) any private residence.

(c) FEDERAL AGENCIES.—

(1) KINDERGARTEN, ELEMENTARY, OR SECONDARY EDUCATION OR LIBRARY SERVICES.—After the date of the enactment of this Act, no Federal agency shall permit smoking within any indoor facility in the United States operated by such agency, directly or by contract, to provide routine or regular kindergarten, elementary, or secondary education or library services to children.

(2) HEALTH OR DAY CARE OR EARLY CHILDHOOD DEVELOPMENT SERVICES.—After the date of the enactment of this Act, no Federal agency shall permit smoking within any indoor facility (or portion thereof) operated by such agency, directly or by contract, to provide routine or regular health or day care or early childhood development (Head Start) services to children, except that this paragraph shall not apply to—

(A) any portion of such facility that is used for inpatient hospital treatment of individuals dependent on, or addicted to, drugs or alcohol; and

(B) any private residence.

(3) APPLICATION OF PROVISIONS.—The provisions of paragraph (2) shall also apply to the provision of such routine or regular kindergarten, elementary or secondary education or library services in the facilities described in paragraph (2) not subject to paragraph (1).

(d) NOTICE.—The prohibitions in subsections (a) through (c) shall be incorporated by publication of a notice in the Federal Register by the Secretary (in consultation with the heads of other affected agencies) and by such agency heads in funding arrangements involving the provision of children's services administered by such heads. Such prohibitions shall be effective 90 days after such notice is published, or 270 days after the date of the enactment of this Act, whichever occurs first.

(e) SPECIAL WAIVER.—

(1) IN GENERAL.—On receipt of an application, the head of the Federal agency may grant a special waiver to a person described in subsection (a) who employs individuals who are

Federal
Register
publication.

Effective date.

ENVIRONMENTAL TOBACCO SMOKE CERTIFICATION

PUBLIC LAW 103-227—MAR. 31, 1994

108 STAT. 27

members of a labor organization and provide children's services pursuant to a collective bargaining agreement that—

(A) took effect before the date of enactment of this Act; and

(B) includes provisions relating to smoking privileges that are in violation of the requirements of this section.

(2) TERMINATION OF WAIVER.—A special waiver granted under this subsection shall terminate on the earlier of—

(A) the first expiration date (after the date of enactment of this Act) of the collective bargaining agreement containing the provisions relating to smoking privileges; or

(B) the date that is 1 year after the date of the enactment of this Act.

(f) CIVIL PENALTIES.—

(1) IN GENERAL.—Any failure to comply with a prohibition in this section shall be a violation of this section and any person subject to such prohibition who commits such violation may be liable to the United States for a civil penalty in an amount not to exceed \$1,000 for each violation, or may be subject to an administrative compliance order, or both, as determined by the Secretary. Each day a violation continues shall constitute a separate violation. In the case of any civil penalty under this section, the total amount shall not exceed the amount of Federal funds received by such person for the fiscal year in which the continuing violations occurred. For the purpose of the prohibition in subsection (c), the term "person" shall mean the head of the applicable Federal agency or the contractor of such agency providing the services to children.

(2) ADMINISTRATIVE PROCEEDING.—A civil penalty may be assessed in a written notice, or an administrative compliance order may be issued, by the Secretary only after an opportunity for a hearing in accordance with section 554 of title 5, United States Code. Before making such assessment or issuing such order, or both, the Secretary shall give written notice thereof to such person by certified mail with return receipt and provide therein an opportunity to request in writing not later than 30 days after the date of receipt of such notice such hearing. The notice shall reasonably describe the violation and be accompanied with the procedures for such hearing and a simple form to request such hearing if such person desires to use such form. If a hearing is requested, the Secretary shall establish by such certified notice the time and place for such hearing which should be located, to the greatest extent possible, at a location convenient to such person. The Secretary (or the Secretary's designee) and such person may consult to arrange a suitable date and location where appropriate.

(3) CIRCUMSTANCES AFFECTING PENALTY OR ORDER.—In determining the amount of the civil penalty or the nature of the administrative compliance order, the Secretary shall take into account, as appropriate—

(A) the nature, circumstances, extent, and gravity of the violation;

(B) with respect to the violator, any good faith efforts to comply, the importance of achieving early and permanent compliance, the ability to pay or comply, the effect of the penalty or order on the ability to continue operation, any

prior history of the same kind of violation, the degree of culpability, and any demonstration of willingness to comply with the prohibitions of this section in a timely manner; and

(C) such other matters as justice may require.

