



# INDIANA COMMUNITY ACTION AGENCY MONITORING TOOL KIT

Community Service Block Grant



Effective: June 26, 2023 to December 31, 2025



This toolkit is for guidance only and is utilized by IHEDA for CSBG monitoring purposes; it is not intended to interpret or explain federal or state laws. Each sub-grantee is responsible for complying with all applicable federal and state laws and requirements, regardless of whether the requirements are addressed in this toolkit.<sup>60</sup>

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# CSBG STATE COMPLIANCE OVERVIEW

The Office of Community Services (OCS) within the Department of Health and Human Services (HHS), working with the National Partners, has positioned CSBG and Community Action as a model of National Performance Management to ensure accountability at all levels.

“The CSBG network is subject to the extensive accountability mechanisms of the CSBG Performance Management Framework, ensuring that the Federal Office, State Offices, and local Community Action Agencies are effective and responsible stewards of federal funds.”<sup>80</sup>

HHS has charged each state with the task of overseeing and ensuring that funds are disbursed to the eligible entities, hereafter called “agency/agencies or organizations,” and are administered in accordance with federal regulations. Pursuant to Indiana Code 4-4-33-1-(2), in 2007, the Governor designated the Indiana Housing and Community Development Authority (IHCDA) as the State of Indiana’s Lead Agency for CSBG.

## **CSBG MONITORING AUTHORITY**

Under 42 U.S.C. 9914 of the CSBG Act, the State CSBG Lead Agency (IHCDA) is responsible for establishing “performance goals, administrative standards, financial management and requirements” that assure an appropriate level of accountability and quality among the State’s eligible agencies. The act requires the state agency to perform a full review of subrecipients’ (CAA) program operations at least once during a three (3) year period. This works in conjunction with 2 CFR 200.332(e)(2) that requires pass-through entities (i.e. state agencies) to perform regular onsite reviews of subrecipients’ program operations and IC 12-14-23-5 which states that a community action agency may not receive state or federal money unless the agency is organized in accordance with this chapter (for Indiana Community Action).

## **MONITORING STANDARDS PURPOSE**

IM-102 establishes the State’s responsibility to “improve eligible entities’ capacity to achieve results” through such means as “standards of excellence.” Accordingly, “States must establish and communicate clear and comprehensive standards and hold eligible entities accountable according to the standards as part of their oversight duties”.<sup>69</sup> The standards in the IHCDA CSBG Monitoring Toolkit are designed to fulfill these oversight expectations by means of a full CSBG compliance monitoring.

### **A. Organizational Standards (Part One)**

“The purpose of the organizational standards is to ensure that all eligible entities have appropriate organizational capacity, not only in critical financial and administrative areas important to all nonprofit and public human service agencies, but also in areas of unique importance for CSBG-funded eligible entities”.<sup>70</sup> According to Denise Harlow, Chief Executive Officer of NCAP, the organizational standards found in IM-138 “are the ground floor, or minimum requirements, for management and operations.”

### **B. Program Standards (Part Two)**

The purpose of the program standards is to ensure that all eligible entities adhere to established policies and procedures, the promotion of fairness and ethics, and astute financial management. By fostering transparency, integrity, and effective collaboration, Part Two ensures that the CAA is primed to serve their community responsibly and successfully. It also supports IHCDA in demonstrating that Indiana (as the State and a group of agencies) is compliant in meeting its expectations.

IHCDA utilized a combination of resources to develop the guidance, purpose, authority, implementation tips, and best practices for each standard, including but not limited to:

- Public Law (PL)/ CSBG Act
- OCS Information Memorandums (IMs)
- Indiana CSBG Model State Plan (IHCDA)
- CSBG Program Manual (IHCDA)
- CSBG Grant Award Agreement (IHCDA)
- Indiana Code (IC)
- Office of Management and Budget (OMB) Grants Management Circulars
- Model Policies by Community Action Program Legal Services, Inc. (CAPLAW)
- National Community Action Partnership (NCAP)
- National Association for State Community Services Programs (NASCSPP)

## MONITORING STANDARD ASSOCIATIONS

Like-minded standards within the monitoring toolkit are grouped under common performance-based management categories (e.g., organizational leadership, board governance, human resources, fiscal operations, etc.). However, some of these same individual standards may also be associated with higher business-related objectives that go beyond their category descriptions:

### Compliance and Accountability

Ensuring that CAA abide by their duties to the federal and state funder, community, and stakeholders by following internal policies, adhering to external rules and regulations, and maintaining transparency about their operations.

#### A. Program Pass-Through Activities

Ensuring that each CAA is performing specific required activities, so the State as a whole also remains in compliance with OCS regulations.

### Financial Solvency

Ensuring that each CAA is fiscally solvent and can operate its programs without interruption.

### Risk Management/Mitigation

Ensuring each CAA actively reduces, controls, or minimizes risks to its operations.

### Control Activities

Ensuring each CAA has systems, policies, and procedures in place to prevent improper actions and errors and ensure that agency management protects assets and prevents fraud, waste, and abuse.

### Results Orientated Management and Accountability (ROMA) for Community Action

Ensuring each CAA integrates outcomes/results and quality improvement into the administration, management, and operations of the agency.

### Capacity Building

Ensuring each CAA's ability to deliver its mission effectively now, and in the future.

# MONITORING TOOLKIT STRUCTURE

This review instrument is used as an open and transparent document to complete the CSBG monitoring process. It contains the following parts:

- **Part One: Organizational Standards** (*Sections 1-3; Categories 1-9*), evaluates the operational performance for maximum feasible participation, vision and direction, and operations and accountability for Informational Memorandum No. 138.
- **Part Two: Programmatic Standards** (*Sections 4-5; Categories 10-15*), evaluates the resource and accounting management of CSBG program implementation and performance.
- **Part Three: Attestation** (*Section 6; Category 16*), allows the agency to evaluate and certify success in meeting specific objectives related to agency operations.
- **Part Four: Beyond Compliance** (*Section 7, Categories 17-19*), considers an agency's road to excellence through Standard support information and implementation tips, best business practice recommendations and the bibliography.

This toolkit formats each Standard in Parts One and Two as follows:

1. Description:
  - **Standard Name** describes the compliance expectation or required action.
2. Compliance:
  - **Guidance** is any explanation needed to clarify the interpretation of the standard. It is the **required action(s)** used to determine compliance.
  - **Timeframe** indicates the period of time since the previous monitoring session by which the standard will be measured:
    - "Once"- Provide proof of meeting the standard at least one time.
    - "Annually"- Provide proof of meeting the standard for each calendar year.
    - "Within past 2, 3, or 5 Years"- Provide proof of meeting the standard, at some time, during past 2, 3, or 5 years.
    - "During Monitoring Period"- The number of years between monitoring's may change. The standard may require annual proof or proof that it was completed at least once since previous CSBG Monitoring.
3. Demonstrate/Evaluate:
  - **Summary** is an overview of the Standard's objective and important actions.
  - **Documentation Examples** lists the potential materials that may be requested or examples of documentation the CAA may wish to develop to document compliance with the corresponding standard.
4. CAA Self-Assessment:
  - **Agency Self-Check** is a tool provided in advance of the monitoring so the agency can determine if it is meeting the standard. (This is for your "Internal Use Only")

Supplemental information in Part Four (associated with the Standards in Part One, Two, and Three) may include the following:

1. **Purpose** provides what the standard is trying to achieve: the "why."
2. **Authority** identifies the applicable Federal or State requirement(s) to which the CAA must adhere (i.e., regulation, code, contract, memoranda, or policy, etc.) and any associated authority that the standard may be linked to.
3. **Resource Tools** are supplemental materials or instruments available that may assist the agency in achieving or tracking the compliance on the standard.
4. **Background** shows the standard's relationship to the anti-poverty movement.

5. **Implementation Tips** are suggested actions or techniques that may assist the agency in successfully achieving the standard.
6. **Drive the Distance** are best business practices to go beyond compliance of the standard and assist the agency in fully exploring the intent and spirit of the standard.

## MONITOR'S APPROACH

Every Indiana CAA operates independently. They have their own unique challenges and staffing experiences that dictate how and why they manage their organization as they do. Therefore, not every agency provides the same information or in the same way. Our goal is to engage each agency individually based on the framework established within each monitoring standard.

Monitoring includes review of submitted documents as well as communicated and observed actions. The monitor will use this information to ascertain compliance. The review, while thorough, is limited in scope and should not be considered exhaustive. Each monitoring session should be considered an isolated event; and compliance is determined anew in each monitoring session regardless of previous practices or findings.

*"In assessing the health of an agency, state monitors cannot look solely at compliance with particular program standards. State monitors need to take a systems view of each CAA and note the quality-of-service delivery and program operations throughout the agency." 78*

IHCDA's goal is to support each agency in meeting their compliance goals. Throughout the monitoring session, the IHCDA monitor will share best practices for meeting and exceeding standard expectations and will work with the agency to create solutions and/or serve as a sounding board for new policies/procedures/actions. As with ROMA, at the state level, we view monitoring as part of the continuous improvement cycle. It is an opportunity to explore operational tools, techniques, and processes that have been developed by each agency. Per Peter Drucker,<sup>47</sup> CAAs need "to manage better than for-profit businesses," and "challenge every policy, practice, procedure, and assumption...to think through very clearly what results are for our organization."

*"Continuous improvement is both a commitment and a process for improving everything you do to achieve excellence." 140*



# MONITORING SESSION PROCESS

## Notification

The official notice from IHCD of the upcoming monitoring event provides key dates and times (e.g., entrance conference) and the scheduled onsite visit dates.

## Fact Gathering Methods

The monitoring event encompasses review of many areas of agency operations. A questionnaire has been developed to efficiently gather information in advance and minimize workflow interruptions during monitoring. In addition, the agency will upload documents for review.

## Entrance Conference

Held to communicate the purpose, scope, and process of the monitoring session. Officially starts the monitoring session even though the review of provided materials may have already begun.

## Key Agency Interviews

Throughout the monitoring process, IHCD staff will need to interview the following key management positions: Executive Director, Fiscal Manager, Human Resources Manager, CSBG Program Manager, and select governing board members. Everyone must participate before the monitoring session will be closed.

IHCD expects to meet with at least two (2) governing board members, as part of the monitoring process, “to determine the extent to which the boards are aware of, and are carrying out, their responsibilities”<sup>65</sup>. The approximate one-hour interview will be conducted independent of agency management/staff, anytime during normal business hours, on day one of the onsite visit.

- Phone interviews or video conferencing are an option, but not the preferred communication method. Coordinate with the monitor team, prior to the onsite visit, if this is the only available option.

## Exit Conference

Held to communicate the preliminary results of the monitoring session and best business practice recommendations for agency consideration.

## Monitoring Report

The "official" record of compliance and will summarize the results of the review based upon the agency's performance, which is reported based on whether they fully met or did not meet the given standard. There is not an assigned numerical point value that correlates with each standard.

**Fully Met:** compliance with all guidelines

**Not Met:** no guidelines, or only part of the guidelines, were accomplished.

### A. Required Action

A Required Action Plan (RAP) will be developed by each monitored agency to identify how each standard that was “Not Met” will be addressed. An accepted RAP or placement on an improvement plan completes the monitoring session.

# IHCDA CSBG IMPROVEMENT PLANS

Placement on an improvement plan (Modified Quality Improvement Plan [MQIP] or Quality Improvement Plan [QIP]) will be at the discretion the IHCDA CSBG Manager and is not part of the monitoring session.

The following two items will be considered when determining whether an agency’s monitoring will result in an improvement plan:

1. meeting all CSBG core components and operational and risk mitigation standards.
2. the overall percentage of standards that are fully met.

CSBG Core Components and Agency Risk Mitigation Standards:

- Standard 3.3 Community Needs Assessment
- Standard 4.6 Risk Assessment
- Standard 5.1 Tripartite Governing Board
- Standard 6.3 Strategic Plan
- Standard 8.1 Single Audits
- Standard 8.7 Board Financial Reporting
- Standard 11.4 Segregation of Duties
- Standard 14.2 Financial Statements
- Standard 15.3.2 Operating Ratios

## OVERALL PERFORMANCE INDICATORS

<b>Result</b>	<b>Requirements</b>	<b>Action</b>
<b>Compliant</b>	Fully Met ALL fundamental standards <b>AND</b> Fully Met 85% of the Net Overall Standards (Part One + Part Two)	<i>Required Action Plan</i>
<b>Eligible for Improvement Plan</b>	Not Met one or more fundamental standards <b>BUT</b> Fully Met 85% of the Net Overall Standards (Part One + Part Two)	<i>Required Action Plan (with additional MQIP expectations, if necessary)</i>
<b>Improvement Plan Needed</b>	Not Met one or more fundamental standards <b>AND</b> less than 85% of the Net Overall Standards (Part One + Part Two) are Fully Met	<i>Required Action Plan (with additional MQIP/QIP expectations)</i>

*\*\*Public Agency will be adjusted based upon IM-138 Organizational Standards for Public CSBG Eligible Entities.*

# GENERAL COMPLIANCE PARAMETERS

The following parameters regarding documentation practices apply to multiple monitoring standards. They are listed here once rather than re-stating them multiple times throughout this document.

## Board Action

- Board minutes are the primary way of demonstrating official actions of the governing board. They must clearly record what transpired at a board or committee meeting; all motions must be clear and concise.
- A governing board vote is not valid unless a quorum of the board, as defined in the bylaws, is present.
- Actions approved in a consent agenda cannot be used to demonstrate compliance with any monitoring standard, unless the motion specifically calls out the item needing to be approved.<sup>61</sup> (e.g., “the board approves the consent agenda, including the Needs Assessment”)
- The Indiana Open Door Law permits governing bodies to meet privately (i.e., executive session).<sup>49,50</sup> However, any “final action [i.e., a vote] must be taken at a meeting open to the public”<sup>50</sup> where the action(s) is documented in the meeting minutes.

## Conflicts of Interest

- How the board addressed conflicts of interest must be clear in the meeting minutes; including “when conflicts [from members] arise during the course of board business, how they were acknowledged and by whom, how they were addressed, if/when board members with the conflict left the room or removed themselves from the conversation.”<sup>28</sup>
  - Minutes also must record the vote on any motion, including abstentions.<sup>28</sup>

## Board Members

- All members of the tripartite board “shall be selected by the entity”.<sup>88</sup> This means the board must take a formal vote to seat the representative.<sup>14</sup>
- The date that the full governing board votes a prospective member (nominee) to the Board of Directors is their “official” start date or when they are considered “active.”<sup>61</sup>
- A prospective board member must be voted onto the Board of Directors by name and not as part of any blanket or generic approval.<sup>61</sup>

## Board Bylaws

- An officer shall perform the duties set forth in bylaws or to the extent consistent with the bylaws.<sup>142</sup> Board actions that take place that are not in line with the bylaws are not valid and can be called into question both in practice and legally.<sup>28</sup>

## Staff Framework

- Documents must be dated to certify when an action occurred. They may be handwritten or typed with a signature or initial, or electronically stamped.
- A “structured process” is a process that is written down or formalized so it can be consistently administered. It is not just verbal.

# CONCLUSION

To conclude, the governing board “should work together with the CEO/ED to ensure that board agendas, minutes, calendars, training, orientation, and committees are structured in a way to meet the Standards. This may lead to some changes of how the board operates, but the roles and responsibilities of the board do not change under the Organizational Standards”.<sup>28</sup>

Finally, IHEDA recommends that each agency’s leadership staff, along with the governing board, establish committees and conduct regular meetings to ensure that its organization is in good standing (Fully Met) with each standard outlined in this document to achieve maximum performance. Involvement at all levels within the agency also will improve communication, engagement and knowledge about issues related to community action.

## QUESTIONS?

The monitoring toolkit is a living document that is designed to be adaptable to the many ways community action agencies meet the standards. However, you are encouraged to seek clarification with IHEDA CSBG staff if you have any questions.

- Contact the IHEDA CSBG mailbox at [csbg@iheda.in.gov](mailto:csbg@iheda.in.gov)

# PART ONE:



## ORGANIZATIONAL STANDARDS

The CSBG organizational standards provide a standard foundation of organizational capacity for all CSBG Eligible Entities (CEEs) across the United States. The Federal Office of Community Services' Information Memorandum (IM) 138 provides direction to States and CEEs on establishing organizational standards and includes the final wording of the standards developed by the OCS-funded organizational standards Center of Excellence (COE).

The COE-developed organizational standards are comprehensive and were developed for the CSBG Network by the CSBG Working Group. The organizational standards work together to characterize an effective and healthy organization while reflecting the vision and values of Community Action and the requirements of the CSBG Act.

# MAXIMUM FEASIBLE PARTICIPATION

## Category 1: Consumer Input + Involvement

### Standard 1.1

The organization demonstrates low-income individuals' participation in its activities.

**Guidance:**

- The voices of low-income individuals currently living in the geographic service area must be heard throughout the development, planning, implementation, and evaluation process.<sup>64</sup>
- Providing services to low-income people does not qualify as including low-income individuals in agency activities.<sup>23</sup>
- Provide for regular participation of the poor and the affected area residents in the implementation of the programs.<sup>54</sup>

**Timeframe:** During monitoring period

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Agency Self-Assessment:

**Summary:** How the agency is involving low-income individuals within the agency in program planning, implementation, and evaluation.

**Documentation Examples:**

- Sign-in sheets from activities
- Meeting minutes (e.g., governing board and advisory councils)
- Volunteer hours list
- Surveys/focus groups
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

---

State Assessment of Agency:

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

### Standard 1.2

The organization analyzes information collected directly from low-income individuals as part of the community assessment.

**Guidance:**

- This information can be, but does not need to be, agency customers only.<sup>23</sup>
- Community assessment must analyze this data to identify what low-income community members perceive to be the highest needs in their area.

**Timeframe:** Every three (3) years from the previously completed CNA date

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### Agency Self-Assessment:

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**Summary:** How low-income individuals were consulted directly, and the data was collected and analyzed as part of the community needs assessment process.

**Documentation Examples:**

- Community needs assessment
- Any related appendices or methodology section that details the analysis of customer data
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

---

### State Assessment of Agency:

---

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 1.3

The organization has a systematic approach for collecting, analyzing, and reporting customer satisfaction data to the governing board.

**Guidance:**

- Comment boxes, focus groups, interviews, community forums, customer surveys (paper/electronic), post cards, etc. are common examples of methods used to collect data directly from low-income individuals.
- The board must be provided with the customer satisfaction information they need to effectively plan and evaluate.<sup>64</sup>
- Reporting to the governing board may be via written or verbal forms<sup>37</sup> but must be documented in the meeting minutes or data provided in the board packet(s).<sup>61</sup>

**Timeframe:** During monitoring period, at least once

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### Agency Self-Assessment:

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**Summary:** Customer satisfaction data collection methods utilized, evidence the data was reviewed and analyzed, and how/when provided to the governing board.

**Documentation Examples:**

- Documented discussion and/or subsequent reports, examples:
  - Governing board meeting minutes
  - Annual reports
  - Charts/graphs/spreadsheets/summaries reflecting analysis
- Description(verbal) of how data is collected
- Customer satisfaction policy/procedures
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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---

State Assessment of Agency:

---

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Category 2: Community Engagement

### Standard 2.1

The organization has documented or demonstrated partnerships across the community, for specifically identified purposes; partnerships include other anti-poverty organizations in the area.

**Guidance:**

- Documented or demonstrated partnerships may be relationships that are formalized through an MOU/MOA, contract, coalition membership, etc.<sup>37</sup>
- Partnerships must include providers of services to low-income people or anti-poverty organizations.<sup>63,66</sup>
  - Partnerships may include business, labor, and other private groups and organizations as well as public officials and agencies.<sup>54</sup>
- It is not necessary to document “one off” meetings, ongoing but minor exchanges, or exploratory meetings that do not lead to significant activities.<sup>24</sup>

**Timeframe:** During monitoring period

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Agency Self-Assessment:

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**Summary:** Agency documents or demonstrates current partnerships and their purposes across the community.

**Documentation Examples:**

- Agency-wide partnership list
- MOU/MOAs
- Contracts/agreements
- Verbal descriptions of partnership purposes
- Memberships
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

---

State Assessment of Agency:

---

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?



## Standard 2.2

The organization utilizes information gathered from key sectors of the community in assessing needs and resources during the community assessment process or other times. These sectors would include at minimum: community-based organizations, faith-based organizations, private sector, public sector, and educational institutions.

### Guidance:

- Demonstrate activity in each of the five key sectors (noted above) over the agency's entire service area, e.g., partnerships, representing the agency on various community groups, etc.
- Demonstrate how that information is used to assess needs and resources.<sup>24</sup>
- Determine the amount and effectiveness of the assistance being provided to deal with the problems and causes of poverty in the community.<sup>54</sup>
- This may but does not have to be done as part of the Community Needs Assessment

**Timeframe:** During monitoring period

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### Agency Self-Assessment:

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**Summary:** Be able to describe how the agency utilizes information from different sectors to identify and address community needs.

### Documentation Examples:

- Agency-wide partnership or stakeholders list (with sector representation)
- Community Needs Assessment (data collection methods and analysis sections)
- Agency reports on needs and resources produced by the agency
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

---

### State Assessment of Agency:

---

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 2.3

The organization communicates its activities and its results to the community.

### Guidance:

- Demonstrates the agency's ability to deliver performance results/outcomes and/or to "tell the organization's success stories" to the community.
- To be successful at this standard, an agency must not only promote the organization's programs, but also inform the community about the results of its programs.

**Timeframe:** During monitoring period

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### Agency Self-Assessment:

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**Summary:** Various methods used by the agency to communicate its message and share its results with the community.

**Documentation Examples:**

- Shared agency-wide results: annual report, community action plan, assessments, etc.
- Annual event/ gala
- Social media: Facebook, Twitter, blogs, LinkedIn, etc.
- Print media: Brochures, Newsletters, Newspaper articles, etc.
- Broadcast media: Television, Radio, etc.
- Press releases
- Website
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

---

### State Assessment of Agency:

---

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 2.4

The organization documents the number of volunteers and hours mobilized in support of its activities.

**Guidance:**

- There is no requirement to utilize volunteers, only to document their number and hours, if utilized.<sup>24</sup>
- This can be an agency-wide list, or if kept by program, a cumulative representation of the total number of volunteers/hours documented.<sup>61</sup>
  - At a minimum, this must include documentation of governing board and committee activities.

**Timeframe:** Annually, during the monitoring period

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### Agency Self-Assessment:

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**Summary:** The total number of volunteers and hours mobilized in support of the agency's activities for each program that utilizes volunteers.

**Documentation Examples:**

- Agency-wide or program-by-program list of volunteers and service hours
- Governing board attendance matrix
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

---

State Assessment of Agency:

---

FULLY MET    NOT MET

\*If not met, what action steps are needed to meet the standard?

## Category 3: Community Assessment

42 USC 9908(b)(11), of the CSBG Act states "...that includes a community needs assessment for the community served, which may be coordinated with community needs assessments conducted for other programs...". Therefore, IHEDA recognizes that other agency program needs assessments, such as for HUD or Head Start, may be used to meet these standards if all the details outlined in Standards 3.2-3.4 (below) are completed and appropriately demonstrated.

### Standard 3.1

The organization conducted a community assessment and issued a report to the community within the past three (3) years.

#### Guidance:

- This is also called a Community Needs Assessment (CNA).
- Assessment must include a clear description of the geographic location (CSBG counties) that the agency is funded to serve.<sup>76</sup>
  - Assessment must include at least all the CSBG counties served but may include other counties served by the agency.
  - Assessment must not overlook pockets of poverty in areas that receive fewer services.<sup>25</sup>
- The data utilized must be as current as possible.<sup>25</sup>
- CNA results must be shared with the community, which may include partner organizations, other sectors, and the community at large.<sup>25</sup>
  - Presenting only to staff or at a governing board meeting, while open to the public, does not meet the requirements of the standard.<sup>61</sup>

**Timeframe:** CNA: Every three (3) years from the previously completed CNA date (with a two (2)-month buffer); public release thereafter

---

Agency Self-Assessment:

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**Summary:** The current CNA was completed in the last three years and findings have been communicated to the public.

#### Documentation Examples:

- Current CNA
- Documentation illustrating how and when the results were communicated to the public:
  - Agency website
  - Agency social media
  - Community forum
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:    MET    NOT MET    ON TARGET

---

State Assessment of Agency:

---

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

### Standard 3.2

As part of the community assessment, the organization collects and includes current data specific to poverty and its prevalence related to gender, age, and race/ethnicity for their service area(s).

**Guidance:**

- A CNA provides information about poverty for all three (3) categories of demographic data [gender, age, race/ethnicity].<sup>25</sup>

**Timeframe:** Every three (3) years from the previously completed CNA date

---

Agency Self-Assessment:

---

**Summary:** The CNA provides data describing the interaction between poverty level and the following four demographic categories: gender, age, race, and ethnicity.

**Documentation Examples:**

- CNA and any needed appendices
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

---

State Assessment of Agency:

---

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

### Standard 3.3

The organization collects and analyzes both qualitative and quantitative data on its geographic service area(s) in the community assessment.

**Guidance:**

- The CNA must include both qualitative and quantitative data<sup>76</sup>:
  - Qualitative: Descriptive or narrative data (primary data) collected directly from community members via interviews, focus groups, community workshops, or surveys.
    - Methodology includes gathering information from a variety of points of view (i.e., low-income population, clients, governing board members, community leaders, partner agencies/companies).
    - Findings are represented in the actual words of the respondent.

- Quantitative: Statistical or numerical data that will help understand the scope of the needs in the community.
  - Primary data may include information from the agency’s own programs such as client demographics, or how clients interact with (i.e., are or are not served by) programs addressing key community needs, and/or
  - Secondary data may include and compare National, State and Local sources from a variety of different agencies/departments.
- The CNA must include data analysis that:
  - includes a review of the similarities/differences between findings by topic from the different types of data sources, and
  - provides meaningful conclusions based on the data reported in the CNA.

**Timeframe:** Every three (3) years from the previously completed CNA date

Agency Self-Assessment:

**Summary:** The CNA uses well-sourced qualitative and quantitative data that are analyzed to make conclusions about the needs of low-income individuals in the service area.

**Documentation Examples:**

- CNA and any needed appendices
- Methodology descriptions
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

State Assessment of Agency:

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

**Standard 3.4**

The community assessment includes key findings on the causes and conditions of poverty and the needs of the communities assessed.

**Guidance:**

- Key findings in the CNA must focus on how the causes and conditions of poverty relate to the community’s documented needs.
- For each key finding identified in the CNA, analysis should consider how the issue manifests at the family, agency, or community level.<sup>76</sup> This consideration must be apparent in the key findings, but it is **not** required that each level be identified for each key finding:
  - Family (how does the need concern individuals and families who have identified things in their own life that are lacking)
  - Agency (did the data identify areas where the agency does not have resources or capacity to respond to an identified need)
  - Community (does the issue impact the community as a whole, not just customers or potential customers of the agency).

**Timeframe:** Every three (3) years from the previously completed CNA date

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Agency Self-Assessment:

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**Summary:** Outline/Specify/List the CNA's key findings about the causes and conditions of poverty, and how they relate to the community's documented needs.

**Documentation Examples:**

- CNA and any needed appendices
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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State Assessment of Agency:

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FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

### Standard 3.5

The governing board formally accepts the completed community assessment.

**Guidance:**

- Within sixty (60) calendar days of completion, the full current assessment must be formally accepted by governing board motion, and the vote must be recorded in meeting minutes.<sup>61</sup>

**Timeframe:** Within (60) calendar days of the most recently completed CNA date

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Agency Self-Assessment:

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**Summary:** Governing board has voted to approve the completed CNA within the appropriate timeframe.

**Documentation Examples:**

- Governing board meeting minutes
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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State Assessment of Agency:

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FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

# VISION AND DIRECTION

## Category 4: Organizational Leadership

### Standard 4.1

The governing board has reviewed the organization's mission statement within the past five (5) years and assured that: 1. The mission addresses poverty, 2. The organization's programs and services are in alignment with the mission.

#### Guidance:

- Review of whether programs and services are in line with the mission could be completed by either a Board of Directors or staff leadership, as reflected in meeting minutes or other documentation.<sup>61</sup>
- The mission statement does not have to use the word poverty but must address the issue of poverty in some way. Phrases that demonstrate this may include: "increase self-sufficiency", "economic security", "ladders of opportunity", "low-income," "economically disadvantaged, etc." <sup>26, 61</sup>

**Timeframe:** Five (5) years prior to your upcoming monitoring session date.

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#### Agency Self-Assessment:

**Summary:** Documented discussion of the mission statement by the governing board, within the past five years, it addresses poverty, and conclusions by the governing board and/or staff that programs are/are not in alignment.

#### Documentation Examples:

- Current organization mission statement
- Governing board meeting minutes
- Retreat notes indicating discussion of the mission statement and program alignments
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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#### State Assessment of Agency:

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

### Standard 4.2

The organization's Community Action Plan (CAP) is outcome-based, anti-poverty focused, and ties directly to the community assessment.

#### Guidance:

- Compliance is based upon acceptance of the annual CAP by IHCD.

**Timeframe:** Annually, during the monitoring period

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### Agency Self-Assessment:

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**Summary:** Annually submit a complete CAP to IHCD and have it accepted by IHCD staff.

**Documentation Examples:**

- Annual CAP submission (in IHCD's files)

Agency Self-Check:  MET  NOT MET  ON TARGET

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### State Assessment of Agency:

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FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 4.3

The organization's community action plan and strategic plan document the continuous use of the full Results Orientated Management and Accountability (ROMA) cycle or comparable system (assessment, planning, implementation, achievement of results, and evaluation). In addition, the organization documents having used the services of a ROMA-certified trainer (or equivalent) to assist in implementation.

**Guidance:**

- Agency must show thoughtful assessment of needs, planning to meet those needs, implementation of programs and services designed to meet those needs, collection of data, and an analysis of this data.<sup>27</sup>
- A ROMA trainer must be involved in agency activities, but it is up to the organization to determine the manner of his/her involvement: such as strategic planning meetings, consultation on implementation, etc.<sup>37</sup>
- This Standard is not about training on ROMA (or requiring each CAA to have a ROMA trainer on staff) but implementing ROMA principles on a continuous basis.<sup>26</sup>

**Timeframe:** During the monitoring period

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### Agency Self-Assessment:

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**Summary:** Demonstrate that the CAA is incorporating/using the ROMA cycle. Provide evidence of assistance by a Nationally Certified ROMA Trainer or Implementer, or comparable.

**Documentation Examples:**

- Strategic planning notes
- ROMA Implementation Checklist
- A brief narrative speaking to the agency's use of each step of the ROMA cycle
- Meeting minutes, written communication, invoice, contract, etc., of a ROMA professional's involvement
- Execution of other CAR Standards assist in documenting the agencies use of the ROMA cycle.
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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State Assessment of Agency:

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FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

### Standard 4.4

The governing board receives an annual update on the success of specific strategies included in the Community Action Plan (CAP).

**Guidance:**

- Updates can be written or verbal, as long as they are noted in the minutes/board packet. This update may be a written report or staff presentation followed by board discussion.<sup>26</sup>

**Timeframe:** Annually, during the monitoring period

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Agency Self-Assessment:

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**Summary:** The governing board received an update on and discussed the CAP.

**Documentation Examples:**

- Governing board minutes, or packet, or similar
- Annual report results
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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State Assessment of Agency:

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FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

### Standard 4.5

The organization has a written succession plan in place for its CEO/Executive Director, approved by the governing board, which contains procedures for covering an emergency/unplanned, short-term absence of 3 months or less, as well as outlines the process for filling a permanent vacancy.

**Guidance:**

- Succession plan must contain these basic elements: 1) covers the CEO/ED position; 2) approved by the governing board; 3) covers an emergency/unplanned absence; 4) covers a short-term absence of 3 months or less; and 5.) includes a process for filling a permanent vacancy.
- For long-term vacancies, succession plan must include 1) who will sit on a search committee or transition team, 2) an overview of the selection process, and 3) a brief list of key skills/abilities required by a CEO/ED for the agency.<sup>61</sup>

- The plan must be reviewed, at least by Leadership Staff, during the monitoring period, and approved by the governing board if changes are made.<sup>61</sup>
- A public agency must adhere to its local government policies and procedures around interim appointments and processes for filling a vacancy.<sup>69</sup>

**Timeframe:** At least once during the monitoring period

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**Agency Self-Assessment:**

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**Summary:** The current succession plan is in place for the Executive Director position, and demonstrates all required elements, including documentation of agency staff review.

**Documentation Examples:**

- Governing board minutes, or packet, or similar
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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**State Assessment of Agency:**

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FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 4.6

An organization-wide comprehensive risk assessment has been completed within the past two (2) years and reported to the governing board.

**Guidance:**

- It is acceptable to assemble several assessments or tools as long as once collected they meet the time frame of every two years and the definitions of “agency-wide” (not just particular programs) and “comprehensive” (covering all pertinent aspects of operations).<sup>26</sup>
- While there is no mandatory format; the assessment should include such potential risk factors as: governance, human resources, technology, communication, insurance coverage, transportation, facilities, staffing, service delivery, property, finances & financial management, competition, resources, contracts & procurement, etc.
  - Appropriately using the Nonprofit Risk Management Center (NRMC) link on the NCAP website (Tools & Resources/Online Tools) for Community Action Organizational Assessment and Risk Resources
  - , meets all necessary requirements of this standard.
- Public agencies may need to draw from multiple government documents to make up a typical risk assessment used by the non-public agencies.

**Timeframe:** Two (2) years prior to your upcoming monitoring session date

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### Agency Self-Assessment:

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**Summary:** Comprehensive (agency-wide) risk assessment with completion date and governing board meeting minutes reflecting review or discussion.

**Documentation Examples:**

- Risk assessment(s) and:
- Governing board meeting minutes
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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### State Assessment of Agency:

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FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Category 5: Board Governance

### Standard 5.1

The organization's governing board is structured in compliance with the CSBG Act:

1. At least one third democratically selected representative of the low-income community
2. One-third local elected (public) officials (or their representatives)
3. The remaining membership from major groups and interests in the community (private)

**Guidance:**

- Agency's governing board approved bylaws that are structured in compliance with the CSBG Act (see above) and Indiana State law.
  - The bylaws may only have a range of community action governing board members between 15 and 51 members.<sup>52</sup>
  - Indiana Code requires both public and private Community Action Agencies to adhere to the full tripartite board structure as described in this standard.
- When governing board composition is not divisible by three:
  - No group number can ever be higher than the low-income representatives.
  - The public representative ratio must be rounded up to be a whole number.<sup>61</sup>
  - Low-income community representatives will make up greater than a third of the governing board.
- Agency follows its governing board approved Bylaw policies for tripartite structure and board membership levels.
  - Each new member must be voted onto the governing board<sup>12</sup>, following the appropriate selection process<sup>64,88</sup>, and meets qualifications for service.
  - When governing board positions are filled, they are filled with an individual/representative from the correct sector of representation.

- A public official or representative only serve on the governing board as such while they (or their principals) are in office.<sup>64</sup>
  - A public representative or public body cannot appoint more than one individual to represent them on the governing board.<sup>61</sup>
  - After their service as a public official or representative, an individual may remain on the governing board if they are reclassified to another sector of representation.<sup>61</sup>

**Timeframe:** Annually, during monitoring period

Agency Self-Assessment:

**Summary:** Tripartite compliance is documented in the bylaws and maintained.

**Documentation Examples:**

- The Indiana (IHCDA) CAA Board Governance Management Tool (or IHCDA-approved alternate)
- Current governing board roster
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

State Assessment of Agency:

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 5.2

The organization’s governing board has written procedures that document its democratic selection process for low-income board members adequate to assure that they are representative of the low-income community.

**Guidance:**

- The written democratic selection process/procedures (e.g., direct election, public forum, representative of service or community organization, etc.) aligns with CSBG requirements and has been approved by the governing board.
  - Low-income members must either 1) personally income-qualify for CSBG services or 2) be democratically selected (not the same as being elected) to serve on behalf of low-income individuals.
  - Low-income people in the community, served by the CAA, must have input prior to the candidate rising to the governing board.
    - A low-income representative may NOT be selected by a CAA staff member or by the Executive Director of another organization in the community.<sup>12</sup>
    - A low-income representative may NOT be chosen by or voted directly onto the CAA tripartite board solely by the governing board or nominating committee vote.<sup>4</sup>

- If during their term as a board member, an individual who personally qualified for CSBG services increases their earnings such that they no longer qualify for CSBG services, they may remain on the board as a low-income representative.
- The agency follows their approved democratic selection process when seating low-income individuals/representatives on their governing board.

**Timeframe:** During the monitoring period.

#### Agency Self-Assessment:

**Summary:** Agency’s democratic selection process is adequate, and board approved, and all low-income individual/representatives were seated using the democratic selection process.

**Documentation Examples:**

- Agency's written democratic selection process/policy
- Governing board approval for the policy (i.e., governing board meeting minutes)
- Documentation showing democratic selection process was followed for all low-income members seated:
  - Ballots/results
  - Advertisement of position and election details
  - Letters from partner organizations
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

#### State Assessment of Agency:

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

### Standard 5.3

The organization’s bylaws have been reviewed by an attorney within the past five (5) years.

**Guidance:**

- The review must be independently submitted to the agency for consideration; if reviewer is a governing board member, voting on the bylaws as part of their regular board role is not sufficient to meet this standard.
  - The reviewing attorney must be practicing<sup>61</sup> but is not required to have a specific area of expertise.<sup>28</sup>
  - The reviewing attorney is not required to be paid for their work (may be a volunteer).<sup>28</sup>
- The attorney must review the full agency bylaws and not just specific changes.<sup>61</sup>
- Not applicable to public agencies.<sup>69</sup>

**Timeframe:** Five (5) years prior to your upcoming monitoring session date

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Agency Self-Assessment:

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**Summary:** Evidence of a practicing attorney’s review of the organization’s full bylaws.

**Documentation Examples:**

- Invoice, letter/email, meeting, or
- Committee minutes discussing full review (if attorney is a governing board member)
- Proof individual is a practicing attorney, if requested
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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State Assessment of Agency:

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FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 5.4

The organization documents that each governing board member has received a copy of the bylaws within the past two (2) years.

**Guidance:**

- All active governing board members must have received a copy of the bylaws either in hard copy or electronically.<sup>28</sup>
  - Making a current version of the bylaws continually accessible to governing board members on the agency website, intranet, or other governing board secured area is sufficient to meet this standard.<sup>61</sup>

**Timeframe:** Two (2) years prior to your upcoming monitoring session date

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Agency Self-Assessment:

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**Summary:** Governing board members had access to, or were provided, the bylaws.

**Documentation Examples:**

- Governing board minutes documenting their distribution
- Individual or group signed and dated acknowledgement of receipt
- Email to all governing board members reflecting attached bylaws
- Posting the bylaws on a governing board-accessible website
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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State Assessment of Agency:

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FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 5.5

The organization's governing board meets in accordance with the frequency and quorum requirements and fills board vacancies as set out in the bylaws.

### Guidance:

- Bylaws must include policies for meeting frequency, quorum, and filling vacancies.
  - The full governing board must meet at least 6 times per year; the Annual Meeting may be included as one of the six meetings.<sup>61</sup>
  - The bylaws may not authorize a quorum of fewer than One-third (1/3) of the number of directors in office.<sup>57</sup>
- Agency follows its governing board approved policy.
  - The governing board must fill vacant board positions within the timeframe in the bylaws (no longer than ninety (90) calendar days).<sup>36</sup>
  - Organizations must abide by any additional governing board representation rules in their bylaws, such as representation from geographic areas.<sup>52</sup>

**Timeframe:** Annually, during the monitoring period

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### Agency Self-Assessment:

**Summary:** Bylaws contain appropriate policies for meeting frequency, quorum, and filling vacancies and the agency follows their policy.

### Documentation Examples:

- Bylaws
- The governing board attendance matrix
- Governing board meeting minutes
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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### State Assessment of Agency:

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 5.6

Each governing board member has signed a conflict-of-interest form within the past two (2) years.

### Guidance:

- Governing board members are cognizant of their conflicts and honor the board's conflict of interest policy when actual (real) or potential conflicts arise.
- There is no particular template to follow. However, the form must include<sup>61</sup>:
  - What actions board members are expected to take should a conflict arise.
  - A full written disclosure of actual (real) or potential conflicts (e.g., places to list conflicts)

- A signature and date line
- Every “active” member must have a current conflict of interest form on file with the agency.<sup>61</sup>
  - Each form must be fully executed (signed and dated) by the governing board member, within the past 2 years, to be valid.<sup>61</sup>
- Public agencies must have each advisory board member fulfil this requirement.<sup>61</sup>

**Timeframe:** Two (2) years prior to your upcoming monitoring session date

Agency Self-Assessment:

**Summary:** All active governing board members have signed/dated a COI statement that includes a list of any potential conflicts of interest.

**Documentation Examples:**

- Most recently signed conflict of interest statement from each active board member
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

State Assessment of Agency:

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 5.7

The organization has a process to provide a structured orientation for governing board members within six (6) months of being seated.

**Guidance:**

- All governing board members, regardless of experience or past board participation, must be provided with a structured orientation within six (6) months of being seated (becoming “active”).<sup>61</sup>
  - “There is no specific curricula requirement, training methodology”<sup>28</sup>, or delivery method for board orientation, except that it must be structured and documented.
    - An organization may choose to provide an abridged orientation to returning governing board members.
  - An additional orientation is not required for a board member continuing for an additional term(s) with no interruption in service.
- The governing board member orientation must be documented, e.g., sign-in sheets, individually signed acknowledgement, email acknowledgement, etc.<sup>61</sup>

**Timeframe:** During the monitoring period

Agency Self-Assessment:

**Summary:** All governing board members have received a structured orientation within six (6) months (from the date voted onto the board) of being seated.



**Documentation Examples:**

- Document outlining the full structured orientation process
- Curriculum for the full structured orientation process
- Governing board matrix
- Signed orientation checklist
- Other documented proof of orientation for each seated governing board member
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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*State Assessment of Agency:*

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FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

**Standard 5.8**

Governing board members have been provided with training on their duties and responsibilities within the past two (2) years.

**Guidance:**

- The majority of governing board members must participate in at least one training about their responsibilities every two years.<sup>61</sup>
- The organization needs to have documentation that the training occurred (including content) as well as documentation that each governing board member has been provided with training opportunities.<sup>28</sup>
- There is no specific curricula requirement, or training methodology required.<sup>28</sup> The following types of governing board training topics are sufficient to fulfill this standard:
  - CSBG Act requirements relevant to the agency
  - Fiduciary Responsibilities
    - Duty of Care (Oversight)
    - Duty of Loyalty
    - Duty of Obedience
  - General Board Roles and Responsibilities
    - Assessments, Planning, Risk Mitigation, and Fundraising
    - Governing Board Recruitment
    - Financial Oversight
    - Oversight and Roles/Responsibilities of the Executive Director
- Agency program reports and ROMA trainings are not considered trainings about governing board responsibilities.<sup>61</sup>

**Timeframe:** Two (2) years prior to your upcoming monitoring session date

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*Agency Self-Assessment:*

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**Summary:** Governing board members have received/participated in training about board member duties and responsibilities (as many as possible, but at least a majority participated).

**Documentation Examples:**

- Training agendas/content
- Training materials, presenter(s) and documentation of governing board members attendance (i.e., sign in sheets)
- Governing board meeting minutes
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

---

State Assessment of Agency:

---

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

**Standard 5.9**

The organization’s governing board receives programmatic reports at each regular board meeting.

**Guidance:**

- It is **not** required that there be a report on **each** program at every board meeting; however, it does call for some level of programmatic reporting at every board meeting.<sup>28</sup>
- There is no specific delivery format required for these programmatic reports (e.g., verbal or in writing)

**Timeframe:** Annually, during the monitoring period

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Agency Self-Assessment:

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**Summary:** Program reports, of some level, are presented at each board meeting.

**Documentation Examples:**

- Governing board pre-meeting packet(s)
- Governing board meeting minutes
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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State Assessment of Agency:

---

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Category 6: Strategic Planning

### Standard 6.1

The organization has an agency-wide strategic plan in place that has been approved by the governing board within the past five (5) years.

#### Guidance:

- The strategic plan must be agency-wide, not for one or more individual programs<sup>29</sup> nor a list of just individual program<sup>37</sup>, or agency goals.<sup>61</sup>
- If the current plan will expire within three (3) months of the monitoring visit, the agency must be able to show evidence that a new plan is underway.<sup>61</sup>
- The full governing board must formally approve the completed strategic plan and not a committee of the board.<sup>29</sup>
  - The governing board must approve the full plan, not just changes/modifications.<sup>61</sup>

**Timeframe:** Five (5) years prior to your upcoming monitoring session date

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#### Agency Self-Assessment:

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**Summary:** Strategic plan, the plan's effective dates, and approval date by the governing board.

#### Documentation Examples:

- Strategic plan
- Governing board meeting minutes
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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#### State Assessment of Agency:

---

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

### Standard 6.2

The approved strategic plan addresses “reduction of poverty”, “revitalization of low-income communities”, and/or “empowerment of people with low incomes to become more self-sufficient”.

#### Guidance:

- This standard does not explicitly require an agency to formally list all three of the stated objectives in the strategic plan. As long as one (or more) of the objectives is shown.
- The plan demonstrates at least one of the following methods:
  - A direct connection from the strategic plan goals to CSBG ACT objectives identified above.<sup>61</sup>
  - A short section that clearly links one or more of the three objectives (identified in the standard) and explains how they are addressed <sup>29</sup> or,
  - A Compliance Summary Page explaining how the plan meets the requirements.

**Timeframe:** Five (5) years prior to your upcoming monitoring session date

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**Agency Self-Assessment:**

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**Summary:** Strategic plan with goals that explicitly connect to one or more of the three objectives.

**Documentation Examples:**

- Strategic plan with goals
- Strategic plan summary page or section, if applicable
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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**State Assessment of Agency:**

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FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 6.3

The approved strategic plan contains “family”, “agency” and/or “community” goals.

**Guidance:**

- For each goal, objective or action step in the strategic plan, the agency must clearly indicate which of the three categories (family, agency, or community) it primarily links to.<sup>29</sup>
  - This may be done in the strategic plan itself or in a crosswalk document.
- There is no requirement to address all three types of goals.<sup>29</sup>
- The strategic plan must include at least one family or community goal.
  - The family or community goal must refer to an external anticipated change in outcome for individuals, families, or communities the agency serves.

**Timeframe:** Five (5) years prior to your upcoming monitoring session date

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**Agency Self-Assessment:**

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**Summary:** Each objective is clearly linked to family, agency, or community and the plan demonstrates at least one external goal.

**Documentation Examples:**

- Strategic plan
- Crosswalk of strategic plan to goal type
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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**State Assessment of Agency:**

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FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 6.4

Customer satisfaction data and customer input, collected as part of the community needs assessment, is included in the strategic planning process.

### Guidance:

- During the strategic planning process, organization must review and discuss customer satisfaction data and data from the community needs assessment.
  - Customer satisfaction data is information collected through surveys or comment cards, etc., about the effectiveness of their interactions with your agency.

Customer input is collected through the Community Needs Assessment, Focus Groups, etc., and provides information about customer's opinions about gaps in services or issue areas the agency is trying to address.

**Timeframe:** Five (5) years prior to your upcoming monitoring session date

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### Agency Self-Assessment:

**Summary:** Customer satisfaction and customer input data were included in the strategic planning process.

### Documentation Examples:

- Strategic plan appendices/reference list/methodology
- Notes from strategic planning session
- Strategic planning process description
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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### State Assessment of Agency:

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 6.5

The governing board has received update(s) on progress towards meeting the goals in the strategic plan within the past twelve (12) months.

### Guidance:

- Governing board must receive either a single report that reviews all strategic goals or periodic reports on specific goals that add up to a full review of all goals each year.<sup>29</sup>
- All updates contributing to the "full report" on strategic plan progress must be provided to the full governing board, not a committee or subcommittee.<sup>29</sup>

**Timeframe:** Annually, during the monitoring period

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### Agency Self-Assessment:

**Summary:** The governing board received a "full report" on strategic plan progress each year.

**Documentation Examples:**

- Strategic plan scorecard, presentation, or similar mechanism; and
- Governing board meeting minutes
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

State Assessment of Agency:

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

# OPERATIONS AND ACCOUNTABILITY

## Category 7: Human Resources Management (HRM)

### Standard 7.1

The organization has written personnel policies that have been reviewed by an attorney and approved by the governing board within the past five (5) years.

**Guidance:**

- Written personnel policies may be in the form of an employee handbook or manual.
- The full review must occur by an attorney **and** the governing board must approve the reviewed policies.
  - There is no requirement that the reviewing attorney be paid.<sup>30</sup>
  - The reviewing attorney “must be a currently practicing attorney.”<sup>30</sup>
  - This review may **not** be completed by an agency employee who is an attorney (e.g., the agency's staff attorney), but may be completed by a governing board member who is an attorney.<sup>61</sup>
- Updating individual policies and/or procedures do not qualify as compliance with this standard.<sup>30</sup>
- Not applicable to public agencies,<sup>69</sup> unless the public agency has developed their own employee handbook.<sup>61</sup>

**Timeframe:** Five (5) years prior to your upcoming monitoring session date

Agency Self-Assessment:

**Summary:** The date(s) when the full personnel policies were reviewed by an attorney and approved by the governing board.

**Documentation Examples:**

- Invoice, statement for services, or email correspondence and;
- Governing board meeting minutes
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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State Assessment of Agency:

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FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

### Standard 7.2

The organization makes available the employee handbook (or personnel policies in cases without a handbook) to all staff and notifies staff of any changes.