(4) MODIFICATION.—The Secretary may, as appropriate, compromise, modify, or remit, with or without conditions, any civil penalty or administrative compliance order. In the case of a civil penalty, the amount, as finally determined by the Secretary or agreed upon in compromise, may be deducted from any sums that the United States or its agencies or instrumentalities owes to the person against whom the penalty is assessed.

(5) PETITION FOR REVIEW.—Any person aggrieved by a penalty assessed or an order issued, or both, by the Secretary under this section may file a petition for judicial review thereof with the United States Court of Appeals for the District of Columbia Circuit or for any other circuit in which the person resides or transacts business. Such person shall provide a copy thereof to the Secretary or the Secretary's designee. The petition shall be filed within 30 days after the Secretary's assessment or order, or both, are final and have been provided to such person by certified mail. The Secretary shall promptly provide to the court a certified copy of the transcript of any hearing held under this section and a copy of the notice or order.

(6) FAILURE TO COMPLY.—If a person fails to pay an assessment of a civil penalty or comply with an order, after either or both are final under this section, or after a court under paragraph (5) has entered a final judgment in favor of the Secretary, the Attorney General, at the request of the Secretary, shall recover the amount of the civil penalty (plus interest at then currently prevailing rates from the day either or both are final) or enforce the order in an action brought in the appropriate district court of the United States. In such action, the validity and appropriateness of the penalty or order or the amount of the penalty shall not be subject to review.

20 USC 6084.

SEC. 1044. PREEMPTION.

Nothing in this part is intended to preempt any provision of law of a State or political subdivision of a State that is more restrictive than a provision of this part.

PART D—MIDNIGHT BASKETBALL LEAGUE TRAINING AND PARTNERSHIP

SEC. 1051. SHORT TITLE.

This part may be cited as the "Midnight Basketball League Training and Partnership Act".

SEC. 1052. GRANTS FOR MIDNIGHT BASKETBALL LEAGUE TRAINING AND PARTNERSHIP PROGRAMS.

Section 520 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 11903a) is amended—

(1) in the section heading by inserting "AND ASSISTED" after "PUBLIC";

(2) in the subsection heading for subsection (a), by inserting "PUBLIC HOUSING" before "YOUTH"; and

Midnight Basketball League Training and Partnership Act. Children and youth. 42 USC 11901 note.



CERTIFICATION REGARDING LOBBYING

DEPARTEMENT OF HEALTH AND HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES

Certification for Contracts, Grants, Loans and Cooperative Agreements

The undersigned certifies, to the best of his knowledge and belief, that:

- 1) No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- 2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- 3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

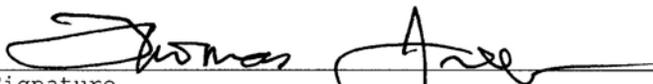
This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any

person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.


Signature

Assistant Director
Title

Office of Community Services
Organization

June 16, 2003
Date

COMMUNITY SERVICES BLOCK GRANT PROGRAM -- Fiscal Years 2004-2005
COMMUNITY FOOD AND NUTRITION PROGRAM -- Fiscal Years 2004-2005
Grant Number

Certification Regarding Debarment, Suspension, and Other
Responsibility Matters - Primary Covered Transactions

Instructions for Certification

- 2) By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
- 3) The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the Department of Health and Human Services' (HHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or explanation shall disqualify such person from participation in this transaction.
- 4) The certification in this clause is a material representation of fact upon which reliance was placed when HHS determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, HHS may terminate this transaction for cause or default.
- 5) The prospective primary participant shall provide immediate written notice to the HHS agency to whom this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- 6) The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
- 7) The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by HHS.
- 8) The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by HHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

- 9) A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

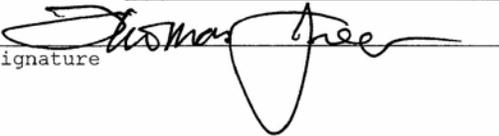
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, HHS may terminate this transaction for cause or default.

Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions

- (1). The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - a). are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - b). have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - c). are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1) (b) of this certification; and
 - d). have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- (2). Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Grant No. COMMUNITY SERVICES BLOCK GRANT PROGRAM -- Fiscal Years 2004-2005
COMMUNITY FOOD AND NUTRITION PROGRAM -- Fiscal Years 2004-2005

Signature



June 16, 2003

Date

Attachment (vi)

Community Food and Nutrition Program Application

June 18, 2003

Mr. Clarence Carter, Director
Office of Community Services
Administration for Children and Families
370 L'Enfant Promenade, SW, 5th Floor
Washington, D.C. 20447

Dear Mr. Carter:

We hereby submit our application for 2004 and 2005 Community Food and Nutrition funds.