**Guidance:**

- All staff must receive a written or electronic copy<sup>30</sup> of the full policy.
  - Posting the handbook to an employee-accessible website or HR portal and informing employees of its location, and major changes will fulfill this standard.
- All staff must receive notification of any specific changes when they occur.<sup>61</sup>
- Public agencies follow local government policies in making handbook available and notifying of changes,<sup>69</sup> unless the public agency has developed their own employee handbook.<sup>61</sup>

**Timeframe:** During the staff member's employment for full handbook, and during the monitoring period for changes.

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Agency Self-Assessment:

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**Summary:** Employees receives a handbook and/or changes were made available to all staff.

**Documentation Examples:**

- New employee orientation checklist
- Signed acknowledgement of receipt
- Posting on employee-accessible website or portal
- Email to staff
- Email (or similar) notification of a policy change
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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State Assessment of Agency:

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FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

### Standard 7.3

The organization has written job descriptions for all positions, which have been updated within the past five (5) years.

**Guidance:**

- Job descriptions are required for each type of position, not each staff person.<sup>37</sup>

- Public agencies have written job descriptions for all positions<sup>69</sup>, or updates are within the past five years if it is the responsibility of the public agency to develop their own job descriptions.<sup>61</sup>

**Timeframe:** Five (5) years prior to your upcoming monitoring session date

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*Agency Self-Assessment:*

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**Summary:** All agency job descriptions have been reviewed/updated within the last five (5) years.

**Documentation Examples:**

- A sample of job descriptions containing dates of last update (as requested by monitor)
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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*State Assessment of Agency:*

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FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 7.4

The governing board conducts a performance appraisal of the CEO/Executive Director within each calendar year.

**Guidance:**

- May be accomplished through a governing board committee or by the full board.<sup>78</sup>
- The written performance evaluations must be fully executed (signed and dated) by the Executive Director and the governing board representative. These actions provide notice that the employee was informed about their performance (not that they agree with its content) and when it occurred.<sup>60</sup>
- There is no specific performance appraisal tool required.<sup>37</sup>
- Public agencies follow procedures for performance of the department head.<sup>69</sup> The Executive Director is considered the Department Head.<sup>61</sup>

**Timeframe:** Annually, during the monitoring period

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*Agency Self-Assessment:*

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**Summary:** Written performance evaluation of the CEO/Executive Director has been completed, fully executed (signed, and dated) annually.

**Documentation Examples:**

- Executive committee and/or governing board meeting minutes reflecting completed performance evaluation.
- Onsite review of signed and dated performance evaluation (may be redacted)
- Other documentation may be used in lieu of what is listed in certain circumstances.

\* Do Not Submit completed Executive Director evaluations.



Agency Self-Check:  MET  NOT MET  ON TARGET

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State Assessment of Agency:

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FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 7.5

The governing board reviews and approves the CEO/Executive Director compensation within every calendar year.

### Guidance:

- This includes salary, fringe, health and dental, expense/travel account, vehicle, etc.,<sup>37</sup> as applicable.
- For public agencies, the compensation of the department head is made available according to local government procedure.<sup>69</sup> The Executive Director is considered the Department Head.<sup>61</sup>

**Timeframe:** Annually, during the monitoring period

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Agency Self-Assessment:

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**Summary:** Governing board has approved executive compensation within the calendar year.

### Documentation Examples:

- Governing board meeting minutes or resolutions
- Official board communication to the executive regarding compensation approval
- Executive employment contract
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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State Assessment of Agency:

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FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 7.6

The organization has a policy in place for regular written evaluation of employees by their supervisors.

### Guidance:

- This policy may be embedded within an agency-wide policy or stand-alone.
  - If this policy is not embedded in a governing board-approved document (i.e., Staff Handbook, Personnel Policy), then the stand-alone policy must be governing board-approved.<sup>61</sup>

- The policy must include at least:
  - How often, when, and by whom performance will be evaluated.<sup>30</sup>
  - Appropriate plans for the retention and security of evaluation documents.
    - Performance documentation is kept in each employee's HR file and secured in the HR department or a similar restricted and secure area.<sup>30</sup>
- The agency follows its written employee performance evaluation policy.
  - Evaluations must be fully executed (signed and dated) by the employee.<sup>60</sup>
- There is no specific performance appraisal tool required.
- Public agencies must follow local government policies for regular written evaluation of employees,<sup>69</sup> unless the public agency has developed their own employee handbook.<sup>61</sup>

#### Agency Self-Assessment:

**Summary:** Performance evaluation policy exists; contains the appropriate criteria (e.g., frequency of evaluations, security of documents, etc.); and that the policy is being followed.

**Documentation Examples:**

- Employee evaluation policy(ies)
- Governing board meeting minutes showing approval of the policy (if needed)
- Onsite review of performance evaluation documents
- Other documentation may be used in lieu of what is listed in certain circumstances.

\* Do Not Submit completed employee performance evaluations.

Agency Self-Check:  MET  NOT MET  ON TARGET

#### State Assessment of Agency:

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

### Standard 7.7

The organization has a whistleblower policy that has been approved by the governing board.

**Guidance:**

- The policy includes anti-retaliation language (i.e., harassment, punitive actions, termination) against those making reports, to conform with the Dodd-Frank Act.
- This policy may be embedded within an agency-wide policy or stand-alone.
  - If this policy is not embedded in a governing board-approved document, then the stand-alone policy must be governing board-approved.<sup>61</sup>
- The agency follows its approved whistleblower policy.
- Public CAAs are to provide a copy of any existing local government whistleblower policy to the advisory board members at the time of board orientation.<sup>69</sup>

**Timeframe:** During the monitoring period.

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### Agency Self-Assessment:

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**Summary:** Agency has a governing board approved whistle blower policy that includes the required information (above).

**Documentation Examples:**

- Whistle blower policy
- Governing board meeting minutes showing approval of the policy (if needed)
- Documentation of steps followed (if policy invoked within monitoring period)
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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### State Assessment of Agency:

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FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 7.8

All staff participates in a new employee orientation within sixty (60) calendar days of hire.

**Guidance:**

- There is no curricula requirement for the orientation [onboarding],<sup>37</sup> but it must be formalized such that all new employees receive the same level of basic agency information.<sup>61</sup>
- This may be met individually or in a group orientation<sup>37</sup> but must be documented.<sup>61</sup>
  - If a singular orientation document is not utilized, then employee-signatures on key agency policy documents may be used to demonstrate (add up to) that a structured orientation occurred.<sup>61</sup>
- The first day is the date of employment (hire), established on the employee I-9
- Public agencies follow local government policies for new employee orientation,<sup>69</sup> unless the public agency has their own hiring process.<sup>61</sup>

**Timeframe:** During the monitoring period.

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### Agency Self-Assessment:

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**Summary:** Your agency's orientation plan and evidence that an employee orientation occurred within sixty (60) days of the new hire's date.

**Documentation Examples:**

- Orientation schedule, checklist, presentation/handouts, or similar
- Signed acknowledgement of orientation completion
- Notation in HR system showing completion of orientation
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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State Assessment of Agency:

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FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

### Standard 7.9

The organization conducts or makes available staff development/training (including ROMA) on an ongoing basis.

**Guidance:**

- There are no specific requirements for training topics or training content, with the exception of ROMA.<sup>30</sup>
  - Specific training on ROMA must be made available.
- There is no specific requirement for a delivery method.<sup>61</sup>

**Timeframe:** During the monitoring period.

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Agency Self-Assessment:

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**Summary:** Trainings were conducted or made available, including ROMA.

**Documentation Examples:**

- Emails to staff showing that they were informed of upcoming opportunities.
- Documentation of trainings: agendas, presentations, evaluations, attendee lists
- Documentation of attendance at offsite training/events/conferences.
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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State Assessment of Agency:

---

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Category 8: Financial Operations and Oversight

### Standard 8.1

The organization's annual audit (or audited financial statements) is completed by a Certified Public Accountant, on time, in accordance with Title 2 of the Code of Federal Regulations, Uniform Administrative Requirements, Cost Principles and Audit Requirements and/or State audit threshold requirements.

**Guidance:**

- CAAs that expend less than \$750,000 in Federal awards during the federal fiscal year must make records available for review or audit by appropriate officials of the Federal agency, pass-through entity, and Government Accountability Office.<sup>121</sup>

- CAAs that expend \$750,000 or more in Federal awards during the federal fiscal year are required to have a Single Audit.<sup>121</sup>
  - Audits must be completed by a licensed CPA that is independent of the governing board or staff association.<sup>64</sup>
  - Single audit reports must be filed with the federal audit clearinghouse within nine months (6 months with and automatic three-month extension) of the entity's fiscal yearend, unless an additional extension is granted.

**Timeframe:** Annually, during the monitoring period.

Agency Self-Assessment:

**Summary:** Annual audit was completed on time by a Certified Public Accountant and has been uploaded to the Federal Clearinghouse.

**Documentation Examples:**

- Submitted audit reports
- Audited financial statements
- IHCDCA review of Federal Audit Clearinghouse
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

State Assessment of Agency:

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 8.2

All findings from the prior year's annual audit have been assessed by the organization and addressed where the governing board has deemed it appropriate.

**Guidance:**

- The audit corrective action plan must be adequate, appropriate, and timely enough to address the prior years' audit finding(s).
  - Addressing a management decision letter alone may not satisfy this requirement.
- Agency followed its corrective action plan and completed any additional governing board required actions.

**Timeframe:** Annually, prior to the next audit (during the monitoring period).

Agency Self-Assessment:

**Summary:** Agency has created a corrective action plan in response to its audit (if necessary) and agency has followed through on any corrective action plans or governing board required actions.

**Documentation Examples:**

- Governing board meeting minutes
- Agency response to their audit

- Submitted corrective action plans (if applicable)
- Documentation of completion of action plan tasks (if applicable)
- Management Decision Letters, etc. (for context if applicable)
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

State Assessment of Agency:

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

### Standard 8.3

The organization's auditor presents the audit to the governing board.

**Guidance:**

- Auditor must present an overview of audit findings to the full governing board.
  - The full governing board presentation may be less detailed than what was discussed with a committee.<sup>31</sup>
- Public tripartite advisory boards are notified of the availability of the audit.<sup>62</sup>

**Timeframe:** Annually, during the monitoring period.

Agency Self-Assessment:

**Summary:** The auditor presented the audit results to the full governing board.

**Documentation Examples:**

- Governing board meeting minutes
- Copies of any printed and dated materials provided by the auditor with proof that the full governing board was presented these materials.
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

State Assessment of Agency:

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

### Standard 8.4

The governing board formally receives and accepts the audit.

**Guidance:**

- Auditor's presentation (8.3) fulfills the requirement that the governing board formally receives the audit.<sup>61</sup>

- The governing board must vote to accept the audit.
- Public tripartite advisory boards are notified of any findings related to CSBG funding.<sup>69</sup>

**Timeframe:** Annually, during the monitoring period.

*Agency Self-Assessment:*

**Summary:** Governing board formally voted to accept the audit.

**Documentation Examples:**

- Governing board meeting minutes
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

*State Assessment of Agency:*

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 8.5

The organization has solicited bids for its audit within the past five (5) years.

**Guidance:**

- The agency follows its procurement policy when putting the audit out for bid.<sup>31</sup>
  - Procurement process must at least allow for bids from multiple vendors.<sup>31</sup>
  - The organization is not required to switch auditors or partners.<sup>37</sup>
- The auditor reports to the board; therefore, the governing board must vote to approve auditor selection.<sup>31</sup>
- Not applicable to public agencies.<sup>69</sup>

**Timeframe:** Five (5) years prior to your upcoming monitoring session date

*Agency Self-Assessment:*

**Summary:** Solicitation documents and governing board acceptance for the auditor within the last five years. Agency procurement policy was followed.

**Documentation Examples:**

- Most recent Request for Proposal (RFP)
- Bids selection documentation (i.e., bid packet, scoring grid, signed contract, etc.)
- Governing board meeting minutes
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

*State Assessment of Agency:*

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 8.6

The IRS Form 990 is completed annually and made available to the governing board for review.

### Guidance:

- The filing deadline for the form is the 15<sup>th</sup> of the fifth month following the end of the agency's fiscal year, or by date of IRS-approved extension.
- The entire governing board must receive an opportunity to review the form prior to submission.<sup>31</sup>
  - The standard does not require governing board acceptance or approval of the IRS Form 990.
- Not applicable to public agencies.<sup>69</sup>

**Timeframe:** Annually, during the monitoring period.

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### Agency Self-Assessment:

**Summary:** The IRS Form 990 was prepared, fully executed, and submitted on time. Also, the full governing board received the document prior to submission.

### Documentation Examples:

- Receipt of the fully executed IRS Form 990
- Notification of IRS-approved extension (if applicable)
- Governing board meeting minutes, email to the board, posting to board portal, etc.
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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### State Assessment of Agency:

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 8.7

The governing board receives financial reports at each regular meeting that include the following:

1. Organization-wide report on revenue and expenditures that compares budget to actual, categorized by program; and
2. Balance sheet/statement of financial position

### Guidance:

- Financial reports must be transparent, standardized, and consistent, such that a governing board member without financial expertise can reasonably be expected to understand the agency's financial position and make financial decisions for the agency.
- Reports are not required to be provided every month, just at each regular meeting.<sup>31</sup>



- If the governing board misses a regular meeting, the following month (meeting) could simply include two monthly sets of reports to meet the Standard.<sup>31</sup>
- Public tripartite advisory boards receive financial reports for those program(s) the body advises.<sup>69</sup>

**Timeframe:** During the monitoring period.

Agency Self-Assessment:

**Summary:** Financial reports contain, at least, revenue and expenditures that compares budget to actual, and balance sheet/statement of financial position. Governing board received a financial report at each regular meeting.

**Documentation Examples:**

- Governing board meeting packets
- Governing board meeting minutes
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

State Assessment of Agency:

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 8.8

All required filings and payments related to payroll withholdings are completed on time.

**Guidance:**

- Agencies must correctly complete and submit fully executed payroll tax documentation (Form 941) on time each quarter.
- Agencies' payments related to withholdings must be completed on time.
- Not applicable to public agencies.<sup>69</sup>

**Timeframe:** Quarterly, during the monitoring period.

Agency Self-Assessment:

**Summary:** Form 941 was correct and submitted on time, withholdings have been paid.

**Documentation Examples:**

- Payroll tax documentation/filings (Form 941)
- Payroll tax payment receipts or similar (e.g., electronic transfer or check)
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

State Assessment of Agency:

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 8.9

The governing board annually approves an organization-wide budget.

### Guidance:

- The annual budget must be approved prior to the start of the organization's fiscal year so it can guide decision-making and planning throughout the year.<sup>38</sup>
- Public tripartite advisory boards must have input into the CSBG budget process<sup>69</sup> that is documented in the advisory board meeting minutes.<sup>61</sup>

**Timeframe:** Annually, during the monitoring period.

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### Agency Self-Assessment:

**Summary:** Prior to the start of each fiscal year, the governing board approved an agency-wide budget.

### Documentation Examples:

- Governing board meeting minutes
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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### State Assessment of Agency:

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 8.10

The fiscal policies have been reviewed by staff within the past two (2) years, updated as necessary, with changes approved by the governing board.

### Guidance:

- There is no requirement for which specific staff need to be involved in the staff-level review.<sup>37</sup>
- If no changes are recommended, then the governing board is not required to act.
- Not applicable to public agencies<sup>69</sup> unless agency utilizes separate fiscal policies.<sup>61</sup>

**Timeframe:** Two (2) years prior to your upcoming monitoring session date

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### Agency Self-Assessment:

**Summary:** All fiscal policies have been reviewed, and if any changes occurred, they were approved by the governing board.

**Documentation Examples:**

- Documentation of staff review of all fiscal policies (i.e., leadership staff, fiscal staff, or other committee meeting minutes)
- If changes occurred, governing board meeting minutes of approval.
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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**State Assessment of Agency:**

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FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

**Standard 8.11**

A written procurement policy is in place and has been reviewed by the governing board within the past five (5) years.

**Guidance:**

- The procurement policy may be found in agencies’ fiscal policies; it does not need to be a separate document.<sup>37</sup>
- “Review” is for the full procurement policy, not just individual changes within the procurement policy.<sup>61</sup>
- Not applicable to public agencies<sup>69</sup> unless agency utilizes separate procurement policies.<sup>61</sup>
- Agency’s policy must be consistent with Federal, State, and local regulations.<sup>108</sup>
- Agency’s policy must include at least:
  - Methods for Informal Procurement [micro-purchase & small purchase]
  - Methods for Formal Procurement [sealed bid, competitive proposal & non-competitive proposal].<sup>110</sup>
  - Provide affirmative steps to assure that small and minority businesses, women’s business enterprises, and labor surplus area firms are used when possible.<sup>111</sup>
  - Steps for identifying potential conflicts of interest in the selection, award, and administration of contracts.<sup>108,59</sup>

**Timeframe:** Five (5) years prior to your upcoming monitoring session date

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**Agency Self-Assessment:**

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**Summary:** Procurement policy and procedures are developed and meet minimum requirements. The full policy was reviewed by the governing board.

**Documentation Examples:**

- Dated agency procurement policy
- Procedures and governing board meeting minutes
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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State Assessment of Agency:

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FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

### Standard 8.12

The organization documents how it allocates shared costs through an indirect cost rate or through a written cost allocation plan.

**Guidance:**

- Cost Allocation Plan must be consistent with Federal, State, and local regulations.
- Cost Allocation Plan must specify indirect versus direct cost and the cost driver methodology used.
- Agency's policy must **not**:
  - Allocate costs based on a budget.<sup>74</sup>
  - Allocate unallowable costs.<sup>74</sup>
- Not applicable to public agencies,<sup>69</sup> unless the CAA utilizes its own cost allocation plan.<sup>61</sup>

**Timeframe:** During the monitoring period

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Agency Self-Assessment:

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**Summary:** Cost allocation plan documents the methodology used to account for indirect costs across agency programs.

**Documentation Examples:**

- Current Cost Allocation Plan
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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State Assessment of Agency:

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FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

### Standard 8.13

The organization has a written policy in place for record retention and destruction.

**Guidance:**

- Policy may be stand-alone or may be part of a larger set of agency policies<sup>37</sup>, such as the Fiscal or Internal Controls Policy Manual.
- The policy needs to include a definition of what is considered a record.<sup>31</sup>
- Policy must include guidelines for electronic and physical<sup>37</sup> and voicemail.<sup>84</sup>
- Public agencies follow local governmental policies for document records retention and destruction.<sup>69</sup>

**Timeframe:** During the monitoring period.

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*Agency Self-Assessment:*

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**Summary:** Organization has a policy that includes a definition of “record” and contains guidelines about record retention and destruction for electronic and physical documents.

**Documentation Examples:**

- Current Record Retention and Destruction Policy
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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*State Assessment of Agency:*

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FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Category 9: Data and Analysis

### Standard 9.1

The organization has a system or systems in place to track and report client demographics and services customers receive.

**Guidance:**

- The agency must have a policy that defines when an individual is considered a client of the agency (and thus included in the overall service count).<sup>32</sup>
- Data system must:
  - Be well-defined.
  - Track information for all clients.
  - Include information about client demographics.
  - Include information about services received by the client and when.
- Agency is not required to have a single system of data entry, but when multiple tracking methods are used for different programs, the agency must have a plan or policy for combining information across programs for agency-wide reporting.<sup>32</sup>

**Timeframe:** During the monitoring period

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*Agency Self-Assessment:*

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**Summary:** The agency uses a data collection/tracking system that can at least demonstrate: 1) the number of individuals/families being served, 2) their demographic information, and 3) what services were utilized and in what time frame. The data tracking process is supported by a clear policy that includes a definition of ‘client’.

**Documentation Examples:**

- Client definition policy
- Demonstration of the system(s) being used (e.g., screen shots, direct observation, hard copies, etc.)
- Agency-wide data reporting SOP, Manual, or Policy

- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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State Assessment of Agency:

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 9.2

The organization has a system or systems in place to track family, agency, and/or community outcomes.

### Guidance:

- Agency must have a tracking system that can identify a client's change in status or condition [intake to outcome].<sup>32</sup>
  - It is not required to demonstrate outcomes at all three levels (family, agency, and community).<sup>32</sup>
- Agency is not required to have a single system of data entry, but when multiple tracking methods are used for different programs, the agency must have a plan or policy for combining information across programs for agency-wide reporting.<sup>32</sup>

**Timeframe:** During the monitoring period

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Agency Self-Assessment:

**Summary:** Agency uses a data collection/tracking system(s) that captures family, agency, and/or community outcomes and can combine information across programs.

### Documentation Examples:

- Demonstration of the system(s) being used (e.g., screen shots, direct observation, etc.)
- Policies related to data collection
- Electronic and/or hard copy of forms used to collect outcome data (case notes, reports, surveys, etc.)
- Agency-wide data reporting SOP, Manual, or Policy
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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State Assessment of Agency:

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 9.3

The organization has presented to the governing board for review or action, at least within the past twelve (12) months, an analysis of the agency's outcomes and any operational or strategic program adjustments and improvements identified as necessary.

### Guidance:

- Full governing board must be provided with information concerning client outcomes.<sup>64</sup>
  - This may be a single all-inclusive report or multiple agency reports or other documents reflecting programmatic outcomes.
- Governing board and staff are encouraged, but not required to make program adjustments as a result of the outcomes reports.

**Timeframe:** Annually, during the monitoring period

---

### Agency Self-Assessment:

**Summary:** The governing board annually received information about program outcomes and whether improvements were identified/made based on the data.

### Documentation Examples:

- Governing board meeting minutes reflecting review of outcome information
- Governing board packet(s) or copies of reports that were provided to the board
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

---

### State Assessment of Agency:

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 9.4

The organization submits its annual CSBG Information Survey [CSBG Annual Report] data report and it reflects client demographics and organization-wide outcomes.

### Guidance:

- Each agency has submitted complete, accurate, and appropriate data for the annual report to IHCDA.<sup>32</sup>
  - First submission of Annual Report data must not require significant edits prior to submission to OCS.

---

### Agency Self-Assessment:

**Summary:** Agency follows the CSBG Annual Report format.

### Documentation Examples:

- IHCDA correspondence with the agency prior to OCS submission
- Agency's Annual Report

- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

---

State Assessment of Agency:

---

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?



# PART TWO:



## PROGRAMMATIC

Programmatic standards address management aspects of the CSBG program whether it is federal, state, or pass-through responsibilities that have not been previously covered in Part One. Therefore, Part Two encompasses administrative methods such as internal controls, procurement, inventory management, payments & reimbursements, and fiscal management.

# RESOURCE MANAGEMENT

## Category 10: Operations

### Standard 10.1

The organization's bylaws establish, at a minimum, basic policies and structure that govern aspects of board operations; and the governing board upholds and ensures execution of its policies: Voting Rights of Members; Petition for Adequate Representation; Terms and Term Limits; and Removal for Cause.

#### Guidance:

- Voting Rights of Members:
  - All CAA board members have an equal voice and vote in agency governance.<sup>28</sup>
- Petition of Representation:
  - Organization has established procedures for low-income individuals to petition for adequate representation of low-income individuals on the governing board.
- Terms and Term Limits:
  - Board terms may not exceed five (5) years, except for designated or appointed directors (public sector). In the absence of a specified term in the bylaws, the term of a director is one (1) year.<sup>56</sup>
- Removal for Cause
  - Provide the provisions/reasons why a governing board member may be removed from the board and the process utilized.

**Timeframe:** Annually, during the monitoring period

---

#### Agency Self-Assessment:

**Summary:** The governing board has and follows its policies.

#### Documentation Examples:

- Bylaws
- Letters of Petition for Adequate Representation, if applicable
- Governing board responses, meeting minutes, etc., if applicable
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

---

#### State Assessment of Agency:

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 10.2

The governing board ensures compliance with the attendance policy established in the organization's bylaws.

### Guidance:

- Organization has a policy that defines board member attendance expectations for board meetings (i.e., number or percentage of meetings that must be attended annually).<sup>64</sup>
- Agency follows its governing board approved policy regarding board member attendance at meetings.

**Timeframe:** Annually, during the monitoring period

---

### Agency Self-Assessment:

**Summary:** The governing board communicates with members who have attendance issues and enforces this policy, when needed.

### Documentation Examples:

- Bylaws
- Governing board correspondence/responses, meeting minutes, etc., if applicable
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

---

### State Assessment of Agency:

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 10.3

The tripartite governing board “fully participates in the development, planning, implementation, and evaluation” of the organization.

### Guidance:

- The attendance or participation of any single board member does not fall below what is necessary to be considered as an “actively participating” board member.
  - i.e., a board member who misses a majority of the meetings in a year, must be contributing to the board in other ways to be considered “active.”
- Governing board minutes clearly show that board members had discussion about or asked questions about key organizational decisions and program outcomes.
- The governing board was involved in discussion or vote about all major actions taken by the agency, such as agency-wide policies, significant purchases, fund development strategies, new programs, etc.<sup>64</sup>

**Timeframe:** During the monitoring session

---

### Agency Self-Assessment:

---

**Summary:** Governing board members are involved in all major actions taken by the agency, and all board members are actively engaged in agency decision making.

**Documentation Examples:**

- Governing board and/or committee meeting minutes
- Governing board attendance matrix
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

---

### State Assessment of Agency:

---

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 10.4

Potential employees are subject to the organization's contingent assessment methods (accountability standards) prior to hiring.

**Guidance:**

- Agency follows its policy regarding employee pre-hiring processes
- Agency's policy must include at least the following requirements:
  - Conducting and documenting professional reference checks, etc.<sup>61</sup>
    - Reference checks must be signed and dated or completed by a third party vendor.
  - Indiana employment background checks utilize a "limited criminal history search" conducted through the Indiana State Police.<sup>61</sup>
  - Correctly completing the Employment Eligibility Verification.<sup>131</sup>
- Agency posts its hiring and non-discriminatory recruitment policies.<sup>65</sup>
- Agency follows its policy when receiving a Letter of Complaint with allegations of discrimination.<sup>65</sup>
- Public agencies must comply with local government hiring practices unless the public agency has their own hiring process.<sup>61</sup>

**Timeframe:** During the monitoring period

---

### Agency Self-Assessment:

---

**Summary:** Agency policies include the required hiring assessments, and agency follows its policies.

**Documentation Examples:**

- Personnel Policy or HR hiring policies
  - Access to randomly selected employee files
  - Letters of Complaint for discrimination, if applicable
-

- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

---

State Assessment of Agency:

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 10.5

The organization has established and enforces basic staff policies for Non-Discrimination/ Equal Employment Opportunity; Code of Conduct/Code of Ethics; and Political Activity.

**Guidance:**

- These policies may be embedded within an agency-wide policy or stand-alone.
- Political Activity Policy must adhere to Hatch Act, including any CSBG restrictions.

**Timeframe:** During the monitoring period

---

Agency Self-Assessment:

**Summary:** Agency has and follows the required policies.

**Documentation Examples:**

- Policy documents
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

---

State Assessment of Agency:

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 10.6

The organization provides Non-Discrimination training to all staff.

**Guidance:**

- Training must be provided to all agency staff, not just CSBG-funded or Head Start-funded staff.
- No specific training curricula is required.

**Timeframe:** During the monitoring period

---

Agency Self-Assessment:

---

**Summary:** Non-discrimination training(s) was provided.

**Documentation Examples:**

- Training curriculum, agenda, etc.
- Attendance sheets, training information receipts (i.e., emails), etc.
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

---

State Assessment of Agency:

---

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 10.7

The organization has a process, methodology or system(s) in place to determine an unduplicated count of individuals served for all programs.

**Guidance:**

- Data system or method must:
  - Be well defined.
  - Count one person one time for any given service, regardless of the number of times they receive a service.<sup>79</sup>
- Agency is not required to have a single system of data entry, but when multiple tracking methods are used for different programs, the agency must have a plan or policy for combining information across programs for agency-wide reporting.

**Timeframe:** During the monitoring period

---

Agency Self-Assessment:

---

**Summary:** Agency has a method for attaining an unduplicated count for individuals served across all programs.

**Documentation Examples:**

- Demonstration of the system(s) being used (e.g., screen shots, direct observation, hard copies, etc.)
- Electronic and/or hard copy of forms used to collect outcome data (case notes, reports, surveys, etc.)
- Agency-wide data reporting SOP, Manual, or Policy
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

---

State Assessment of Agency:

---

FULLY MET  NOT MET

---

\*If not met, what action steps are needed to meet the standard?

## Standard 10.8

The organization attained proper approval for subgrant awards and monitored subgrant compliance and performance.

### Guidance:

- The agency requested and received approval from IHCD prior to providing any subgrant greater than \$25,000.<sup>59</sup>
- The agency shall remain responsible to IHCD for the performance of each subcontractor.<sup>59</sup>
  - The agency entered into a written agreement with each subgrant award.<sup>59</sup>
  - The agency monitored performance of each subgrant award, regardless of total award amount, to comply with the pass-through provisions set forth in the IHCD CSBG Grant Award Agreement <sup>59</sup>, including both federal requirements and CSBG rules.
- The organization must ensure that individuals or the community being served with each subgrant award are eligible for CSBG services.
- The organization must provide data reports regarding the number of CSBG-eligible individuals that were served with the funds provided in the subgrant award.

**Timeframe:** During the monitoring period.

---

### Agency Self-Assessment:

**Summary:** The agency's procurement and subgranting processes are being followed. CSBG subgrant awards are being monitored by the agency.

### Documentation Examples:

- Contracts/ MOUs with CSBG subgrantees
- Documentation of subgrantee monitoring activities
- Reporting submitted by CSBG subgrantees
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

---

### State Assessment of Agency:

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 10.9

The organization submitted IHCD-requested CSBG documents within the established timelines.

**Guidance:**

- Documents (e.g., reports, plans, grant agreements, etc.) were submitted to IHCD by the provided deadlines.

**Timeframe:** Annually, during the monitoring period

---

*Agency Self-Assessment:*

---

**Summary:** N/A: Monitor will conduct this review directly during the monitoring process.

**Documentation Examples:**

- N/A: Tracking of these documents' submission is done by the IHCD CSBG Staff.

Agency Self-Check:  MET  NOT MET  ON TARGET

---

*State Assessment of Agency:*

---

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 10.10

The organization has implemented the required action plan items from the previous CSBG Monitoring.

**Guidance:**

- It is the responsibility of the agency to ensure all previously required action items are satisfactorily completed, prior to the next monitoring, based upon the agency submitted action plan/timelines. In accepting the agency's required action plan, it allows IHCD to close out that monitoring session with the understanding that the plan will be executed.

**Timeframe:** During the monitoring period

---

*Agency Self-Assessment:*

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**Summary:** If requested, proof that items in previous monitoring Required Action Plan (or improvement plan) were completed.

**Documentation Examples:**

- Documents as requested by monitor.

Agency Self-Check:  MET  NOT MET  ON TARGET

---

*State Assessment of Agency:*

---

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?



## Category 11: Internal Controls

### Standard 11.1

Governing board members, employees, or relatives of employee's receiving benefits from agency programs follow designated policy(ies).

**Guidance:**

- The agency follows its written policy for staff receiving benefits of agency provided programs/services.
- The program application must be approved by the appropriate agency designee prior to funds or services being rendered.<sup>61</sup>
- The application or other internal approval document must be properly executed (signed or initialed & dated) by all applicable staff to be valid.

**Timeframe:** During the monitoring period

---

*Agency Self-Assessment:*

**Summary:** Completed applications for governing board members, employees and/or relatives receiving program benefits have necessary documentation and appropriate approvals. From a list of all applicable applications, IHEDA will request documentation be provided for a sample.

**Documentation Examples:**

- List of all staff, relatives or governing board members receiving benefits from agency operated programs
- For a sample: application reviews, signatures, and other documents to show that agency policies were followed.
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:    MET    NOT MET    ON TARGET

---

*State Assessment of Agency:*

FULLY MET    NOT MET

\*If not met, what action steps are needed to meet the standard?

### Standard 11.2

The organization reconciles employee payroll records, processes employee payroll accurately, and follows time management guidelines.

**Guidance:**

- This covers both a physical and electronic payroll system.
- Payroll system:
  - Employee payroll records are reconciled on at least a monthly basis.
  - Employee and supervisor have signed employee timecard.
  - Employees are paid according to the time sheet distribution.
  - Employees are paid the correct rate of pay.

- There is adequate documentation for distribution of hours worked.
- Agency accounts for employee leave time when earned or when taken.
- The number of checks distributed matches the payroll register and the number of employees to be paid.
- Agency follows time management and payroll system processing requirements.
- The agency follows its written policy for processing payroll.

**Timeframe:** During the monitoring period

---

**Agency Self-Assessment:**

---

**Summary:** All payroll records are accurate and follow guidelines. IHCDAs will review a random sampling of employee timesheets from four different payroll cycles.

**Documentation Examples:**

- Payroll register and time sheets for selected employees.

Agency Self-Check:  MET  NOT MET  ON TARGET

---

**State Assessment of Agency:**

---

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 11.3

IHCDA was properly notified of illegal or unethical activities regarding federal funds by the subgrantee.

**Guidance:**

- Illegal or unethical activities typically include fraud, misuse of funds, gross misconduct, discrimination, and/or certain whistleblower complaints.
  - This does not include client complaints or program fraud by clients.
- During IHCDAs monitoring, no illegal or unethical fraudulent activity was discovered.
- IHCDAs was notified appropriately according to agency's policy.

**Timeframe:** During the monitoring period

---

**Agency Self-Assessment:**

---

**Summary:** Whether or not internal fraud/ internal unethical activities were suspected/reported, and what steps were taken to address it.

**Documentation Examples:**

- Fraud investigation policy.
- If potential fraud was investigated: Executive Director interview discussion and documentation that process was followed.
  - The monitoring process may not require written details of the investigation.
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

---

State Assessment of Agency:

---

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 11.4

The organization embraces a culture of agency-wide segregation of duties, checks and balances, and other internal control activities.

### Guidance:

- No employee or group of employees should be in a position to both perpetrate and conceal errors or fraud in the normal course of their duties. In general, the principal incompatible duties to be segregated are:
  - Custody of assets;
  - Authorization or approval of related transactions affecting those assets; and
  - Recording or reporting of related transactions.
- Verify the reporting/supervisory structure through an organization chart.
- If any inherent conflicts exist (i.e., staff is supervised by a relative); implement protocols to decrease undue influence between conflicted individuals.
- Examples include:
  - If an employee is related to the human resources manager, their employee personnel file is placed with the Executive Director.
  - If a board member is related to a staff member, the board member does not vote on decisions that directly affect their family member.
- The agency follows its written policies for separation of duties, conflict of interest, nepotism and/or internal controls.

**Timeframe:** During the monitoring period

---

Agency Self-Assessment:

---

**Summary:** Agency has procedures for and follows segregation of duties protocols. Any related staff or board members related to staff are identified, documented, and follow appropriate processes to reduce potential conflicts/nepotism.

### Documentation Examples:

- List of related staff member(s), their relationship to each other, and assigned departments for everyone employed by the agency.
- Organizational chart.
- Segregation of Duties chart(s).
- Documentation of specific processes being followed, as requested.

Agency Self-Check:  MET  NOT MET  ON TARGET

---

State Assessment of Agency:

---

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 11.5

The organization has developed and complies with its written policy(ies) for determining CSBG client income eligibility.

### Guidance:

- Agency must have a policy or procedure for income qualification for each program that utilizes CSBG funds.<sup>93</sup>
  - The agency may use an agency-wide policy rather than program-specific policies.
  - The policy(ies) must follow requirements in the CSBG Manual.
  - Any CSBG-funded program for which the CAA is not checking income eligibility has been approved for a waiver from IHCDA.
- Agency must follow its policy(ies) for income qualification for CSBG-funded programs.

**Timeframe:** During the monitoring period

---

### Agency Self-Assessment:

**Summary:** All programs utilizing CSBG funds are governed by an income eligibility policy, and client documentation (when needed) is appropriately kept.

### Documentation Examples:

- Written CSBG Client Income Eligibility Policy by program,
- Randomly selected CSBG funded client files (if applicable)
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

---

### State Assessment of Agency:

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Category 12: Inventory Controls

### Standard 12.1

The organization follows established written procurement procedures and retains the documentation in the acquisition of material or services.

### Guidance:

- Standard 8.11 requires that agency has written procurement procedures that are approved by the governing board and follow all Federal rules.
- The appropriate procurement method (within the procurement policy) was used based on the transaction size and type.
  - If the total cost is split, or cost allocated, across programs, the procurement rules for the total dollar amount apply.
- The necessary documentation and approvals were retained with sufficient detail regarding the history of procurement.<sup>108</sup>

- Purchase order, bids, or other procurement documentation must be attached to the vendor's invoice (electronic, stapled, paper-clipped, etc.)
- Approvals should be received prior to purchase and approved by the correct authority (i.e., IHCD, Governing Board, Executive Director, CFO, Supervisor, etc.). For example, IHCD approval of equipment of \$5,000 or more.<sup>59</sup>
- A cost being listed in the budget is not considered an approval.
- Credit card purchases follow agency's established credit card policy.
- Substantial fiscal transactions or commitments, as identified in the procurement policy, were subject to board review and prior approval.<sup>64</sup>

**Timeframe:** During the monitoring period.

**Agency Self-Assessment:**

**Summary:** Agency follows the established procurement procedures.

**Documentation Examples:**

- List of procurement actions and documentation
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

**State Assessment of Agency:**

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 12.2

The organization utilizes a Schedule of Inventory, which is compiled on an annual basis, appropriately reported, and is in compliance with 2 CFR 200.

**Guidance:**

- Appropriately report all assets valued at \$5,000 or greater with a useable life of greater than one (1) year (twelve (12) months).<sup>152,58</sup>
- Schedule of Inventory must be updated annually.<sup>59</sup>
- Schedule of Inventory is for at least capital equipment and usable property purchased with CSBG funds.

Schedule of inventory must include categories listed in 2 CFR 200.313(d)(1). **Timeframe:** During the monitoring period

**Agency Self-Assessment:**

**Summary:** Agency has a Schedule of Inventory or Fixed Asset Schedule (by program or for full agency), and it is annually updated.

**Documentation Examples:**

- Schedule of Inventory
- Fixed Asset Schedule with dates of last update

Agency Self-Check:  MET  NOT MET  ON TARGET

---

State Assessment of Agency:

---

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

### Standard 12.3

The organization conducts a physical inspection of all inventory at least once every two years.

**Guidance:**

- A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years.<sup>107</sup>
- A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.<sup>107</sup>
- Agency must document the name/initials and date of the person who actually conducted the inventory review.<sup>61</sup>
- The agency follows its written policy for separation of duties and/or internal controls.

**Timeframe:** Two (2) years prior to your upcoming monitoring session date

---

Agency Self-Assessment:

---

**Summary:** A physical inspection of all inventory has been completed in the last 2 years, and by whom.

**Documentation Examples:**

- Physical inspection documentation
- Staff assigned to conduct the inspection
- Notes documenting dates of previous inspection
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

---

State Assessment of Agency:

---

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 12.4

Organization can document how its equipment with a current per unit fair market value of \$5,000 or greater is dispositioned.

**Guidance:**

- The agency has and follows a written policy for disposition of assets that adheres to the rules in 2 CFR 200.
- When an item paid for with CSBG funds, with a current per unit fair market value of \$5,000 or more is dispositioned, agency must have gotten IHEDA approval of the disposition or disposal and must reinvest funds on CSBG-allowable activities.

**Timeframe:** During the monitoring period

---

*Agency Self-Assessment:*

**Summary:** Any dispositioned equipment followed the agency procedures, and IHEDA permission was obtained.

**Documentation Examples:**

- Disposition / disposal policy
- List of all equipment of \$5,000 or greater dispositioned and documentation detailing the disposition process and IHEDA approval, if applicable
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

---

*State Assessment of Agency:*

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

# ACCOUNTING MANAGEMENT

## Category 13: Expense Reimbursement

### Standard 13.1

All expenses included within the reimbursement claims are reasonable and allowable costs, adhere to agency policy, and written consent is obtained when applicable.

#### Guidance:

- Travel reimbursements, credit card expenditures, and other invoices are allowable costs; documentation must include any necessary approvals, item(s) purchased, and cost.
- Agency follows the approved cost allocation methodology, and all costs are allowable under 2 CFR 200.<sup>114</sup>
- CSBG funds used as match or cost sharing must follow appropriate approvals/processes:
  - As match for HUD's McKinney-Vento Homeless Assistance Act programs; requires IHEDA prior approval.<sup>137</sup>
  - May be used for cost-sharing in the AmeriCorps program.<sup>70</sup>
  - May not be used to offset LIHEAP administration costs.<sup>72</sup>
  - Allowable for augmenting/coordinating with other programs ONLY after initial program funds have been exhausted.<sup>62</sup>
- Costs determined to be unallowable, either direct or indirect, must be refunded (including interest).<sup>118</sup>

**Timeframe:** During the monitoring period.

---

#### Agency Self-Assessment:

**Summary:** Only allowable expenses have been requested, and submitted expenses follow the agency's cost allocation plan.

#### Documentation Examples:

- Monitor will sample claims submitted through IHEDA Online
- Additional supporting documentation required for claims being reviewed, as requested.

Agency Self-Check:  MET  NOT MET  ON TARGET

---

#### State Assessment of Agency:

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

### Standard 13.2

CSBG expenses are submitted for reimbursement on an IHEDA claim within forty-five (45) calendar days after the date the costs are incurred.



**Guidance:**

- 45-day window refers to the time between paid date and claim date.
- State law requires that the contracting party (subgrantee) must post sufficient security to cover any dollar amount of federal funding that the State advances to the subgrantee.<sup>48</sup> Therefore, IHEDA only is able to make payments in arrears.

**Timeframe:** During the monitoring period.

---

*Agency Self-Assessment:*

---

**Summary:** Invoices are paid on time.

**Documentation Examples:**

- Monitor will choose a selection of invoices to review; agency to provide supporting claims documentation for each selected claim, as requested.

Agency Self-Check:  MET  NOT MET  ON TARGET

---

*State Assessment of Agency:*

---

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Category 14: Financial Transparency

### Standard 14.1

Organization’s financial statements follow GAAP, CSBG Act, and 2 CFR 200 requirements.

**Guidance:**

- Financial statements include, but are not limited to income statement, statement of cash flow, balance sheets, and any financial information provided to the governing board.
- The organization’s financials are structured and reported by program.

**Timeframe:** During the monitoring period.

---

*Agency Self-Assessment:*

---

**Summary:** Income statements, statements of cash flow, balance sheets, and other financial documents follow GAAP, CSBG Act, and 2 CFR 200 requirements.

**Documentation Examples:**

- Statement of activities / Income statement
- Statement of cash flow
- Statement of financial position / Balance sheets
- Board packets
- Other financial documents, as requested

Agency Self-Check:  MET  NOT MET  ON TARGET

---

State Assessment of Agency:

---

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 14.2

Organization's financial statements are accurate, reconciled, and current.

### Guidance:

- Cash on bank statement must match balance sheet.
- Interest on bank statement must match organizations report.
- Outstanding deposits must match general ledger.
- Growth or decline of net assets can be explained.
- Accounts Receivable ledger (A/R) must match interim accounts receivable balance sheet.
- Accounts Payable (A/P) ledger must match interim accounts payable balance sheet.

**Timeframe:** During the monitoring period.

---

Agency Self-Assessment:

---

**Summary:** Financial statements reconcile with bank statements and aging reports where appropriate; books closed in a timely fashion; and financial records are current.

### Documentation Examples:

- Financial reports provided in Standard 14.1
- Bank statements
- Aging reports
- Other financial documents, as requested

Agency Self-Check:  MET  NOT MET  ON TARGET

---

State Assessment of Agency:

---

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Category 15: Financial Ratios

Analysis will be conducted for each year during the monitoring period. An end-of-year analysis will be completed using the audited financial statement or the end-of-year financial statement. To analyze Interim Ratios, trailing twelve (12) months or (TTM) data from the past 12 months of reconcile finances will be used. This does not represent a fiscal year ending period but provides an accurate picture of financial performance.

## Standard 15.1

Liquidity ratios are within the established guidelines.

**Guidance:**

- **15.1.1 Current Ratio**
  - Ensure organizations have adequate short-term assets to cover short-term liabilities.
  - Benchmark: 20% (1.2) or greater
  - Formula: Current assets ÷ current liabilities
- **15.1.2 Cash Ratio**
  - Ensure appropriate amount of cash exists compared to the short- term liabilities.
  - Benchmark: 0.50 (50%) or greater
  - Formula: Cash & cash equivalents ÷ current liabilities
- **15.1.3 Working Capital**
  - Measures the dollar difference between the short-term assets and the short-term liabilities.
  - Benchmark: positive value
  - Formula: Current assets – current liabilities

**Timeframe:** Annually, during the monitoring period.

---

*Agency Self-Assessment:*

---

**Summary:** Ratios are within established guidelines, and discrepancies can be explained by the ED/CFO.

**Documentation Examples:**

- Audits
- Statements of financial position / Balance Sheets
- Statements of activities / Statements of income
- Statements of cash flow
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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*State Assessment of Agency:*

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FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 15.2

Efficiency ratios are within the established guidelines.

**Guidance:**

- **15.2.1 Administrative Expense Ratio**
  - Ensures that organizations are being efficient with the use of their administrative expenses.
  - Benchmark: 15% or less
  - Formula: Administrative expenses ÷ total expenses
- **15.2.2 Day's Cash on Hand**

- Ensure appropriate number of days an agency could operate and be able to pay their operating expenses using only the cash that they currently have available.
- Benchmark: 15 calendar days or greater
- Formula:  $\text{Cash \& cash equivalents} \times 365 \text{ days} \div \text{total operating expenses}$ 
  - Cash equivalent is anything that can be liquidated within ninety (90) calendar days.<sup>61</sup>
  - Total operating expenses is total expenses minus depreciation.

**Timeframe:** Annually, during the monitoring period.

Agency Self-Assessment:

**Summary:** Ratios are within established guidelines, and discrepancies can be explained by the ED/CFO.

**Documentation Examples:**

- Audits
- Statements of financial position / Balance Sheets
- Statements of activities / Statements of income
- Statements of cash flow
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

State Assessment of Agency:

FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

## Standard 15.3

Leverage ratios are within the established guidelines.

**Guidance:**

- **15.3.1 Long-Term Debt to Net Asset Ratio**
  - Ensure that organizations are not carrying too much debt that could pose risk for default at some point in the future.
  - Benchmark: 0.50 (50%) or less
  - Formula:  $\text{Long-term debt} \div \text{net assets}$
- **15.3.2 Operating Ratio**
  - Ensure that organizations are bringing in enough revenue to cover their operating expenses.
  - Benchmark: 1.0 or less
  - Formula:  $\text{Total operating expenses} \div \text{total revenue}$

**Timeframe:** Annually, during the monitoring period.

Agency Self-Assessment:

**Summary:** Ratios are within established guidelines, and discrepancies can be explained by the ED/CFO.

**Documentation Examples:**

- Audits
- Statements of financial position / balance sheets
- Statements of activities / statements of income
- Statements of cash flow
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check:  MET  NOT MET  ON TARGET

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State Assessment of Agency:

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FULLY MET  NOT MET

\*If not met, what action steps are needed to meet the standard?

# PART THREE:

## ATTESTATION



An attestation is an act of declaring or providing testimony by an agency representative that certain actions have been completed. Starting in 2023, IHCD is utilizing an Attestation Statement to minimize the monitoring experience by allowing an agency to quickly indicate that the certain stated objectives are being met. In Part Three you will find guidance to help you determine if the actions are true or applicable. They do not require an agency to provide documentation that they have occurred. However, if any agency has been placed on an improvement plan from the previous CSBG monitoring then the attestation standards will be traditionally monitored (as they are in Parts One and two).

## Category 16: Certification

During the monitoring period, the community action agency has maintained or completed the following:

### Standard 16.1

Organization develops linkages with partner agencies to fill identified gaps in services and regularly assesses partnerships to identify and address any weak or missing connections with key sectors of the community.

Agency Self-Assessment:

MET  NOT MET  ON TARGET

### Standard 16.2

The organization's publications clearly state that all services are provided without regard to race, age, color, religion, sex, disability, national origin, ancestry, familial status, or status as a veteran.

#### Guidance:

- The non-discrimination language must be present on publicity releases or other public references, including media releases, the organization's website, informational pamphlets, etc.<sup>59</sup>
- The non-discrimination statement may include additional language but must include at least the language in the standard.<sup>60</sup>

Agency Self-Assessment:

MET  NOT MET  ON TARGET

### Standard 16.3

The community action agency consults with neighborhood-based organizations in the planning, conduct, and evaluation of components of the community action program, according to IC 12-14-23-8.

Agency Self-Assessment:

MET  NOT MET  ON TARGET

## Standard 16.4

The community action agency leads other local organizations in poverty reduction activities according to IC 12-14-23-9.

### Guidance:

- Plan for, secure, and administer available assistance on a common or cooperative basis.<sup>54</sup>
- Provide planning or technical assistance to local agencies.<sup>54</sup>
- Undertake actions to improve existing efforts to reduce poverty: regular communication, closing service gaps, and focusing resources on the most needy.<sup>54</sup>
- Provide technical and other support to enable poverty-related neighborhood groups/organizations to secure available assistance from public and private resources.<sup>54</sup>

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### Agency Self-Assessment:

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MET  NOT MET  ON TARGET

## Standard 16.5

The full governing board reviewed and discussed the most recent CSBG monitoring report within ninety (90) calendar days of receiving the finalized report.

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### Agency Self-Assessment:

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MET  NOT MET  ON TARGET

## Standard 16.6

The organization has established and enforces basic personnel policies that include: Classifications of Employees (exempt and nonexempt), Drug-Free Workplace Statement, Smoke-Free Workplace Statement, and Information Protection & Confidentiality.

### Guidance:

- If a public agency has developed their own employee handbook, it also must include the above policies.<sup>61</sup>

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### Agency Self-Assessment:

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MET  NOT MET  ON TARGET

## Standard 16.7

Mandatory Federal and State labor law/employment signage are posted.