Community Food and Nutrition Program funds are planned to be awarded to a statewide organization, The Arkansas Hunger Coalition, as a pass through from the Arkansas Community Action agencies Association (ACAAA).

The Arkansas Community Action Agencies Association will support the Arkansas Hunger Coalition in its efforts to coordinate food and nutrition initiatives in Arkansas. Activities will be developed for the following mandated purposes:

- A. To coordinate existing private and public food assistance resources, whenever such coordination is determined to be inadequate, to better serve low-income populations;
- B. To assist low-income communities to identify potential sponsors of child nutrition programs and indicate new programs in underserved and unserved areas;
- C. To develop innovative approaches at the state and local levels to meet the nutrition needs of low-income people.

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The following activities are planned by the Arkansas Hunger Coalition for 2003 Community Food and Nutrition funds to increase public awareness of hunger and malnutrition in Arkansas:

- Update a website on hunger relief agencies may access for information; (This website may be viewed at <http://www.arkansashunger.org>);
- Increase the number of links on the website;
- Continue publishing a quarterly newsletter;

- Continue a speaker's bureau/slide show/video presentation for board members and the Executive Director to use to educate Arkansans on hunger issues;
- Prepare public service announcements for television and radio broadcast;
- Continue networking among other advocacy and public policy groups, hunger providers, funding sources, and the public to increase resources directed at hunger relief.
- Continue the implementation of a peer consulting program which pairs experienced hunger relief providers with those wishing to establish or expand programs;
- Continue its work with the Arkansas Advocates for Children and Families, the Office of Special Nutrition, the Nutrition Advocacy Council and Little Rock Parks and Recreation to increase summer feeding enrollment in urban and rural areas;
- Continue Gleaning and Food Recovery efforts in Arkansas;
- Continue sponsoring an annual conference to provide training and networking opportunities for workers and volunteers in hunger programs;
- Attend pertinent governmental and non-governmental hearings and meetings on hunger and related issues;
- Continue to work with Arkansas community Foundation in raising funds for an endowment to support efforts of smaller hunger relief providers;

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- Continue to work with the Family Self-Sufficiency Working Group, which consist of state agency representatives, social workers and others interested in hunger efforts, to assist families in transition from welfare to work.
- Strengthen the statewide support network for community gardens;
- Strengthen student anti-hunger projects on Arkansas' college and university campuses;
- Recruit new sponsors of the Summer Feeding Programs around the state;
- Award at least ten more mini-grants of \$500 each to food pantries in need of assistance, plus the Yuvarn Anderson Award of \$1400 to a food pantry or food agency that is particularly strong in encouraging self-sufficiency among its clients;
- Encourage Arkansas churches' participation in the Super Bowl of Caring donation drives for January 2004.
- Continue pantry listings on our website, so that people can quickly find out which pantries are in their area;
- Work with the celebrity appointed to Arkansas by Hunger-Free America for anti-hunger publicity, possibly staging a rally or press conference at the Capitol;
- Develop a brochure in Spanish about emergency food available to Latino immigrants, and distribute it in the Centro Hispano, Hispanic grocery stores and other community centers for the Hispanic community;

- Collaborate with CareLink/Meals on Wheels on volunteer recruitment and hunger advocacy;
- Help facilitate a new statewide hunger survey in partnership with the Arkansas Foodbank Network and UALR's Institute of Government Research Group;
- Continue to present "Face Hunger" to interested civic groups;
- Continue the distribution of the booklet "Feeding the Hungry: Organizing and Operating a Food Pantry" to start-up food pantries;

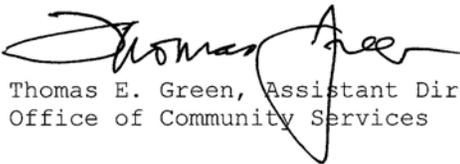
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- Assist Food Stamps and WIC with getting outreach material to Arkansas food pantries;
- Observe World Food Day in mid-October 2004.
- Update and post a list of food pantries onto the website, so that people may locate pantries in their area;
- Start farmer's markets in underserved areas of Arkansas;
- Continue to contact Arkansas' Congressional delegation about hunger-related legislation, particularly Food Stamp reauthorization and Child Nutrition reauthorization;
- Expand membership in the Hunger Coalition and solicit dues from those capable of paying;
- Provide e-mail bulletins to Coalition members on a regular basis; and
- Act as liaison and consultant to the Seeding School Garden project co-sponsored by AUGER, Heifer International and the University of Arkansas for Medical Sciences.