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### Agency Self-Assessment:

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MET  NOT MET  ON TARGET



## Standard 16.8

The indirect cost rate or written cost allocation plan is regularly reviewed by staff and any subsequent revisions have an effective date and are reviewed by the governing board.

**Guidance:**

- Not applicable to public agencies.<sup>61</sup>

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Agency Self-Assessment:

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MET  NOT MET  ON TARGET

## Standard 16.9

The organization has not been terminated for cause, had funding withheld, or had restrictions placed on them from any Federal or State grants or programs.

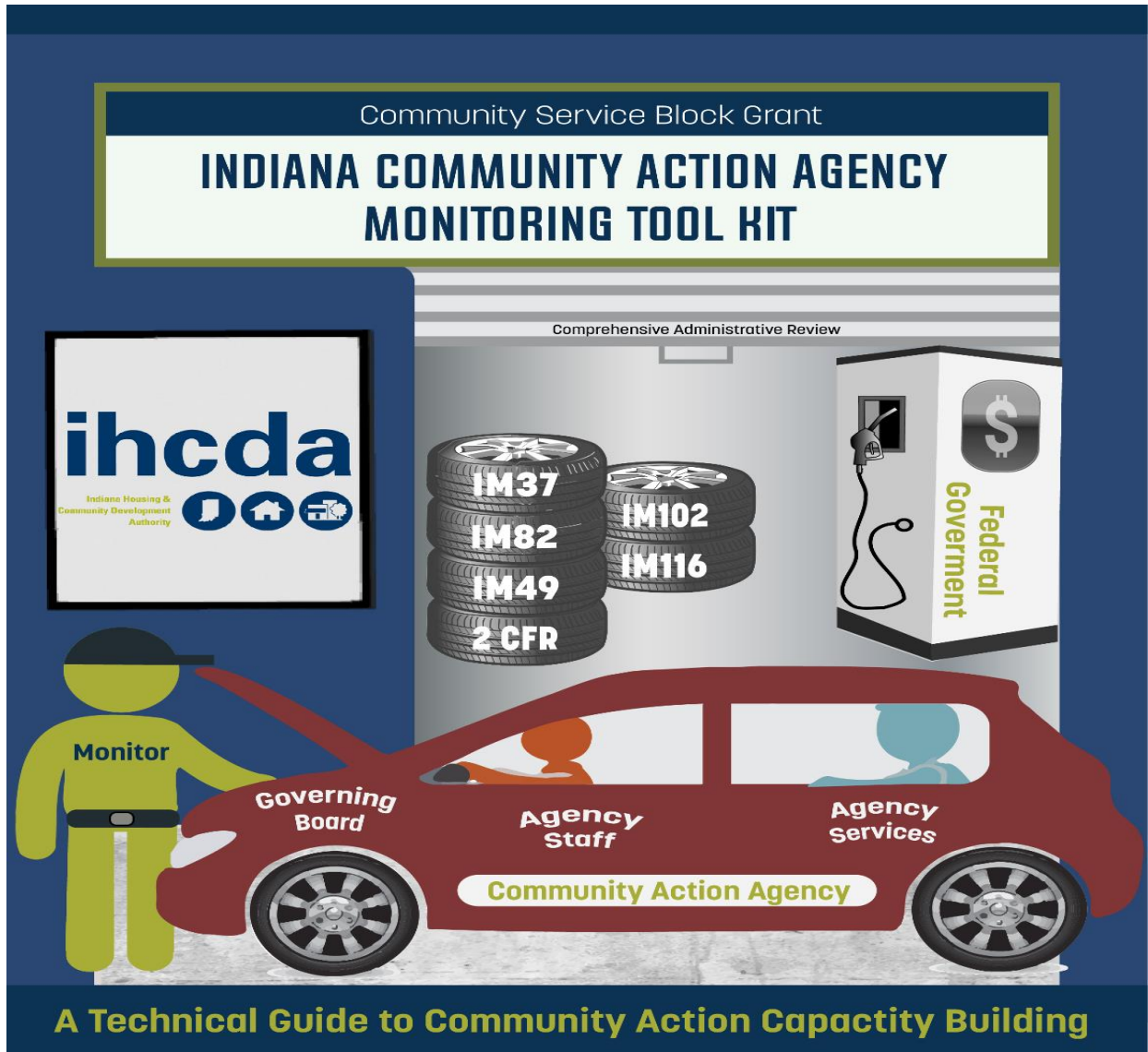
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Agency Self-Assessment:

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MET  NOT MET  ON TARGET

## PART FOUR: BEYOND COMPLIANCE



Excellence begins where compliance ends!

“Habitually opt for moving beyond mere compliance. Exercise our influence to inspire excellence through implementation of best practices, maximizing efficiencies, practicing innovation...”<sup>33</sup>

Part Four is IHEDA’s continuing effort to ensure that all Indiana Community Action Agencies are operating at peak performance by educating CAA staff on the purpose and background of the standards and building on compliance expectations through resources and implementation tips. In addition, this fulfills our IM-102 responsibility “to improve eligible entities’ capacity to achieve results” through “practical constructive recommendations for continued progress or improvement of existing conditions”.

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# Road To Excellence

## Category 17: Standard Support (Lists all standards, by category)

### CATEGORY ONE:

Community Action is rooted in the belief that people with low incomes are in the best position to express what they need to make a difference in their lives.

#### Standard 1.1:

##### **Purpose:**

- Meant to embody maximum feasible participation (as described in 42 USC 9901) and go beyond the involvement of low-income representatives on the agency's tripartite board.<sup>23</sup>

##### **Implementation Tips:**

- Places where you may already have existing groups of low-income volunteers engaging with your agency: Head Start policy council, Area on Aging Public Hearing(s), advisory boards or neighborhood councils, volunteering opportunities (i.e., parents, foster grandparents), etc.

##### **Drive the Distance:**

- The voice of low-income people should be represented in the role of governance, daily programming activities, and other processes such as strategic planning and the community assessment.<sup>23</sup>

**Background:** Economic Opportunity Act of 1964 (Maximum Feasible Participation)

**Authority:** IM-138(1.1), 42 USC 9901(2)(D), IM-82, and IC-12-14-23-9(8)(B)

#### Standard 1.2:

##### **Purpose:**

- It is important to consistently re-evaluate the needs and resources as perceived by low-income individuals to assess the success of the agency in meeting those needs.<sup>23</sup>
- As much as advocates, community stakeholders, and key informants may know about poverty and the resources available, low-income people have a lived experience of their community and its needs that should be included in the assessment to make it truly comprehensive.

**Resource Tool(s):** Leadership Calendar of Events

##### **Implementation Tips:**

- The agency needs to use methods such as community forums, surveys, and focus groups that draw information from low-income individuals in the broader community to ensure the inclusion of diverse views and a more accurate picture of the community's needs.<sup>23</sup>

##### **Drive the Distance:**

- It is beneficial to compare information collected directly from low-income individuals to similar data from other sources to identify gaps in your area/region.
- Collecting data from the low-income community during the needs assessment and other times offers an excellent opportunity for agencies to build relationships, raise awareness about their services and policy agenda, and identify potential volunteers and participants for agency activities.<sup>23</sup>

**Authority:** IM-138(1.2); Associated: IM-82 and IC-12-14-23-9(8)(A)

### Standard 1.3:

#### **Purpose:**

- Gathering customer satisfaction data and input is another way that CAAs act on the value-and requirement-of maximum feasible participation.<sup>29</sup>
  - Customer satisfaction data is important information because it is related to the client's personal experience.
  - Enable the poor and the affected area residents to influence the character of programs affecting the interests of the poor and the affected area.<sup>54</sup>
  - Collection and analysis of actual customer satisfaction data is essential to understanding how programs impact the individuals and families served.<sup>23</sup>

**Resource Tool(s):** Governing Board and Leadership Calendar of Events

#### **Implementation Tips:**

- Conduct annually, or more frequently, per your systematic process.
- Utilize a quality improvement committee or similar body that looks at such data across the agency as a whole.<sup>29</sup>

#### **Drive the Distance:**

- Routinely examine questions asked, and make changes, to ensure that your agency receives both positive and negative constructive feedback (e.g., use a mixture of open-ended, close-ended, multiple-choice questions).
  - Customer satisfaction surveys typically include factors such as offering an adequate range of services, where they helped in a timely manner, ease of access to services, timely receipt of needed services, perceived quality of interactions between the customer and staff, would they recommend the agency to others, and overall satisfaction with how well the service(s) met the customer's needs.
- Develop a Customer Satisfaction Policy and Procedures.<sup>37</sup>

**Background:** Government Performance and Results Act (GPRA) of 1993 (customer satisfaction)

**Authority:** IM-138(1.3) and IM-82; Associated: 42 USC 9910(a)(1), IC-12-14-23-9(8)(A), and CSBG Annual Report (Module 1(1.5))

## CATEGORY TWO:

CAAs are called to engage the community in their work. The war on poverty is waged most effectively by coordinated community relationships and cannot be fought by a single agency.<sup>24</sup> Community Action is often the backbone organization of community efforts to address poverty and community revitalization: leveraging funds, convening key partners, adding the voice of the underrepresented and being the central coordinator of anti-poverty efforts. It is not an easy role to play, but a vital one for families and communities.<sup>69</sup>

Social sector organizations have two types of customers. The primary customer is the person whose life is changed through your work. Supporting customers are volunteers, members, partners, funders, referral sources, employees, and others who must be satisfied. You might satisfy them by providing the opportunity for meaningful service, by directing contributions toward results you both believe in, by joining forces to meet community needs.<sup>46</sup>

The [CSBG] Act gives the CAA a primary catalytic mission: to make the entire community more responsive to the needs and interests of the poor by mobilizing resources and bringing about greater institutional sensitivity. A CAAs effectiveness, therefore, is measured not only by the services which it directly provides but, more importantly, by the improvements and changes it

achieves, the community's attitudes and practices toward the poor and in the allocation and focusing of public and private resources for antipoverty purposes.<sup>139</sup>

### **Standard 2.1:**

#### **Purpose:**

- Partners, as stakeholders, are vital to providing clients access to various services that are beyond or enhance what the CAA can provide.
- Partnerships are mutually beneficial arrangements wherein each entity contributes and/or receives time, effort, expertise, and/or resources.<sup>24</sup>
- Based upon the needs identified in the needs assessment, partnerships are maintained to support agency services.<sup>92</sup>
  - Community action agencies may enter into Interlocal cooperation agreements with units of local government.<sup>55</sup>

#### **Implementation Tips:**

- Develop an agency-wide primary partnership list (e.g., spreadsheet) that also lists each partner's service county and key sector(s): community-based organizations, faith-based organizations, private sector, public sector, educational institutions, as well as financial/banking, health, and statewide associations.<sup>45</sup>

#### **Drive the Distance:**

- Per IM-82, check with governing board members periodically to see how they are assisting the agency in establishing and maintaining working relationships, or partnerships, with other public and private agencies and programs in the community that can help achieve community action results.

**Background:** The Economic Opportunity Act, Title II, Section 201(a)

**Authority:** IM-138(2.1), 42 USC. 9908(b)(1)(A)(vii) & (b)(9), and IC 12-14-23-9(9); **Associated:** 42 USC 9901(2)(E), IM-49 (Goal 4), National Community Action Network Theory of Change, and CSBG Annual Report (Module 2 (B.5))

### **Standard 2.2:**

#### **Purpose:**

- It is essential for an agency to understand the makeup of their community at large and how its various stakeholders perceive their needs, available resources and barriers to achieving self-sufficiency. It allows agencies to paint a full picture of the family and community profiles of their customers.<sup>24</sup>

**Authority:** IM-138(2.2); **Associated:** 42 U.S.C. 9908(b)(1)(A)(vii), IC 12-14-23-9(9), and CSBG Annual Report (Module 2 (B.5))

### **Standard 2.3:**

#### **Purpose:**

- Provides an opportunity for CAAs to showcase their successful innovations, capacity expansions, and coordination of resources and partners to solve difficult community problems. Its intent is to elevate community awareness of the agency's work, the impact it has, and the role the broader Community Action Network plays in fighting poverty. Ultimately, providing a foundation for CAAs to build a community agenda to address poverty.<sup>24</sup>

**Resource Tool(s):** Leadership Calendar of Events

#### **Implementation Tips:**

- Provide greater transparency by placing on the agency website items such as program descriptions, success stories, community needs assessment, IRS Form 990, audit, annual

reports/newsletters, donor list, strategic plan, bylaws, calendar of events, mission statement, partnerships/stakeholders, etc.

**Drive the Distance:**

- ROMA has provided some local entities with a means of not only “telling their story better,” but of “telling a better story.”<sup>63</sup>
- Utilize a Public Relation Plan to regularly promote positive agency results. Also called a Communications Plan or Marketing & Branding Plan.

**Authority:** IM-138(2.3)

**Standard 2.4:**

**Purpose:**

- This is one of the important elements of how CAAs and the Community Action Network tell the story of its impact by leveraging volunteer hours and other resources in the community.<sup>24</sup>

**Resource Tool(s):** Indiana CAA Board Governance Management Tool (governing board & committees only)

**Implementation Tips:**

- Utilize an agency-wide reporting system (database) to document the individuals and hours worked for any volunteer, including across multiple programs.

**Drive the Distance (Implementation Tips):**

- Volunteers provide an excellent source of potential members for the agency’s governing board, advisory bodies, and, in some cases, staff positions.<sup>24</sup>
- An agency-wide system allows for:
  - The recognition of volunteers for their service and advancing the overall mission of the agency within the community.
  - The ability to demonstrate “total number of volunteer hours donated to the agency and total number of volunteer hours donated by individuals with low-income.”<sup>45</sup>

**Background:** Government Performance and Results Act of 1993 (GPRA)

**Authority:** IM-138(2.4) and IRS Form 990(Part I(6)); Associated: CSBG Annual Report (Module 2 (B.3))

## CATEGORY THREE:

Local control of Federal CSBG resources is predicated on regular comprehensive community assessments that take into account the breadth of community needs as well as the partners and resources available in a community to meet these needs. Regular assessment of needs and resources at the community level is the foundation of Community Action and a vital management and leadership tool that is used across the organization and utilized by the community to set the course for both CSBG and all agency resources.<sup>69</sup>

Understanding the needs and resources within your community that will assist in reducing the causes and conditions of poverty is extremely important. However, it can only be achieved after your agency has actively solicited input and gained the valuable perspective of your low-income individuals/families, the entire human service network who service them, and key community stakeholders who support your mission.



### **Standard 3.1:**

#### **Purpose:**

- The community needs assessment is a tool used to assess the needs of low-income individuals, families, and communities.<sup>65</sup> It is the foundation for addressing the cause and conditions of poverty within the community.
- Part of the community assessment process is learning who the low-income individuals in the community are and what needs they see existing in their community.<sup>23</sup>
- The CNA is an opportunity to gain insight into the broader needs of the service area not currently being met.<sup>25</sup>

**Resource Tool(s):** Leadership Calendar of Events

#### **Implementation Tips:**

- Conduct a public meeting to: 1) demonstrate the importance of the information and facilitate community dialogue, and 2) promote community action and elevate the needs of the poor within the community.
- Head Start agencies should consider coordinating and perhaps combining the CSBG and Head Start needs assessments to avoid duplication of efforts.<sup>41</sup>

#### **Drive the Distance:**

- The process of conducting a community needs assessment and the resulting report is the first step in gathering data for the agency-wide strategic plan and the CAA agency-wide annual work plan.<sup>76</sup>
- Provide footnote citations, as warranted, noting the source and year of the statistics or quotes, will demonstrate the currency of the information.
- CAAs are encouraged to update data between conducting full CNAs.<sup>25</sup>

**Background:** The Office of Economic Opportunity Instructions (1970)

**Authority:** IM-138(3.1), IM-82, and 42 U.S.C. 9908(b)(11); Associated: 42 USC 9901(2)(A), IM-102, and IM-49

### **Standard 3.2:**

#### **Purpose:**

- Specific demographic information helps the CAA more accurately identify the needs of the community, target programs to specific populations, and tailor service delivery strategies based on age, culture, and related factors.<sup>25</sup>

**Resource Tool(s):** NASCSP Checklist for Monitoring Community Needs Assessment for State CSBG Offices

#### **Implementation Tips:**

- Incorporate data from internal program reports and the CSBG Annual Reports.
- Data on poverty is available from the U.S. Census Bureau.
  - Following U.S. Census Bureau methodology, race and ethnicity are separate and distinct data grouped under this category.

#### **Drive the Distance:**

- Provide a county-by-county breakdown of demographic data to compare against the region as a whole so pockets of need are not missed.

**Authority:** IM-138(3.2) and IM-102

### **Standard 3.3:**

**Resource Tool(s):** NASCSP Checklist for Monitoring Community Needs Assessment for State CSBG Offices, Governing Board and Leadership Calendar of Events

#### **Implementation Tips:**

- Statewide housing information is available on the Indiana Housing Dashboard by IHCD at [www.IndianaHousingDashboard.com](http://www.IndianaHousingDashboard.com).
- Collect quantitative data first, then use qualitative methods to assist in analyzing the results.
- Provide the survey and/or interview questions used to gather data either within the report or as an appendix.

**Drive the Distance:**

- Consider including trended data to fully capture change over time and continuity in key indicators.<sup>25</sup>
- Present data in a variety of visually compelling ways, such as maps, graphs, charts, or comparisons with larger state and national trends.<sup>25</sup>
- Utilize more than one data source per national, state/local, or agency category.

**Authority:** IM-138(3.3)

**Standard 3.4:**

**Purpose:**

- Assessing the need, determining the level of need, and discussing the causes of poverty unique to that customer and community helps an agency produce a community assessment that can be confidently utilized as an effective resource for organizational planning.<sup>23</sup>
- Defining the underlying cause of the need and how it manifests itself in the community helps the CAA think through its overall service delivery strategy.<sup>23</sup>
- ROMA asks CAAs to think through the level of the needs they see and place them at the family, agency, or community level”.<sup>25</sup>

**Resource Tool(s):** NASCSP Checklist for Monitoring Community Needs Assessment for State CSBG Offices, and The Introduction to Results-Oriented Management and Accountability (ROMA) Trainers Manual (*provides examples of how to analyze assessment data using the following techniques: The Five Whys, Force Field Analysis, Compassion, Causes and Effect, and Trend Analysis*).

**Drive the Distance:**

- Based on the CNA results, CAA should recommend community-wide policy (and system change, when appropriate) that will contribute to poverty reduction, increased access to services, etc.
- Make a “top five” list (or similar) of the service territory’s needs as identified in the CNA.

**Background:** Donald Rumsfeld, Director of the Office of Economic Opportunity-CAA Mission Guidance

**Authority:** IM-138(3.4) and IC 12-14-23-9(2); Associated: 42 U.S.C. 9901(2)(B & C)

**Standard 3.5:**

**Purpose:**

- While the governing board may not necessarily be involved in conducting the community needs assessment, they are responsible for critically thinking about the results and using the assessment to drive policy, program decisions, and strategic direction.<sup>25</sup>

**Resource Tool(s):** Governing Board Calendar of Events

**Drive the Distance:**

- Ideally, a CAA’s board should be engaged in the CNA from its start.<sup>25</sup>

**Background:** Previous to the implementation of the Organizational Standards, there was no guarantee of board involvement in the CNA.

**Authority:** IM-138(3.5); Associated: 42 USC 9910(a)(1), IM-102, and IM-82



## CATEGORY FOUR:

Community Action leadership is exemplified at all levels across the organization and starts with a mission that clarifies Community Action's work on poverty. A well-functioning board, a focused Chief Executive Officer (CEO)/Executive Director, well-trained and dedicated staff and volunteers giving of themselves to help others will establish Community Action as the cornerstone and leverage point to address poverty across the community. Ensuring strong leadership both for today and into the future is critical. This category addresses the foundational elements of mission as well as the implementation of the Network's model of good performance management (ROMA). It ensures CAA's have taken steps to plan thoughtfully for today's work and tomorrow's leadership.<sup>69</sup>

Overall, the goal for this category is to ensure that you have the leadership and management processes in place to meet the current and future needs of the organization. This "leadership" is loosely defined because board, executive, and management all have responsibilities to ensure that the organization is on the track and will remain so.<sup>26</sup>

### Standard 4.1:

#### **Purpose:**

- A Mission Statement contains the essence of who you are.<sup>43</sup> It is a relatively short statement, sharply focused, that explains your purpose and therefore, expressing the agency's reason for existence.
- Creating or reviewing mission statements can provide a focus for collaborative strategic planning among board members and agency leadership and staff, and a foundation for meaningful board oversight of agency operations and effectiveness.<sup>64</sup>
- Governing boards are responsible for determining the overall mission or direction.<sup>64</sup>
- Reduces Mission Drift- "when the agency departs from its original purpose and core values to take on a task that is perhaps related, but not directly in support of the mission."<sup>97</sup>

**Resource Tool(s):** Mission Possible: Understanding and Developing an Effective Mission Statement<sup>4</sup> and Governing Board Calendar of Events

#### **Implementation Tips:**

- Four key mission statement elements should cover: Population, Services, Outcomes, and Relationship.<sup>43</sup>

#### **Drive the Distance:**

- After reading your Mission Statement, someone should know what your agency believes about poverty and what the long-term goals (changes) your agency will achieve.<sup>43</sup>
- A fundamental responsibility of leadership is to make sure that everybody knows the mission, understands it, lives it.<sup>46</sup>

**Background:** Office of Economic Opportunity (OEO) Instruction 6320-1 of 1970 (established the community action mission).

**Authority:** IM-138(4.1), IM-82, and IM-49; Associated: 42 USC 9910(a)(1) and IRS Form 990 (Part III (1))

### Standard 4.2:

#### **Purpose:**

- The State will secure from each eligible entity, as a condition of receiving funding, a Community Action Plan.<sup>87</sup> Therefore, the CAP is a required and foundational element for CSBG funds.
  - i.e., Similar to a comprehensive grant proposal or grant application

- The Community Action Plan notes the specific strategies and interim outcomes to show success.<sup>26</sup>

**Implementation Tips:**

- A CAP is an annual component of the 3-to-5-year strategic plan. Both should link directly to the needs of the community identified in the Community Needs Assessment.
- A comprehensive Community Action Plan should take into consideration needs assessments from all other programs that provide social services within the community.<sup>65</sup>

**Drive the Distance:**

- Tripartite boards will officially approve annual performance targets, or outcomes they expect the agency to achieve among low-income families and the community.<sup>64</sup>
- Use the CAP to annually train staff on the expectations for the upcoming fiscal year.

**Authority:** IM-138(4.2) and 42 USC 9908(b)(11); Associated: IM-102 and IM-49

**Standard 4.3:**

**Purpose:**

- ROMA is the foundation of our work and how we know that our programs are strong and effective. The ROMA framework is both general good management as well as specific to Community Action.<sup>26</sup>
- Answer such questions as “why are we here, who are we helping, what are we helping them become, and how will we know and describe success, both theirs and ours?”<sup>63</sup>

**Resource Tool(s):** Community Action Partnership COE Developed Organizational Standards Technical Assistance Guide, Documenting Standard 4.3 (includes ROMA Implementation Checklist).

**Implementation Tips/Drive the Distance:**

- Having a ROMA trainer on staff not only makes complying with the Standard easier but can help ensure that ROMA principles are infused into agency operations.<sup>26</sup>

**Background:** Monitoring and Assessment Task Force (MATF) of 1994, created by the Office of Community Services (OCS), recommended the system to be known as ROMA which was rooted in Office of Economic Opportunity (OEO) Instruction 6320-1 of 1970.

**Authority:** IM-138(4.3); Associated: 42 USC 9908(b)(12), IM-102, and IM-49

**Standard 4.4:**

**Purpose:**

- Ensures the governing board has received an update each year on how well the CAA is meeting the plan. This shows the performance management process in action.<sup>26</sup>

**Resource Tool(s):** Governing Board and Leadership Calendar of Events

**Implementation Tips:**

- Provide the governing board the Community Action Plan shortly after it has been submitted so it can be reviewed and discussed.

**Drive the Distance:**

- Frequent review of the progress of the plan will allow a CAA board to stay more up to date on agency progress. More frequent update may occur at the committee level to allow more thorough discussion. More frequent review may allow for results to impact planning for subsequent Community Action Plans.<sup>26</sup>

**Authority:** IM-138(4.4); Associated: 42 USC 9908(b)(11), 42 USC 9910(a)(1), IM-82, and IM-49

**Standard 4.5:**

**Purpose:**

- Succession planning is “an effort to protect the organization’s capacity to perform key functions, sustain important relationships, and fulfill its commitments during a leadership

transition”.<sup>2</sup> It promotes continuity of the organizational culture through planned and coordinated efforts.

- It is the board’s responsibility to make sure that their primary employee, the Chief Executive, has both procedures in place for leadership continuity during an absence as well as a policy for how the board will manage a transition.<sup>26</sup>

**Resource Tool(s):** Community Action Partnership, Preparing for Your Community Action Agency’s Future: Sustainability, Succession & Transition, 2012 (Part 2 & 3), and Governing Board Calendar of Events

**Drive the Distance:**

- Develop succession plans for all Leadership Staff positions or at least developing Staff Contingency Worksheets that outlines their roles and responsibilities and how those tasks will be covered.
  - The Finance Director should have grant funding experience.<sup>82</sup>
- The plan may name an interim leader(s), locations of critical organizational documents, communication plan, and important contacts.<sup>26</sup>
- Governing board executive committee annually reviews the succession plan as part of their standing agenda, so everyone is aware plans are in place and that they are current.<sup>2</sup>

**Authority:** IM-138(4.5); Associated: 42 USC 9910(a)(1) and IM-82

**Standard 4.6:**

**Purpose:**

- The goal of risk assessment is to understand the risks that our organization confronts and clarify the extent to which we can undertake strategies (risk mitigation) to control the likelihood of occurrence and the severity of the consequences.<sup>34</sup>
- The risk assessment must be comprehensive and organization-wide to ensure that agencies review all types of risk associated with their management and operations instead of focusing on particular departments or programs.<sup>26</sup>

**Resource Tool(s):** Community Action Partnership Risk Assessment Toolkit, Nonprofit Risk Management Center (NRMC) “My Risk Assessment” on the Assessment and Risk Resources Portal for Community Action, and Governing Board Calendar of Events

**Implementation Tips:**

- The process of assessing entity vulnerabilities and risks should be ongoing and integrated within management and board oversight efforts.<sup>67</sup>

**Drive the Distance:**

- Agency has a policy that requires staff to report risks they observe.<sup>67</sup>
- A risk assessment is generally followed by the implementation of a written risk management plan to mitigate the identified risks.
- Agency has a compliance officer or other “risk champion” to oversee the risk assessment, management, and mitigation process.<sup>26</sup>
- Some CAAs establish a Risk Management Committee comprised of Board members and other community members with extensive risk management expertise.<sup>34</sup>

**Background:** IM-112 was specifically issued to address concerns (risk) regarding the management of funds made available through the American Recovery and Reinvestment Act of 2009.

**Authority:** IM-138(4.6); Associated: 42 USC 9910(a)(1) and IM-82

## CATEGORY FIVE:

One of the most critical stakeholders in assuring adherence to established organizational standards is the eligible entity board that oversees operations on behalf of the local community. The primary responsibility of the board is to assure that the eligible entity not only meets all Federal and State requirements, but also provides high quality services to low-income people and the community served. Board members serve to protect the interests of the low-income community by making sure the eligible entity has the capacity to be successful.<sup>138</sup>

Community Action boards are uniquely structured to ensure maximum feasible participation by the entire community, including those the network serves. By law, community action boards are comprised of at least 1/3 low-income consumers (or their representatives), 1/3 elected officials (or their appointees), and the remainder private-sector community members. To make this structure work as intended, agencies must recruit board members thoughtfully, work within communities to promote opportunities for board service, orient, and train and support them in their oversight role. Boards are foundational to good organizational performance and the time invested to keep them healthy and active is significant, but necessary.<sup>69</sup>

### Standard 5.1:

#### **Purpose:**

- This reflects a foundational element to the work of community action. Maximum participation of low-income people is a core tenet of CSBG, and this tripartite structure ensures that all segments of the community have a part in the fight against poverty and real decision-making authority.<sup>28</sup>
- Assessment should be made of agency compliance with statutory requirements for board composition and functioning.<sup>64</sup>

**Resource Tool(s):** Indiana CAA Board Governance Management Tool

#### **Implementation Tips:**

- A Township Trustee is a great governing board member who can fill any of the three (Public/ Private/ Low-Income representative) sectors of the board.
- Recruitment Example: If the organization has a Head Start program, there is a representative who already serves on the policy council and Board of Directors<sup>85</sup> that will assist in filling one governing board position.
- Fifteen (15) Member Board Composition Examples:
  - Simple Example: (5) public representatives, (5) low-income representatives, and (5) community/private representatives.
  - Complex Example: (5) public representatives, (6 to 9) low-income representatives, and (1 to 4) community/private representatives.
- Head Start Policy Council and the (tripartite) Board cannot have identical membership.<sup>64</sup>

#### **Drive the Distance (Implementation Tips):**

- Should have at least some low-income board members who are or were recently low-income themselves.<sup>7</sup>
- The board governance committee, acting for the entire board, oversees the responsibility of the agency maintaining tripartite compliance.

**Background:** Green Amendment of 1967 and the Quie Amendment of 1967

**Authority:** IM-138(5.1), 42 USC 9910(a)(2), IC 12-14-23-6(a-d), and Agency Bylaws; Associated: IM-116, IM-102, IM-82, IRS Form 990(Part VI(1) & VIII(1a)), and IHEDA CSBG Grant Award Agreement No.3(E)

## Standard 5.2:

### **Purpose:**

- The implicit intent is to ensure that those who currently live-in areas served by the agency are represented so that they have a strong voice in agency governance and direction and are able to convey to those they represent the presence and significance of community action in their lives.<sup>64</sup>
- A low-income representative is someone who can adequately and effectively speak to the needs of the low-income population because they see the issues day in/day out, or even for a majority of their time. Usually, that is someone who works (at a job) in a field where this applies or on a board of directors of such an agency.
- The federal CSBG Act does not require that CAAs verify CSBG income eligibility for voters for low-income sector democratic selection procedures.<sup>18</sup> (In democratic selecting, the individuals voting do not need to be income qualified)

**Resource Tool(s):** Raising the Low-Income Voice, Case Studies in Democratic Selection Procedures (CAPLAW 2021)

### **Implementation Tips:**

- A democratic selection process might include:
  - Election by ballots which are casted by agency clients and/or by other low-income people in the service area (ballots may also be casted at designated polling places in the service area, satellite offices or via internet).<sup>28</sup>
  - Vote at a community meeting of low-income individuals<sup>28</sup> or public forum.
  - Petition signed by a certain number of residents in a low-income community.<sup>28</sup>
  - Selected through a similar democratic process such as election to a position of responsibility in another significant service or community organization<sup>64</sup> such as a school PTA, a faith-based organization leadership group; or an advisory board/governing council to another low-income service provider or low-income neighborhood organization.
    - Per CAPLAW, this is also called the Micro-Democratic Selection Process
- Outreach examples: mail-in ballots, well-advertised public meetings in which participants vote for a nominee, virtual meet & greet (e.g., Facebook Live), or online voting, etc.

### **Drive the Distance:**

- When the approved democratic selection process is not located within the bylaws, but only referred to, include a reference within the bylaws to its actual location so it is available when needed.<sup>11</sup>
- Ask board candidates to complete an application to help ensure they meet the required qualifications for service on the board.<sup>12</sup>
- The CAA governing board delegates the authority, in writing, to the not-for-profit organization which will allow them to elect (submit) an individual for consideration to the CAA board.<sup>18</sup>

**Authority:** IM-138(5.2), 42 USC 9910(a)(2)(B), IC 12-14-23-6(e), and Agency Policy; Associated: IM-82

## Standard 5.3:

### **Purpose:**

- Board members are not expected to be experts on state nonprofit law. With bylaws being the legal “rules of the road” for board and CAAs, it is critical that they comply with state law, the CSBG Act, and other relevant rules and regulations.<sup>28</sup>
- An attorney plays a key role in helping a CAA maintain accountability and avoid liability.<sup>9</sup>

**Resource Tool(s):** Leadership Calendar of Events

**Drive the Distance:**

- The attorney should have experience with nonprofits and board governance.<sup>9</sup>

**Authority:** IM-138(5.3)

#### Standard 5.4:

**Purpose:**

- It is good practice for boards to periodically review the content of the bylaws so they are aware of the processes they need to follow.<sup>28</sup>

**Resource Tool(s):** Indiana CAA Board Governance Management Tool and the Governing Board and Leadership Calendar of Events

**Drive the Distance:**

- Ensure the board reviews its bylaws on a regular basis and understands that it is required.<sup>36</sup>
- Placing the bylaws on the agency website not only assist in meeting this standard, but also provides transparency to the community on how the organization is governed.

**Authority:** IM-138(5.4); Associated: IM-82

#### Standard 5.5:

**Purpose:**

- Quorum is the minimum number of governing board members needed at the board meeting prior to any business can be transacted, legally, on behalf of the organization.<sup>19</sup>

**Resource Tool(s):** Indiana CAA Board Governance Management Tool

**Implementation Tips:**

- Document all board meetings regardless of method (i.e., in-person, teleconference, special meetings, and retreats).
- Utilize a Board Governance Committee with the responsibility to recruit board members on an ongoing basis<sup>36</sup>, and oversee the selection process of prospective members, and filling vacancies.<sup>12</sup>
- Develop a Board Recruitment Packet with information that will help candidates understand the organization as well as board responsibilities and expectations.<sup>40</sup>
- Consider imposing timeframes within which a public official must appoint a representative and including options for the board to select another public official.<sup>14</sup>

**Drive the Distance:**

- Remove barriers that may prevent an individual from seeking board membership (i.e., requiring resumes).
- Example: “Asking candidates to complete an application will help the CAA maintain compliance with recruitment requirements and policies as well as expose conflicts of interest that may prevent any board member from serving”.<sup>40</sup>
- Inviting non-board member/community volunteers to join a Governing Board Committee is a great training ground for potential board members.

**Background:** Indiana Family and Social Services Administration (FSSA) Program Manual Update January 6, 2006 (90-day vacancy)

**Authority:** IM-138(5.5) and Agency Bylaws; Associated: IM-82 and IC 23-17-15-5

#### Standard 5.6:

**Purpose:**

- Ensure that governing board acts in the best interest of the agency, regardless of the personal interest of individual members.
  - If someone is representing a particular community or neighborhood, they must vote and make decisions based on what is best for the overall agency.<sup>28</sup>



- An effective written conflict of interest policy helps board members navigate conflicts that could result in ethically questionable and potentially prohibited transactions or lead to transactions that are reasonable but still lack sufficient documentation to withstand external scrutiny.
  - Protects the organization from any possible hidden motives that board members may have while making decisions on behalf of the organization.
- Agency reports if any of the organization’s current officers, directors, trustees, or key employees had a family relationship or business relationship with another of the organization’s current officers, directors, trustees, or key employees.<sup>73</sup>
- Indiana does not have a requirement that an agency cannot have relatives serving together on the governing board or a member who is related to the executive director. This is a matter decided by each agency and should be reflected in the bylaws Conflict of Interest and Nepotism policies. However, this is not a recommended practice because it creates an appearance of impropriety.

**Resource Tool(s):** Indiana CAA Board Governance Management Tool and Governing Board Calendar of Events

**Implementation Tips:**

- The organization’s officers, directors, trustees, and key employees are required to disclose or update annually (or more frequently) information regarding their interests and those of their family members that could give rise to conflicts of interest, such as a list of family members, substantial business or investment holdings, and other transactions or affiliations with businesses and other organizations and those of family members.<sup>73</sup>
- New board members should complete a conflict-of-interest form when appointed because they are now “active” members.
- To ensure individual and organization transparency, “board members who have an acknowledged conflict of interest on an issue should recuse themselves from a board vote and in addition not attempt to influence board decisions during the discussion portion of the meeting”.<sup>28</sup>

**Drive the Distance:**

- Board members should review the [agency] contractors list annually to ensure they are aware of any potential conflicts.<sup>135</sup>
- Executive Director may sign each COI statement ensuring that he/she is fully aware of any relevant conflicts going forward.
- Board membership should not be used as a “steppingstone” to agency employment during their service on the board.<sup>64</sup>

**Authority:** IM-138(5.6) and Agency Bylaws; **Associated:** 2 CFR 200.318(c)(1), IM-82, and IRS Form 990 (Part VI: Section A(2) & Section B(12))

**Standard 5.7:**

**Purpose:**

- Community action board service is challenging as most CAAs have numerous funding streams, complex financial statements, and intensive reporting requirements when compared to other nonprofits in the community.<sup>28</sup>

**Resource Tool(s):** Indiana CAA Board Governance Management Tool

**Implementation Tips:**

- The potential board member completes orientation prior to their first official board meeting so they are best prepared for understanding their role as a community action board member.

- A structured orientation program may include most of these review elements: bylaws, meeting minutes, fiduciary duties, role and responsibilities, overview of the mission, history, strategic direction & goals, each agency program, fiscal reports, sources of funding, Federal and State Statues, and introduction to ROMA and fundraising.
- Orientation could be done during a special meeting (group), in person, or through electronic media, etc. It is at the discretion of each agency.

**Drive the Distance:**

- Develop a Governing Board Handbook that includes a written job description for the board member and leadership positions, and other critical information.
- Utilize experienced governing board members to mentor new members.<sup>28</sup>
- Orientation of board members should include financial literacy training.<sup>1</sup>

**Authority:** IM-138(5.7); Associated: IM-82

**Standard 5.8:**

**Purpose:**

- Board members need to be trained to carry out both the legal, or fiduciary, aspects of their service and their leadership responsibilities to help guide the agency toward success.<sup>64</sup>
- To improve fiscal management and integrity, OCS is emphasizing preventative strategies to enhance financial leadership capacity.<sup>66</sup>
  - The governing board must be sufficiently trained to interpret the financial reports and provide appropriate guidance according to the information it receives.
- A board that is trained and that does not have to be managed empowers the Executive Director to focus on their unique role in leading the organization to success rather than spending time “managing up”.<sup>3</sup>

**Resource Tool(s):** CAPLAW “All a-Board” training videos, Community Action Partnership Audit Essentials: What Every Board Needs to Know, September 16, 2012, Indiana CAA Board Governance Management Tool, and Governing Board and Leadership Calendar of Events

**Implementation Tips:**

- Organizations should conduct ongoing in-house, online (national partner webinars), or outside trainings (community-based, presentations, certification, or conferences) during board meetings, special sessions, and retreats. The national partners have great resources on board responsibilities.
- CAAs with Head Start programs are required to conduct some types of board trainings that can be used to demonstrate compliance with this standard.

**Authority:** IM-138(5.8) and IM-82; Associated: IM-102

**Summary 5.9:**

**Purpose:**

- Boards are encouraged to stay informed of agency programs & activities throughout the year, and to receive periodic reports from agency staff that focus on progress towards achieving milestones and ultimate results.<sup>64</sup>
- Good board processes include programmatic reports that allow board members to stay abreast of program development, planning, implementation and evaluation activities and to provide input into the process.<sup>28</sup>

**Resource Tool(s):** CAPLAW Bylaws Toolkit and Leadership Calendar of Events

**Implementation Tips:**

- Programmatic reports may be summarized at the full board meeting while presented more in depth at the committee level.<sup>28</sup>



**Drive the Distance:**

- CAAs have one or more committees charged with program oversight.<sup>28</sup> For example, a Program Planning and Evaluation Committee.<sup>5</sup>
- Programs teams should provide metrics or dashboards to track Key Performance Indicators and progress towards goals. Metrics could include funding utilization and production, as applicable.

**Authority:** IM-138(5.9) and IM-82; Associated: 42 USC 9910(a)(1)

## CATEGORY SIX:

Establishing the vision for Community Action is a big task and setting the course to reach it through strategic planning is serious business. Agencies take on this task by looking both at internal functioning and at the community's needs. An efficient organization knows where it is headed, how the board and staff fit into that future, and how it will measure its success in achieving what it has set out to do. This agency-wide process is led by the Board of Directors and is ongoing. A "living, breathing" strategic plan with measurable outcomes is the goal, rather than a plan that gets written but sits on a shelf and stagnates. Often set with an ambitious vision, strategic plans set the tone for the staff and board and are a key leadership and management tool for the organization.<sup>69</sup>

In summary, strategic planning is one of the most vital endeavors an organization can accomplish because it allows the agency to be mission focused in its planning. It not only provides a sense of direction for a specified duration (i.e., 3-5 years) that the plan is in effect but also defines what is trying to be achieved during this timeframe. At a very basic level it also states why the organization exists, whom it exists to serve, and what values will guide the actions of the governing board, agency staff, and volunteers that make it all happen.

**Standard 6.1:****Purpose:**

- Strategic planning is a key component and embodiment of the ROMA framework. It constitutes the second phase of the ROMA cycle.<sup>29</sup>
- An efficient organization knows where it is headed, how the board and staff fit into that future, and how it will measure its success in achieving what it has set out to do.<sup>29</sup>
  - Elements of a good plan; anticipates and heads off challenges, unifies people and strategies, mobilizes and/or focuses resources, supports decision making, sets context for accountability, and generates energy and confidence.<sup>39</sup>
  - Establish priorities among projects, activities, and areas to ensure the best and most efficient use of resources.<sup>54</sup>

**Resource Tool(s):** Governing Board and Leadership Calendar of Events

**Implementation Tips:**

- Strategic planning focuses on medium-to-long-term goals, generally 3-to-5 years, and is distinct from the Community Action Plan which is a one (1) year CSBG operating plan.
- Begin planning at least six (6) months before current plan expires.

**Drive the Distance:**

- The strategic plan and the needs assessment should be on the same implementation cycle (3 years) and completed within close proximity.

- In preparation for the strategic planning process, the organization may perform a Strength, Weakness, Opportunity, and Threats (SWOT) analysis of the agency and its current programs.

**Background:** Office of Economic Opportunity (OEO) Instruction 6320-1 of 1970

**Authority:** IM-138(6.1) and IM-82; Associated: 42 USC 9910(a)(1) and IC-12-14-23-9(1 & 4)

### Standard 6.2:

#### **Purpose:**

- Directly tying strategic plan goals to the broader anti-poverty mission that all CAAs share.<sup>29</sup>
- Ensure that the programs, services, and related activities used ..... are guided by a long-range, strategic framework.<sup>29</sup>

#### **Drive the Distance:**

- Develop a local theory of change to “help provide an overall framework to guide the organization’s efforts and supports evaluation and performance improvements.”<sup>29</sup>

**Background:** Section 672 of the CSBG Reauthorization Act of 1998

**Authority:** IM-138(6.2); Associated: 42 USC 9901(1), 42 USC 9908(b)(12), and IM-49

### Standard 6.3:

#### **Purpose:**

- Community action is charged with addressing poverty at the family and community levels. In addition, organizational capacity to receive federal funds and operate effective programs requires ongoing agency development. An organization-wide strategic plan is the articulation of these efforts.<sup>29</sup>

#### **Implementation Tips:**

- The use of logic models or similar method is encouraged when developing strategic goals.<sup>99</sup>
- SMART Goals are a tool that CAAs might use to ensure goals will be effective.
- The standard does not use the terms internal or external when describing the goal types (Family/Agency/Community). However, this focus may assist in writing both agency and family/community level goals.
  - **Internal** Type Goal Example (only Agency): Raise \$10,000 in unrestricted agency funds in 2014.
  - **External** Type Goal Example (predominantly Individual/Family or Community): Increase low-income homeownership in Waterloo County by fifteen percent.
- Remember, the strategic plan cannot be made up on only internal goals. If your agency has goals written where all the actions or change occur only by agency staff or the governing board; these would be classified as internal goals.<sup>61</sup>

#### **Drive the Distance:**

- A well-rounded plan should address all three goals in some way.<sup>29</sup>
- Writing an outcomes-based strategic plan includes identifying “what will change” at the family, community, and agency levels.<sup>44</sup>

**Background:** CSBG Monitoring and Assessment Task Force (MATF) of 1994, created by the Office of Community Services (OCS), established the National Strategic Plan and six (6) National ROMA goals which was rooted in Office of Economic Opportunity (OEO) Instruction 6320-1 of 1970.

**Authority:** IM-138(6.3); Associated: IM-49

### Standard 6.4:

#### **Purpose:**

- Ensure that the agency's strategic plan is both directly connected to the community needs assessment and responsive to the customers and communities it serves.<sup>29</sup>
- This standard calls for the strategic planning process to directly utilize customer feedback in setting the agency the agency's strategic goals.<sup>29</sup>
  - Customer satisfaction data refers to feedback collected from individuals and families the agency serves about how well its services met or exceeded their expectations.<sup>29</sup>

#### **Implementation Tips:**

- "Employees, partners, vendors, and the board are other examples of stakeholders who can be considered customers of the agency"<sup>29</sup> during the strategic planning process.

#### **Drive the Distance:**

- Engaging customers during the needs assessment and strategic planning process builds key relationships and opportunities for participation in other activities.

**Authority:** IM-138(6.4); Associated: IM-82, IM-49, and IC-12-14-23-9(8)(A)

### Standard 6.5:

#### **Purpose:**

- Tripartite boards are important participants in agency annual and long-range planning activities.<sup>64</sup>
- This annual update helps keep the (strategic) plan from stagnating on the shelf.<sup>29</sup>

**Resource Tool(s):** Governing Board and Leadership Calendar of Events

#### **Implementation Tips:**

- A performance scorecard or similar mechanism aids the agency in annually tracking outcomes and reporting progress to the governing board.
  - A general scorecard displays progress over time as it relates to a predetermined goal. Presenting a selection of indicators in a visual display (color coding, graphs, etc.), rather than just numbers on a page, helps stimulate conversation.<sup>44</sup>

#### **Drive the Distance:**

- Milestones, or immediate steps toward achieving the ultimate results, ought to be identified by agency staff so board members will be able to track progress throughout the year.<sup>64</sup>
- Assign a permanent board committee to evaluate the implementation, progress, and outcomes of the strategic plan<sup>29</sup> and provide routine updates to the full governing board.
- Provide progress reports to the governing board quarterly or semi-annually (i.e., more frequently than annually).<sup>29</sup>

**Authority:** IM-138(6.5) and IM-82; Associated: 42 USC 9910(a)(1)

## CATEGORY SEVEN:

The human element of Community Action's work is evident at all levels of the organization and the relationship an organization has with its staff often reflects the organization's values and mission. Oversight of the CEO/ED and maintaining a strong human resources infrastructure are key responsibilities of board oversight. Attention to organizational elements such as policies and procedures, performance appraisals, and training lead to strong organizations with the capacity to deliver high-quality services in low-income communities.<sup>69</sup>

An organization cannot build a strong team of working professionals without a good Human Resource Department. Human Resource Management is critical to an organization as it creates the systems that attract, acquire, motivates, manages, and retains the talent that determines organizational success. Ultimately, they influence both the direct and indirect ways the community action agency conducts its business and meets the needs of its customers.

### **Standard 7.1:**

#### **Purpose:**

- This guide for employees brings together employment and job-related information. It helps managers and staff understand what is expected of them. In addition, it is the backbone of the organization's culture.

**Resource Tool(s):** Governing Board Calendar of Events

#### **Drive the Distance:**

- Agencies are encouraged to work with human resource professionals and others (attorney on staff or on the board) prior to the external legal review to minimize cost.<sup>30</sup>
- Agencies are encouraged to use attorneys with Labor, and/or Employment Law credentials<sup>30</sup> or have experience in Human Resource issues.<sup>37</sup>

**Authority:** IM-138(7.1) and IM-82

### **Standard 7.2:**

#### **Purpose:**

- Promote effective and consistent communication of employee-relevant information to staff, to help ensure HR compliance and performance.<sup>30</sup>

**Resource Tool(s):** Leadership Calendar of Events and Human Resource Checklist

#### **Implementation Tips:**

- Electronic distribution methods might include "agency intranet, a location on a shared server, or distributed via email."<sup>37</sup>

#### **Drive the Distance:**

- Agency should have an identified process for notifying staff of updates and a mechanism to track that staff acknowledged the update.
- Staff should sign an "Acknowledgement of Receipt" or a signatory page in the employee handbook which acts as a legal shield and shifts responsibility to the employee.

**Authority:** IM-138(7.2)

### **Standard 7.3:**

#### **Purpose:**

- Job descriptions (or defined roles and responsibilities) are the basis for recruitment, selection, performance, succession, and development. Ensures job direction and accountability.<sup>30</sup>
- Additionally, job descriptions are important tools for maintaining compliance with the Fair Labor Standards Act (FLSA) and the Americans with Disabilities Act (ADA).<sup>30</sup>

**Resource Tool(s):** Leadership and Human Resources Calendar of Events

#### **Implementation Tips:**

- Add a date to each job description to easily identify when it was last reviewed/updated.
- Compare job descriptions against the organizational chart to ensure all positions are accounted for.

#### **Drive the Distance:**

- Job descriptions should include the tasks, functions, responsibilities, job title, minimum qualifications, reporting relationship, purpose, essential and/or additional duties, supervisory responsibilities, working conditions, EEO/ADA conditions, etc.

- Compliance and ethics responsibilities should also be included in job descriptions for all staff, including managers, supervisors, and front-line staff.<sup>9</sup>
- Review and update job descriptions annually in conjunction with performance evaluations to reflect the changing workplace, updated roles, and added or eliminated roles.