In addition, please find signed Assurances from the Governor's designee. All terms and conditions for the program will be met. A final report will be submitted no later than 90 days after the end of the program.

If you have questions, you may contact me at (501) 682-8715, or Mae Bishop at (501) 682-8719.

Sincerely,



Thomas E. Green, Assistant Director
Office of Community Services

TEG:td

cc: Joni Jones
Mae Bishop
Lottie Akins

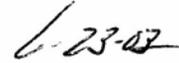
COMMUNITY FOOD AND NUTRITION PROGRAM ASSURANCES
SUBSECTION 681 (a) OF THE CSBG ACT
Fiscal years 2004 and 2005

As part of the biannual application and plan required by Section 681 of the Community Services Block Grant Act, as amended, (42 U.S.C. 9901 et seq.) (the Act), the designee of the Chief Executive of the State hereby agrees to provide for community based, local and statewide programs to accomplish the objective of the Community Food and Nutrition Program (CFNP), as follows:

- (1) To coordinate private and public food assistance resources, where coordination is inadequate, in order to better serve low-income populations;
- (2) to assist low-income communities to identify potential sponsors of child nutrition programs and to initiate such programs in underserved or unserved areas; and
- (3) to develop innovative approaches to meet the nutritional needs of low-income individuals.



Signature of Designee



Date

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS
GRANTEES OTHER THAN INDIVIDUALS

By signing and/or submitting this application or grant agreement, the grantee is providing the certification set out below. This certification is required by regulations implementing the Drug-Free Workplace Act of 1988, 45 CFR Part 76, Subpart F. The regulations published in the May 25, 1990 Federal Register, require certification by grantees that they will maintain a drug-free workplace. The certification set out below is a material representation of fact upon which reliance will be placed when the Department of Health and Human Services (HHS) determines to award the grant. If it is later determined that the grantee knowingly rendered a false certification or otherwise violates the requirements of the Drug-Free Workplace Act, HHS, in addition to any other remedies available to the Federal Government may take action authorized under the Drug-Free Workplace Act. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants or government wide suspension or debarment.

Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio studios). If the workplace identified to HHS changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see above).

Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

Controlled substance means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

Conviction means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

Criminal drug statute means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

Employee means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All direct charge employees; (ii) All indirect charge employees unless their impact or involvement is insignificant to the performance of the grant; and, (iii) Temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

The grantee certifies that it will or will continue to provide a drug-free workplace by:

- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
- (b) Establishing an ongoing drug-free awareness program to inform employees about: (1) The dangers of drug abuse in the workplace; (2) The grantee's policy of maintaining a drug-free workplace; (3) Any available drug counseling, rehabilitation, and employee assistance programs; and, (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);

(Continued on reverse side of this sheet)

(d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will:

(1) Abide by the terms of the statement; and,
(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

(e) Notifying the agency in writing, within ten calendar days after receiving notice under paragraph (d) (2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

(f) Taking one of the following actions, within 30 calendar days of receiving notice under paragraph (d) (2), with respect to any employee who is so convicted:

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

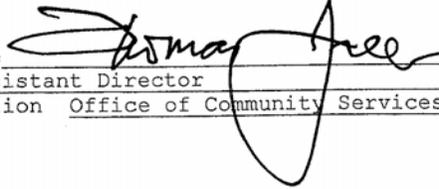
(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant (use attachments if needed):

Place of Performance (Street address, city, county, state, zip code) _____

Check if there are workplaces on file that are not identified here.

Sections 76.630(c) and (d)(2) and 76.635(a)(1) and (b) provide that a Federal agency may designate a central receipt point for STATE-WIDE AND STATE AGENCY-WIDE certifications, and for notification of criminal drug convictions for the Department of Health and Human Services, the central receipt point is Division of Grants Management and Oversight, Office of Management and Acquisition, Department of Health and Human Services, Room 517-d, 200 Independence Avenue, S.W. Washington, D.C. 20201.

Signature  Date June 16, 2003
Title Assistant Director
Organization Office of Community Services