**Authority:** IM-138(7.3)

#### Summary 7.4:

##### **Purpose:**

- The board must hold the executive director responsible for the activities of the agency. The board should appraise the executive director’s performance on an ongoing basis, but at a minimum, the board should have a complete appraisal annually.<sup>64</sup>
  - Through a fair and consistent performance evaluation, the board maintains control over executive behavior at an appropriate level.<sup>30</sup>
  - Provide the governing board and executive with regular opportunities to assess critical development needs.<sup>30</sup>
  - A board that is not comfortable in honestly evaluating the executive director is not ensuring that the agency has effective leadership.<sup>78</sup>
- Proactively assessing the performance of top leaders helps to ensure the public trust and keeps the governing board and executive focused on goals important to the mission and services of the agency.<sup>30</sup>

**Resource Tool(s):** Governing Board Calendar of Events

##### **Implementation Tips:**

- If the full governing board is not involved with the review, all members should receive an overview of the review’s key points and be informed of the CEO/Executive Director’s goals for the subsequent year.
  - Governing board should “Receive and Accept” the performance appraisal by vote and documented it in the meeting minutes.

##### **Drive the Distance:**

- Per the Community Action Partnership, governing boards “will hold the ED/CEO accountable for agency performance against the Organizational Standards”.<sup>28</sup>
  - The board should evaluate the executive director on his/her success in implementing systems that promote compliance and ethical behavior throughout the organization and in addressing instances of non-compliance or unethical behavior.<sup>9</sup>
  - The board should reach outside of itself to gather feedback from the community, partners, or peers to help evaluate the executive’s performance.<sup>30</sup>
- The governing board should provide their sole employee with annual performance goals.
  - Align the agency’s CSBG Plan, Strategic Plan, and Values with the executive director’s role description and performance goals.<sup>30</sup>

**Authority:** IM-138(7.4) and IM-82

#### Standard 7.5:

##### **Purpose:**

- The board evaluates ED and sets his/her compensation on an annual basis.<sup>7</sup>
- Promotes minimum uniform schedule for executive pay.

**Resource Tool(s):** Governing Board Calendar of Events

##### **Implementation Tips:**

- The approval of the performance appraisal is often done in conjunction with setting the CEO compensation.<sup>30</sup>

- Governing board should “Receive and Accept” the CEO/Executive Director’s compensation by vote and document it in the meeting minutes.

**Drive the Distance:**

- Develop a Board Checklist for establishing a Chief Executive Compensation Plan.<sup>1</sup>
- In setting the executive director’s compensation, the board should rely on a clearly defined deliberative process that is documented.<sup>40</sup>
- With a pay structure in line with the comparable market and similar positions, the agency will be able to recruit and retain quality nonprofit executive talent to its key CEO/executive director position.<sup>30</sup>

**Background:** Center on Executive Compensation (Center Principles)

**Authority:** IM-138(7.5) and IM-82; Associated: 2 CFR 200.430(a-g) and IRS Form 990(Part VI(15a))

**Standard 7.6:**

**Purpose:**

- Performance evaluations create clear expectations and provide key documentation in the performance, succession, and development of the employee.<sup>30</sup>
- Incorporating written evaluations for employees protects employees, supervisors, and the agency from risk associated with individual employee/supervisor issues and possible class action laws suits.<sup>30</sup>
  - Ensures agency accountability for staff supervision and improved performance over time.

**Resource Tool(s):** Leadership and Human Resources Calendar of Events

**Implementation Tips:**

- Using a common evaluation form and expecting all supervisors to provide regular written evaluations under an agency policy helps create a culture of accountability to federal grants.<sup>30</sup>

**Drive the Distance:**

- The organization’s HR Policy and Procedures manual should further document the procedures and methods for supervisors to follow in conducting regular written evaluations for employees.<sup>30</sup>
- Best practice performance management systems include employee goal setting, regular informal check-ins, consistent coaching and/or mentoring, and more than one formal meeting to manage performance.<sup>30</sup>
  - Employee performance goals should support the agency vision, mission, and strategic plan.
  - SMART goals may be a useful tool to ensure performance goals are actionable.

**Authority:** IM-138(7.6) and IM-82

**Standard 7.7:**

**Purpose:**

- The organization’s whistleblower policy is intended to capture complaints of suspected fraudulent or dishonest use of or misuse of organizational resources or property by staff, board members, consultants, volunteers, or clients.<sup>40</sup>
  - The most common whistleblower action is reporting fraud or misconduct. “43% of those [fraud or misconduct] cases are uncovered due to a whistleblower.”<sup>83</sup>
- Encourages individuals to come forward with credible information on illegal practices [fraud or gross misconduct<sup>30</sup>] or violations of adopted policies and specifies the agency will protect individuals from retaliation.<sup>84</sup>



- An individual may be an agency staff person, volunteer, or even a contractor who exposes actions by co-workers, management, and/or the governing board.

**Resource Tool(s):** Do the Right Thing: How CAAs Can Cultivate a Culture of Compliance and High Ethical Standards (CAPLAW, 2016) and Sample Whistleblower Policy (CAPLAW, 2019)

**Drive the Distance:**

- Develop a culture that encourages whistleblowing.<sup>141</sup>
  - Establishing an Ethics Officer serves as an initial point of contact for ethics-related matters within the agency.
- Establish one or multiple reporting methods that a staff member or volunteer could use to notify the agency such as a fraud hotline, online forms, etc.
  - Reporting mechanisms should include an option to make a report to someone who is not one's immediate supervisor, anonymously or in full disclosure. Alternatives should always be offered.
- Provide training to staff on the agency whistleblower policy, its purpose, and the appropriate communication methods installed for reporting.

**Background:** The Whistleblower Protection Act of 1989

**Authority:** IM-138(7.7), Sarbanes-Oxley Act of 2002, and IM-82; Associated: IRS Form 990(Part VI(13))

**Standard 7.8:**

**Purpose:**

- New employee orientation refers to a training program that occurs when an employee first begins employment with an organization. This standard is to ensure that organizations follow through on the investment in employees and avoid costly turnover by providing new hires with the information, training, and resources necessary to be successful in the culture and in their job roles.<sup>30</sup>

**Resource Tool(s):** Orientation Calendar and Human Resource Checklist (Orientation and Onboarding)

**Implementation Tips:**

- Utilize a Human Resources Orientation Checklist, signed/dated by the employee, to ensure all necessary forms and materials are covered and to provide documentation of the training.

**Drive the Distance:**

- A key task during orientation is to provide an early introduction and overview to many, if not all, of the organization's Personnel Policies.<sup>30</sup>
  - Content may include time and effort reporting, ROMA, data collection, mission, CSBG history and/or community action.<sup>37</sup> Also, job description and performance expectations, education and training, tools and resources, emergency action planning, and review of the employee handbook/personnel policies.

**Authority:** IM-138(7.8)

**Standard 7.9:**

**Purpose:**

- Community action staff are often one of the only links a customer or family has to meet basic needs. This standard is to ensure that training and technical assistance (T&TA) is appropriately provided to staff to support the purpose and goals of community action in local programs.<sup>30</sup>
- Benefits to establishing a learning culture include: better applicants for open positions, better retention, improved quality, improved productivity, succession and replacement options, and less risk across the organization.<sup>30</sup>

**Implementation Tips:**

- Completed trainings should be documented in the employee personnel file<sup>37</sup> or by other reporting/tracking methods.
- Agency staff should be encouraged to attend IHEDA-provided trainings each year because these trainings focus on key topics identified for growth within the Indiana network.

**Drive the Distance:**

- Provide staff who have positions that require special duties or skill sets to receive targeted trainings:
  - Ensure fiscal staff are trained and qualified to manage the fiscal accounts and records of the agency on a day-to-day basis.<sup>64</sup>
  - Train necessary staff on the fiscal policies and how that impacts their work<sup>31</sup> and on significant OMB cost principle issues.<sup>6</sup>
  - As with new employees, new supervisors require some orientation and training about their new duties and responsibilities.<sup>30</sup>
- Agency should focus on areas within the organization that may need attention to advance the mission (e.g., customer service, strategic plan goals, PII, de-escalation, etc.)
- Establish a system of coaching and mentoring.<sup>30</sup>

**Authority:** IM-138(7.9); **Associated:** CSBG Annual Report (Module 2 (B.4))

## CATEGORY EIGHT:

The fiscal bottom line of Community Action is not isolated from the mission, it is a joint consideration. Community Action boards and staff maintain a high level of fiscal accountability through audits, monitoring by State and Federal agencies, and compliance with Federal Office of Management Budget circulars. The management of Federal funds is taken seriously by CSBG eligible entities, and the Standards specifically reflect the board's oversight role as well as the day-to-day operational functions.<sup>69</sup>

OCS has committed to strategies to promote core competencies including "strengthening Community Action Program administration, with emphasis on fiscal management and accountability.<sup>64</sup> Because tripartite boards of private, non-profit agencies are ultimately responsible for assuring that agency funds are spent and accounted for in accord with all applicable Federal, State, and local statutes and regulations, boards must make sure that fiscal controls and procedures are put in place and maintained by the agency.<sup>64</sup>

This category focuses on the financial management of the agency in a prudent manner. Sound financial management of an agency is required to appropriately steward the use of public resources. CAAs use public funds to carry out a public mission. How those funds are used impacts the public's willingness to continue to support these entities through further public support. Stewardship of resources is part of the implied contract that an agency has with the public. In short, the wise use of financial resources today helps sustain financial resources into the future.<sup>31</sup>

**Standard 8.1:****Purpose:**

- An audit is the professional opinion of a certified public accountant (CPA) that the financial statements of an organization are fairly presented in accordance with generally accepted accounting principles.<sup>31</sup>



- Audits provide impartial opinions (not a fact) and assessments of company records, processes, and procedures. Audits are not designed to find fraud within an agency but to ensure accuracy in the financial reporting process.
- An audit is not a guarantee. The auditor's opinion is based on a review of a sample of transactions during the year and extrapolates that sample to make an assessment on all the transactions conducted by an agency in the whole year.<sup>31</sup>

**Resource Tool(s):** Community Action Partnership Audit Essentials: What Every Board Needs to Know, September 16, 2012

**Implementation Tips:**

- Be cautious when using the auditing firm to provide non-auditing services (except for tax preparation) while the firm is contracted to provide auditing services<sup>1</sup> (i.e., use two separate firms for auditing and tax preparation).

**Drive the Distance:**

- Audited financial statements should be easily accessible for review<sup>1</sup> such as the agency website.

**Authority:** IM-138(8.1), 2 CFR 200[.501 & .512(a)], and IHCD CSBG Grant Award Agreement No.7(A); Associated: Sarbanes-Oxley Act and IM-82

**Standard 8.2:**

**Purpose:**

- The process of reviewing the audit report and ensuring the appropriateness of the response indicates a high level of functionality of the board.<sup>31</sup>
- When the audit is complete, the board should receive the audit report (refer to standard 8.4) and management should provide any plans necessary to address any findings noted in the audit.<sup>31</sup>
  - The auditee is responsible for follow-up and corrective action on all audit findings.<sup>125</sup>

**Resource Tool(s):** Governing Board and Leadership Calendar of Events

**Implementation Tips:**

- The Management Decision Letter is generally based upon the audit report and should be used as a reference. The management letter contains recommendations for improvement in operations.
- If a finding from a prior year is not appropriately addressed by an entity before the next audit, the lack of timely response becomes even more significant. If this occurs, the entity would then have two findings in the subsequent audit. The first would be the original finding and the second would be that there was no system in place to resolve findings and make corrections.<sup>31</sup>

**Authority:** IM-138(8.2) and 2 CFR 200[.508(c) & .511(a)]

**Standard 8.3:**

**Purpose:**

- This report out on the results of the audit ensures that the board is receiving a direct and fair assessment of the audit process. This transparency in the audit process means there is no room for misinterpretation of what the auditor said or meant.<sup>31</sup>

**Resource Tool(s):** Community Action Partnership Audit Essentials: What Every Board Needs to Know, September 16, 2012, and Governing Board Calendar of Events

**Implementation Tips:**

- Neither the form (i.e., printed, electronic, Power Point, etc.) nor the method (i.e., in person, webinar, conference call, etc.) is dictated, “as long as the governing board is informed directly by the auditor of the audit results.”<sup>31</sup>

**Drive the Distance:**

- All nonprofit organizations that conduct outside audits, particularly medium to large organizations, should consider forming an audit committee and should separate the audit committee from the finance committee.<sup>1</sup>
  - A committee allows a detailed conversation and discussion with auditors on the audit process, any findings, and areas for improvement in operations and finance.<sup>31</sup>
  - Audit committee should have at least one “financial expert”.
- Providing the board with basic training in how the audit process works, how to interpret financial statements, and how to interpret audit results builds overall board capacity and increases their ability to provide oversight and guidance to the agency.<sup>31</sup>

**Authority:** IM-138(8.3) and IM-82

**Standard 8.4:**

**Purpose:**

- This demonstrates the governing board “commits itself to take action to correct any issues noted in the report”<sup>31</sup>, established in IM-138(8.2).

**Resource Tool(s):** Governing Board Calendar of Events

**Implementation Tips:**

- Each board member should be provided a copy of the audit with this distribution noted in the board minutes.<sup>37</sup>

**Authority:** IM-138(8.4) and IM-82

**Standard 8.5:**

**Purpose:**

- The board has the relationship with the auditor and accordingly is responsible for selection of the auditor.<sup>31</sup> This procurement process helps solidify the independent role of the auditor.

**Resource Tool(s):** Community Action Partnership Audit Essentials: What Every Board Needs to Know, September 16, 2012, and Fiscal Calendar of Events

**Implementation Tips:**

- Develop an Audit Committee of the board to “ensure that the auditing firm has the requisite skills and experience to carry out the auditing function for the organization and that its performance is carefully reviewed.”<sup>1</sup>
  - Factors to be considered in evaluating each proposal for audit services include the responsiveness to the request for proposal, relevant experience, availability of staff with professional qualifications and technical abilities, the results of peer and external quality control reviews, and price.<sup>123</sup>

**Drive the Distance:**

- Large nonprofits should consider rotating at least the lead and reviewing partners of the audit firm every five years.<sup>1</sup>

**Authority:** IM-138(8.5); Associated; Sarbanes-Oxley Act

**Standard 8.6:**

**Purpose:**

- CAAs receive their tax-exempt status from the Internal Revenue Service (IRS). As a requirement to maintain its tax-exempt status the agency must file an annual informational

return with the IRS, Form 990. This is an essential component of the operating cycle [to ensure compliance].<sup>31</sup>

- IRS will automatically revoke the organization's tax-exempt status if it fails to file for a third consecutive year.<sup>96</sup>

**Resource Tool(s):** IRS Instructions for Form 990 Return of Organizations Exempt From Income Tax, and Governing Board and Fiscal Calendar of Events

**Drive the Distance:**

- Form 990 should be reviewed and approved by the board, just as the financial and audit reports are.<sup>1</sup>
- The public disclosure mandates that if someone requests to see a copy of the Form 990, the entity must make it available for inspection. Posting on the webpage heightens transparency<sup>1</sup> to ensure the public inspection provision is met.

**Authority:** IM-138(8.6), IRS Form 990, and IM-82; **Associated:** IRS Form 990(Part VI (11a))

**Standard 8.7:**

**Purpose:**

- The governing board should be involved in monitoring the financial stability and use of financial resources, on an on-going basis. Receiving and reviewing financial reports is a crucial role in the accountability of the organization and a key function of the board's fiduciary responsibility.<sup>31</sup>
  - Time should be set aside at each board meeting to review the current financial statements; the CAA's financial position, liquidity, budget variances, and other key financial metrics.<sup>8</sup>
  - Frequent reports [are provided] to the board by agency staff on overall agency fiscal status, procedures, practices, and transactions.<sup>64</sup>
- Categorization by program does not require reporting by individual funding stream; it may be by organizational-defined program areas <sup>37</sup> (e.g., Head Start, Energy, Housing, etc.).
- Budget versus actual for revenues and expenditures<sup>151</sup>: This report compares the financial plan or budget to the actual financial operating results for the period to date. This report is a progress report against a plan or budget.<sup>31</sup>
  - Budget variances can provide an early warning, protecting the CAA from unexpected outflows of financial resources and shortfalls in expected revenues.<sup>8</sup>
- Balance sheet or statement of financial position<sup>124</sup>: This statement provides a listing of assets, things the entity owns; liabilities, amounts owed by the entity; and net assets or the difference between the two.<sup>31</sup>
  - The balance sheet is a financial 'snapshot' of the net financial position of an agency at a specific point in time.

**Resource Tool(s):** Community Action Partnership Audit Essentials: What Every Board Needs to Know, September 16, 2012, Nonprofit Assistance Fund Balance Sheet Cheat Sheet, and Governing Board and Fiscal Calendar of Events

**Implementation Tips:**

- It may be beneficial to complete soft-close financials by the 10th of each month.<sup>136</sup>
- If there are variances between the actual results to date and the budget, the board should inquire of the entity's management the reason for the variance.<sup>31</sup>
- Ideally, there is a financial expert on the board who works with financial information and is very comfortable interpreting the underlying story of the numbers.<sup>31</sup>
- These financial reports should be categorized by program, where appropriate.

**Drive the Distance:**

- Some of the most frequent other financial reports submitted to the board include: Cash Flow information, Grant Status Report, Financial Dashboard, and Credit Card Expenditures.<sup>31</sup>
- The board should work with management to identify several meaningful financial ratios that the board can use to monitor the CAA's financial performance and position.<sup>8</sup>

**Authority:** IM-138(8.7), IM-82, and 2 CFR 200.302(b) & .510

### **Summary 8.8:**

#### **Purpose:**

- Agencies have a requirement to comply with the employment laws of the United States and the further requirements of the state or states where that agency conducts its operations.<sup>31</sup>
- Failure to make these required payments in a timely manner can subject the agency to fines and other forfeitures. This failure is also a violation of Federal and/or state law, which could become an audit exception jeopardizing further government funding.<sup>31</sup>
- Partial compliance with all the filings is an indicator that the agency does not have proper systems in place to handle the most basic of financial operations.<sup>31</sup>

**Resource Tool(s):** Fiscal Calendar of Events

#### **Implementation Tips:**

- Some of the requirements employers may have to submit payments for include: Federal income tax withholding, Federal unemployment tax, State income tax withholding, State unemployment tax, Local income tax withholding, Retirement plan contributions, and Health savings or flexible spending accounts.<sup>31</sup>

**Authority:** IM-138(8.8); Associated: IRS Form 941

### **Standard 8.9:**

#### **Purpose:**

- An organization-wide budget is a forecast for the upcoming fiscal year, based on the best information at the time of development. It provides the board with an overview of what the expected revenues and expenditures are likely to be over the course of a year, with the knowledge that the actual revenue and expenditures may differ.<sup>37</sup>
  - It is recognized that each grant or program will likely have an annual budget that may cross two agency fiscal years.<sup>37</sup>
- Board approval of the annual operating budget authorizes management to proceed with implementation of the plan.<sup>8</sup>

**Resource Tool(s):** Governing Board and Fiscal Calendar of Events

#### **Implementation Tips:**

- The fiscal department plays an important role in the budgeting process but program directors, the Executive Director and the Board of Directors must all be involved.<sup>38</sup>
- There is no requirement for the agency to pass a modified organization-wide budget during the course of a year as things change.<sup>37</sup>

#### **Drive the Distance:**

- The highest functioning agencies link the development of the budget and the strategic plan. The budget is the financial resource plan, and the strategic plan is the programmatic outline for the agency. These two concepts go hand in hand.<sup>31</sup>

**Authority:** IM-138(8.9) and IM-82

### **Standard 8.10:**

#### **Purpose:**

- The Standard requires that there are appropriate oversights in place for the process of keeping policies and procedures current and up to date.<sup>31</sup>

**Resource Tool(s):** Governing Board and Fiscal Calendar of Events

**Drive the Distance:**

- Staff should conduct a comprehensive rather than piecemeal review so the board can approve any necessary changes at the same time.<sup>31</sup>
- An annual reporting of the staff level review of the fiscal policies may be made at a fiscal committee meeting with the committee minutes reflecting the review.<sup>37</sup>

**Authority:** IM-138(8.10)

**Standard 8.11:**

**Purpose:**

- An effective procurement policy is a pillar of sound fiscal management, ensuring that a CAA obtains the best value when purchasing business-related products and services, and also minimizes fraud, waste, and abuse.
- It is the guidance provided to all internal staff of an agency on the appropriate procedures to follow in securing goods and services.<sup>31</sup>

**Resource Tool(s):** OMB Uniform Guidance Training and Governing Board Calendar of Events

**Implementation Tips:**

- Include Veteran Owned Businesses as part of the minority business contact list.<sup>136</sup>
- Establish a monetary purchase threshold policy for the governing board to approve agency purchases (e.g., \$5,000, or greater).

**Drive the Distance:**

- Develop an agency “Solicitation Advertising Plan” i.e., how an RFP is advertised, and include it as a section within the Procurement Policy to ensure a number of qualified sources are contacted.<sup>136</sup>
- Ensure procurement policy requires random spot checks of the CAA’s procurement files by an employee not involved in facilitating the process.<sup>36</sup>

**Authority:** IM-138(8.11), IM-82, and 2 CFR 200.318-.321; **Associated:** IHEDA CSBG Grant Award Agreement No.24

**Standard 8.12:**

**Purpose:**

- The purpose of the cost allocation plan is to summarize, in writing, the methods and procedures that the organization will use to allocate costs to various programs, grants, contracts and agreements.<sup>35</sup> The goal of cost allocation is fairness.<sup>135</sup>
- Cost Allocation and Indirect Cost rates are two different ways for recovering costs.
  - Cost allocation is also known as direct cost allocation.
- It is virtually impossible to meet the requirements of A-122 [now 2 CFR 200] without having a comprehensive written cost allocation plan. The plan is an essential tool for financial planning, accounting, and reporting. The cost allocation plan also plays a critical role in your overall accounting process by providing consistent guidance on the allocation of shared costs among your various programs/cost centers.<sup>35</sup>
  - These principles must be used in determining the allowable cost of work performed by the non-Federal entity under federal awards.<sup>115</sup>
- The plan is approximated as “reasonable”<sup>116</sup> and “defensible”.
- Cost Allocation Plan must specify indirect versus direct cost and the cost driver methodology used.
  - Direct costs are those that can be easily and accurately assigned to a specific award.<sup>119</sup>

- Methodology examples: clients served, square footage per program (rent, utilities, etc.), full time equivalents (FTE's) per program, labor hours, number of phones, number of computers, etc.
- The method selected must be used consistently and cannot change from month to month during the fiscal year.<sup>31</sup>
- Indirect costs can be a home for fraud because costs get pooled together and lose their original identity which make them easy to cover up.

**Resource Tool(s):** 2019 CAPLAW FAQ on Recovering Shared and Indirect Costs, and OMB Uniform Guidance Training

**Implementation Tips:**

- Include explanations or footnotes supporting the methodology that was used to allocate indirect costs.
- Cost Allocation Plan should be updated annually or when any of the [assumptions in the] allocation methodology change, whichever is sooner.<sup>135</sup>
- If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit.<sup>117</sup>

**Drive the Distance:**

- The organization performs a time study evaluation to determine the proper employee payroll allocation and apply the correct percentages.
- Program Managers should be included in cost allocation decisions to provide insight and information related to their specific program and grant requirements.<sup>135</sup>

**Authority:** IM-138(8.12), IM-37, 2 CFR 200.302(b)(7), and IHCDA CSBG Grant Award Agreement No.5

**Standard 8.13:**

**Purpose:**

- Assists staff, board members, and volunteers in managing a CAA's records to ensure that documents are stored and maintained properly prior to their destruction.
- The provisions in Sarbanes-Oxley that apply to a records retention policy state that an organization must have in place a policy that informs employees of the need to retain their correspondence and other documents when a legal investigation is in process.<sup>31</sup>
- Retention schedules clearly state how long a record must legally be kept and whether the record is archival. Retention schedules also provide guidelines for moving files to inactive storage and for purging obsolete records.
  - Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report.<sup>129</sup>

**Resource Tool(s):** CAPLAW Sample Records Retention and Destruction Policy for CAAs, 2020 and Fact Sheet #21: Recordkeeping Requirements under the Fair Labor Standards Act (FLSA)

**Implementation Tips:**

- Utilize a Records Retention Schedule/Chart as a visual supplement to the written retention and destruction policy.
- If an official investigation is underway or even suspected, nonprofit management must stop any document purging in order to avoid criminal obstruction charges.<sup>1</sup>

**Drive the Distance**

- Designate one person at the organization to oversee and monitor compliance with the policy.<sup>17</sup>



- There is a cost to retain such records, so it is prudent to have a policy in place that requires a minimum and maximum amount of time that records must be maintained.<sup>31</sup>
- Consider adding additional year to retention periods required by law.<sup>17</sup>

**Authority:** IM-138(8.13), 2 CFR 200.333, and Sarbanes-Oxley Act; **Associated:** IRS Form 990(Part VI(14)) and IHCD A CSBG Grant Award Agreement No.7(F)

## CATEGORY NINE:

Our agencies move families out of poverty every day across this country and need to produce data that reflects the collective impact of these efforts. Individual stories are compelling when they combine quantitative data: no data without stories and no stories without data. Agencies need to better document the outcomes our families, agencies and communities achieve. The CSBG funding confers the obligation and opportunity to tell the story of agency-wide impact and community change and in turn the impact of the network as a whole.<sup>69</sup>

The results of social sector organizations are always measured outside the organization in changed lives and changed conditions- in people’s behaviors, circumstances, health, hopes, and above all, in their competence and capacity. What endures from the work of nonprofits is not how hard we try or how clever we may be or even how much we care. Ultimately what is remembered is how we have been able to improve lives.<sup>46</sup>

Category 9 creates uniformity in the principles behind collecting, tracking, and reporting of data. The Standards will also ensure that service strategy and delivery of services is guided by understanding what is needed to answer these questions<sup>32</sup>:

- Who are our customers and what services do we give to them? (9.1)
- What happens to our customers (what changes) as a result of their interaction with the local CAA? (9.2)
- How does the agency and its governing board use the answers to the first two questions to make plans for adjustments and improvements? (9.3)
- How is all of this information reported in a way that is meaningful – both inside the network and to the general public? (9.4)

### Standard 9.1:

#### **Purpose:**

- It is important for the CAA to know what services are connected to specific segments of the population who have received them.<sup>32</sup>
- There are many types of software systems that could support this type of process. However, this standard is about having a consistent process, not about having a technology-based solution.

**Resource Tool(s):** NASCSP CSBG Annual Report Instruction Manual-Module 4 and NASCSP CSBG Annual Report Lexicon (2019)

#### **Implementation Tips:**

- The CSBG Annual report already requires the reporting of client demographics. This data element does not require additional data collection or reporting.
- The reporting of client demographics would include information regarding the qualities or characteristics of a specific group of people. Specific characteristics collected may include age, gender, education, income level, income source, or household type.<sup>32</sup>

- The tracking and reporting of customer services could be delivery of tangible assistance, strategies (training, case management, etc.), advocacy efforts, coalition building, or other activities.<sup>32</sup>

**Drive the Distance:**

- Ensure that staff across programs are clear about the definition of an agency “client” for uniform tracking across the agency.<sup>32</sup>

**Authority:** IM-138(9.1); Associated: CSBG Annual Report (Module 4, Section C)

**Standard 9.2:**

**Purpose:**

- Establishes that the agency is reporting on all the National Performance Indicators (NPIs) related to the National ROMA Goals for which it provides services, programs or activities.<sup>32</sup>
- Outcome Type Descriptions:
  - Family Outcomes describes the transition of individuals or family units toward and achieving self-sufficiency, and the supports necessary to ensure well-being.<sup>98</sup>
  - Agency outcomes describe the capacity of the CAA to use sound management practices in the delivery of programs and services.<sup>98</sup>
  - Community outcomes describe the ability of the CAA to mobilize public and private resources to support low-income persons in their transition to self-sufficiency.<sup>98</sup>
- There are many types of software systems that could support this type of process. However, this standard is about having a consistent process, not about having a technology-based solution.

**Resource Tool(s):** NASCSP CSBG Annual Report Instruction Manual-Module 4, NASCSP CSBG Annual Report Lexicon (2019), and NASCSP Fundamental of Measurement Tools Used To Measure Community Action Outcomes And Outputs

**Implementation Tips:**

- Identify the change you intend to see in the clients participating in the program. If a program is output-based (like EAP, WAP, or HCV that are based on number served and dollars provided), look for areas in which client change is expected (e.g., client education outcomes, meeting stability goals, or changes in energy usage over time).
  - Post-participation surveys may provide meaningful insight into client outcomes.
- Collecting outcomes data monthly, on a standardized form, will facilitate annual report completion.

**Drive the Distance:**

- Outcomes that are reported by one department may actually be of use (interest) to another department that is also serving the same person.<sup>32</sup>
  - All staff are helped by the entity to understand the direct or indirect relationship of their efforts to achieving specific client or community outcomes.<sup>63</sup>
- It is important for the agency to be able to also relate these data elements (in 9.1) with the outcomes that are achieved to find out what is working, and for whom it is working, to achieve success.<sup>32</sup>

**Background:** Monitoring and Assessment Task Force (MATF) of 1994, created by the Office of Community Services (OCS), produced the six (6) National ROMA Goals which was rooted in Office of Economic Opportunity (OEO) Instruction 6320-1 of 1970.

**Authority:** IM-138(9.2); Associated: 42 USC 9901(2)(B), 42 USC 9908(b)(12), 42 USC 9917(a)(1), IM-49, and CSBG Annual Report (Module 4, Section A & B)

**Standard 9.3:**

**Purpose:**

- This standard is about performance management.<sup>32</sup>



- Establishes that the agency is analyzing its own data for the purpose of making suggestions for improvement.<sup>32</sup>

**Resource Tool(s):** Governing Board and Leadership Calendar of Events

**Implementation Tips:**

- If your agency created annual comprehensive reports for each program, presenting/providing those reports to the governing board may be an effective way to meet this standard. Content may include program statistical information, program successes and weaknesses, customer and staff survey/comments, and program improvements or changes to be implemented.

**Drive the Distance:**

- The “ongoing” nature of board review is preferred, as data collection and analysis should also be ongoing.<sup>32</sup>
  - Many CAAs may accomplish this by looking at a different program area or outcome area on a rolling basis throughout the year.<sup>32</sup>

**Authority:** IM-138(9.3), IM-82, and IM-49; Associated: 42 USC 9910(a)(1) and IM-102

**Standard 9.4:**

**Purpose:**

- At the local eligible entity level, the information in the CSBG Annual Report will support agency efforts to set and measure progress on targets for individual, family, and community outcomes resulting from locally determined services and strategies to address locally identified community needs.<sup>71</sup>
  - This is an agency-wide report, not just CSBG data.
- This data will become a part of the overall State submission that tells Indiana’s story.
  - The CSBG Annual report is a part of the greater CSBG Performance Management Framework and ROMA Next Generation efforts. It supports an enhanced focus on improved data collection, analysis, and continuous learning.<sup>77</sup>
- Assists the agency in generating robust results on the outcomes achieved and the people served. It allows the agency to share their story and impact with the community.
  - Results are the key to our survival.<sup>46</sup>

**Resource Tool(s):** NASCSP CSBG Annual Report Instruction Manual-Module 2 & 4, NASCSP CSBG Annual Report Lexicon (2019), Indiana CAA Board Governance Management Tool, and Leadership Calendar of Events

**Implementation Tips:**

- The agency has the ability to overcome data collection challenges caused by different practices in different departments or sections of the agency.<sup>32</sup>

**Drive the Distance:**

- The agency can show the origins of the entries for the CSBG Annual Report
  - Develop an agency-wide data collection and reporting policies and procedures manual.<sup>81</sup>Written policies and procedures should clearly identify the way data is collected from across the agency, who is involved in this process, how the accuracy of the data is assured at the collection level.<sup>32</sup>

**Background:** The first comprehensive survey, precursor to the CSBG Information Survey (CSBG-IS), was developed in 1983. The National Performance Indicators of Community Action Performance was established by OCS in 2004, organized around the National Goals as a standard way of reporting. The new CSBG Annual report received clearance from OMB on January 12, 2017.

**Authority:** IM-138(9.4); Associated: 42 USC 9917(a)(2), IM-102, IM-49

# CATEGORY TEN:

Resource Management is a vital aspect that underscores the efficiency and effectiveness of any organization. The following standards are designed to ensure that organizations have robust policies, structures, and procedures that govern various aspects of operations, from the composition and responsibilities of the governing board to staff policies and hiring practices. Moreover, these standards encompass non-discrimination and equal opportunity principles, data management, and effective subcontractor relations. Through adherence to these standards, organizations can optimize the utilization and management of their resources, contributing to higher levels of accountability, transparency, and performance.

## Standard 10.1:

### **Purpose:**

- The bylaws set forth the everyday rules by which the organization is governed.<sup>5</sup> They should be treated as the operating manual for the Board of Directors.
  - Bylaws outline board membership, rules, policies, and procedures and need to both fit agency culture and process. They will define board size, quorum, meeting frequency, committees, election processes, board member removal, filling board vacancies, etc.<sup>28</sup>
- Voting Rights of Members ensures that each active board member has one (1) vote on any matter presented to the board for action.
- Term (Term Limits) are helpful to keep boards revitalized and current.<sup>64</sup>:
  - A term is the “length of time that the board member serves before they must be re-selected”. A term limit “restricts the number of times a board member may be re-selected to serve for another term on the board.”<sup>19</sup>
- Removal for Cause:
  - Enables the board to manage particularly disruptive board members pursuant to established procedures.<sup>40</sup>
  - Requiring the board to take a formal vote to seat the representative also ensures that the board retains the right to remove the representative, if necessary.<sup>14</sup>

**Resource Tool(s):** Weatherproofing CAA Bylaws (CAPLAW, 2021)

### **Implementation Tips:**

- Ensure bylaws have defined term limits to aid the agency in managing the appropriate board levels over multiple years. “Staggered terms allow for a mix of new and experienced governing board members.”
  - Three-year terms are a common term length for nonprofit board members.<sup>14</sup>

### **Drive the Distance: Additional Bylaws Considerations**

- Removal for Cause policy: add that “a board member may only be removed by a super-majority of the board. This helps temper the use of removal of directors for political or personal reasons and allows removal to be used only in extreme and justified circumstances.”<sup>40</sup>
- Remove non-mandated restrictions that may make it difficult in adhering to the bylaws and placing them in a Board Manual. The bylaws dictate what you must do whereas the manual is what you will attempt to do. For example:
  - Do not specify specific groups (i.e., ABC Non-Profit or XYZ County Commissioners) in the bylaws that may recommend board members. Instead, keep the options open and flexible.
  - State corporate laws do not mandate that boards follow Roberts Rules of Order. The CAA should work with an attorney to eliminate this requirement, especially since there is a good chance that the governing board has not followed it.<sup>8</sup>

- Require that board members be off the governing board for a reasonable period (e.g., one year) before being eligible to be hired by the CAA.<sup>4</sup>
- CAAs should not use proxy voting because board members need to keep informed of the organizations ongoing issues.<sup>10</sup>

**Authority:** Agency Bylaws and Petition for Adequate Representation: 42 USC 9908(b)(10), IM-102, and Indiana CSBG State Plan(11.3); Removal for Cause (Termination): IM-102; Term Limits: IC 23-17-12-5(a)/ Associated: IM-82, and IRS Form 990(Part VI(7))

### Standard 10.2:

#### **Purpose:**

- CAA board members must meet their fiduciary duty of care. Active engagement in the work of the board, of which meeting attendance is crucial, is a key way in which a board member satisfies this legal duty.<sup>19</sup>
  - Failure to regularly attend board meetings likely signals a director's inability or unwillingness to meet their fiduciary duties to the organization and its mission.
- Those board members who do not regularly attend board meetings deny the CAA their insights, or at least the insights of someone else who would otherwise occupy that seat. Those who are regularly absent also increase the level of work required of other board members.<sup>8</sup>

**Resource Tool(s):** Indiana CAA Board Governance Management Tool, Tools for Top Notch CAAs (CAPLAW, 2011), and Weatherproofing CAA Bylaws (CAPLAW, 2021)

#### **Implementation Tips:**

- Track governing board member attendance<sup>8</sup> and actively communicate with members who are not meeting the minimum expectation.
- Utilize electronic communication/teleconferencing methods (i.e., Phone, Teams, Zoom, etc.) that allow for remote participation of the members at governing board meetings.

#### **Drive the Distance:**

- Rotate location of board meetings.<sup>8</sup>
- Reimburse board members for transportation.<sup>8</sup>
- Ensure governing board meetings are productive and valuable.
- Ensure the governing board chair engages with and elicits the participation of all members during the meetings.

**Authority:** IM-82 and Agency Bylaws

### Standard 10.3:

#### **Purpose:**

- Fully participating is part of the role of a tripartite board and aligns with their overall fiduciary responsibilities.
  - Under state nonprofit corporation law, nonprofit CAA board members must meet their fiduciary Duty of Care. Active engagement in the work of the board, of which meeting attendance is crucial, is a keyway in which a board member satisfies this legal duty.<sup>19</sup>
  - Without full participation, the CAA lacks valuable points of view in its decision-making process.<sup>78</sup>
- Tripartite boards are ultimately responsible for the overall direction, conduct, and effectiveness of agency programs and activities.<sup>64</sup>
  - Governing board makes agency policy and management carries out that policy.<sup>64</sup>
  - In CAAs, balancing the ability to govern and “fully participate” is critical.<sup>28</sup>

**Resource Tool(s):** CAA Board Meetings: Template Meeting Minutes and Index of Form Resolutions (NCAP/CAPLAW, 2021)

**Implementation Tips:**

- Review monitoring reports, evaluations, and other feedback on all the corporation's programs provided by funding sources and other interested parties.<sup>5</sup>

**Drive the Distance:**

- Meeting minutes are not only of interest to regulators and auditors, but they also can protect board members and officers in the event of lawsuits or media scrutiny.<sup>8</sup>The governing board should approve or be made aware of all grant applications at the time of or before they are submitted since it will directly impact the finances of the agency and is also directly related to advancing the mission of the organization.

**Authority:** 42 USC 9910(a)(1), IM-102, and IM-82; Associated: IM-102 (monitoring reports), IRS Form 990(Part VI(8)- meeting minutes), and CSBG Annual Report (Module 2 (B.2)- capacity building)

**Standard 10.4:**

**Purpose:**

- Employers must complete Form I-9 to document verification of the identity and employment authorization of each new employee (both citizen and noncitizen) hired after November 6, 1986, to work in the United States.<sup>131</sup>
  - The employer must retain this completed form and make available for inspection.<sup>131</sup>
  - The civil penalties per individual for paperwork or technical violations of Form I-9 can range between \$234-\$2,332<sup>127</sup> (price adjusted per Federal Register)

**Resource Tool(s):** CAPLAW e-news brief; Immigration Check-Up: Is Your CAA I-9 Compliant?, USCIS Guidance for Employers Conducting Internal Employment Eligibility Verification Form I-9 Audits and Human Resource Checklist

**Implementation Tips:**

- Agency utilizes a Human Resources New Hire Checklist signed or initialed by staff to ensure all accountability requirements are met prior to hiring.
- Doxpop.com allows for six (6) free public record searches a month.

**Drive the Distance:**

- Conduct internal I-9 audits which allow employers to ensure forms have been completed accurately, and to make corrections if any errors are found.<sup>15</sup>
- Employers may only correct errors made in Section 2 or Section 3 of the Form I-9. For multiple errors, may redo the section(s) on a new Form I-9 and attach it to the previously completed form.<sup>132</sup>

**Background:** Immigration Reform Act of 1986 (U.S. Citizenship and Immigration)

**Authority:** Employee Eligibility Verification: 8 CFR 274a.2 and IHCD/CSBG Grant Award Agreement No.45/ Associated: Instructions for Form I-9; Reference Checks: IHCD/CSBG; Letters of Complaint & Postings: IM-102; Associated: Criminal History: IHCD/ Associated: IC 10-13-3-30; and Agency Hiring Policies

**Standard 10.5:**

**Purpose:**

- Non-Discrimination:
  - Does not discriminate against any employee or applicant for employment.<sup>59</sup>

- No person shall; on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving federal funds.<sup>59</sup>
- Having a Code of Conduct/Ethics or an “effective compliance and ethics program promotes an organizational culture that encourages ethical conduct and a commitment to compliance and the law.”<sup>47</sup>
  - It “plays an important role in communicating an organization’s mission, core values, and behavior expectations” which ensure employees understand their responsibility “to act with honesty and integrity.”<sup>1</sup>
  - This will also mitigate punishment for an organization with criminal conduct.<sup>47</sup>
- Code of Conduct/Ethics Policy: Outlines the rules, behaviors, and responsibilities that employees are expected to follow.
  - Some organizations distinguish between a code of ethics and a code of conduct. A code of ethics is generally “a statement of objectives or aspirational values that guide organizational behavior. A code of conduct, in contrast, generally “prescribes specific behaviors for individuals, referring to what they can and cannot do relevant to their role in the organization.”<sup>9</sup>
- Political Activity Policy: Outlines the direct or indirect involvement of employees in the political election process.
  - As a nonprofit 501(c)(3) tax-exempt organization and recipient of Community Services Block Grant (42 USC 9918(b)(1)), Head Start (42 USC 9851(a)) and other federal funds must follow certain rules concerning political activity.
  - The policy should define both Allowable (off duty) and Prohibited (at all times) activities.

**Resource Tool(s):** [Ethics]: Exemplary Legal Practices & Policies Guidebook (CAPLAW, 2012); [Political Activity]: Sample Community Action Agency Political Activity Policy (CAPLAW, 2002), Update: Do’s and Don’ts of Voter Registration (CAPLAW 2008), CAA Leaders Legal Guide (NCAP, 2016), and Election Year Refresher for Nonprofit CAAs (CAPLAW 2022)

**Implementation Tips:**

- The board and executive director should model the principles in the organization’s code of ethics and apply the code and organizational policies consistently. It should be communicated through various means, such as memos, emails, newsletters, the CAA’s internal website, meetings, and trainings.<sup>9</sup>
- The Hatch Act prohibits an employee of a private, nonprofit organization (i.e., CAA) from being a candidate for partisan political office, only if the employee’s salary is wholly funded by federal grants.

**Drive the Distance:**

- The organization shall take reasonable steps to ensure that the organization’s compliance and ethics program is followed, including monitoring and auditing to detect criminal conduct.<sup>47</sup>
- “The organization shall take reasonable steps to communicate periodically and in a practical manner its standards and procedures, and other aspects of the compliance and ethics program by conducting effective training programs.”<sup>47</sup>

**Background:** Hatch Act of 1939

**Authority:** Non-Discrimination/EEO: 45 CFR Part 80.3 and IC-22-9-1-10/ Associated: IHCD A CSBG Grant Award Agreement No.18(A), No.33, and No.37; Conduct/Ethics: Associated: Federal Register 5/19/2004; Political Activity: 5 USC 1501, et seq. (Hatch Act) and IM-102/Associated: 42 USC 9918(b), IM-81, and IHCD A CSBG Grant Award Agreement No.19

### Standard 10.6:

#### **Purpose:**

- Community Action Agencies should be welcoming and inclusive. Non-discrimination training is among those measures to promote safety and well-being.

**Resource Tool(s):** Leadership Calendar of Events and Human Resource Checklist

#### **Implementation Tips:**

- An effective training focuses on behaviors by clearly showing what is acceptable and unacceptable. It also demonstrates how policies, procedures, and laws apply to employees' everyday work.
- Similar training topics may include Diversity, Equity, and Inclusion

#### **Drive the Distance:**

- Train supervisors to respond proactively to unacceptable conduct.

**Authority:** IM-102

### Standard 10.7:

#### **Purpose:**

- It is important to know if the total count of individuals and families served is unduplicated, or if a single family receiving multiple services is being counted each time a new service is provided. This would allow a CAA to identify the number of people being served by the agency as a whole.<sup>32</sup>
- Different funding sources do require different systems be used for tracking, but a larger plan for organizational collection needs to be apparent.<sup>32</sup>
  - To obtain unduplicated counts, a CSBG Eligible Entity will need to have a system that distinguishes the characteristics for each individual/household.<sup>143</sup>

**Resource Tool(s):** NASCSP CSBG Annual Report Unduplicated Counts One-Pager (Draft) and NASCSP CSBG Annual Report Instruction Manual-Module 4

**Authority:** CSBG Annual Report Instruction Manual (Module 4, Section C) Associated: IM-102 and CSBG Annual Report (Module 4, Section C (A & B))

### Standard 10.8:

#### **Purpose:**

- A subgrant award is a written agreement between the CAA and another service agency to provide programmatic activity towards the completion of results expected under the CAAs initial federal pass-through award.
- The agency "collects data on all individuals and households"<sup>143</sup> served by any CSBG funds, whether it is directly by the CAA's programs/services or through CSBG funds passed to its subcontractors.

#### **Implementation Tips:**

- Develop subcontractor performance monitoring protocols and checklists.
- Provide the subcontractor with a custom CSBG All Characteristics Report, created by the CAA, that includes the customer characteristics, outcomes, and unduplicated count information that needs to be reported.

**Authority:** Approval/ Monitoring: IHEDA CSBG Grant Award Agreement No.2(H)

### Standard 10.9:

#### **Purpose:**

- Meeting established deadlines is an important part of an organization's professional responsibility to its funding source. Missed deadlines not only disrupt the workflow at the State office but may create a burden for the CAA in receiving critical information or funding.

IHCDA cannot effectively manage the CSBG program without the requested information provided by each CAA being delivered in a timely manner.

**Resource Tool(s):** Leadership Calendar of Events

**Authority:** IHCDA

**Standard 10.10:**

**Resource Tool(s):** Required Action Plan Matrix and Leadership Calendar of Events

**Authority:** 2 CFR 200.332(d)(2); Associated: 45 CFR 75.352(d)(2)

## CATEGORY ELEVEN:

Internal controls mean a process, implemented by a non-Federal entity, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (a) Effectiveness and efficiency of operations; (b) Reliability of reporting for internal and external use; and (c) Compliance with applicable laws and regulations.<sup>102, 146</sup>

Internal controls are financial management practices to help safeguard an organization and further its objectives. Internal controls function to minimize risks and protect assets, ensure accuracy of records, promote operational efficiency, and encourage adherence to policies, rules, regulations, and laws. “No matter how good the system of internal control is, limitations are always present. Systems of internal control are designed to achieve reasonable assurance.”<sup>82</sup>

IM-112 notes that CSBG recipient organizations are required to have comprehensive internal controls. IM-112 quotes the definition of internal control provided by the Government Accountability Office “internal control is not one event, but a series of actions and activities that occur throughout an entity’s operations and on an ongoing basis. Internal control should be recognized as an integral part of each system that management uses to guide its operations rather than as a separate system within an agency.”<sup>147</sup>

**Standard 11.1:**

**Purpose:**

- Board members, especially those that represent low-income individuals or families, are not excluded from being clients of the agency and receiving program services for which they are eligible. These board members should not receive preferential treatment in the nature or timing of such services.<sup>64</sup>

**Implementation Tips:**

- Develop an agency sign-off/approval document for all staff/governing board members who receive program benefits.

**Authority:** IM-82 and Agency Policy

**Standard 11.2:**

**Purpose:**

- To safeguard financial accuracy and transparency through the regular reconciliation of employee payroll records.
- To comply with regulatory requirements and promote efficiency by adhering to time management guidelines.

**Implementation Tips:**



- When an employee's salary changes, provide documentation to the employee in the form of a Salary Adjustment of Salary Increase notification letter. This document not only informs the employee of the update but also is internal reference documentation.

**Authority:** 2 CFR 200.430(i)(1)

### **Standard 11.3:**

**Purpose:**

- It is the board's responsibility to take action on ethical or compliance concerns reported to it.<sup>9</sup>
- All illegal and unethical activity investigations must be documented.

**Implementation Tips:**

- A tax-exempt organization must disclose on its IRS Form 990 any significant diversions of assets (defined as the lesser of (i) 5% of the organization's gross receipts for its tax year, (ii) 5% of the organization's total assets as of the end of its tax year, or (iii) \$250,000). Such disclosures require additional explanation of the circumstances and actions taken to rectify the fraud.<sup>141</sup>

**Drive the Distance:**

- Develop methods to routinely monitor internal systems because some level of fraud (e.g., falsified timecards, misrepresenting expense reports, fictitious invoices, etc.) can be found in every organization.<sup>82</sup>

**Authority:** Agency Approved Policy; Associated: IM-116 and IRS FORM 990(Part VI, #5)

### **Standard 11.4:**

**Purpose:**

- A conflict of interest arises when a person in a position of authority over an organization, such as an officer, director, manager, or key employee can benefit financially from a decision he or she could make in such capacity, including indirect benefits such as to family members or businesses with which the person is closely associated.<sup>73</sup>
- A nepotism policy exists to ensure that individuals cannot supervise, discipline, work with, or have any influence over the recruitment, salary, or promotion of a close relative.
- Segregation of Duties is the act of intentionally distributing duties of a task across different individuals It is an administrative control to prevent fraud, sabotage, theft, misuse of information, and other security compromises.

**Resource Tool(s):** CAPLAW December 2021 e-news brief- Strategies for Preventing Fraud, Theft, and Embezzlement in Nonprofit Organizations, 2021

**Drive the Distance:**

- Include a Segregation of Duties flow chart within the Fiscal Policy Manual to ensure the principal incompatible duties are segregated.

**Authority:** 2 CFR 200.303 and IM-82; Associated: IRS Form 990(Part VI(12a))

### **Standard 11.5:**

**Purpose:**

- Services are provided to qualifying low-income families and individuals<sup>65</sup> and communities.<sup>93</sup>

**Resource Tool(s):** CAPLAW CSBG Guide to Client Eligibility, 2021

**Implementation Tips:**

- Customer income eligibility should be updated yearly as the OMB poverty income levels are revised and released.<sup>74</sup>



- An income eligibility procedure may include definitions of the sources of income, household size, and the time frame used to establish eligibility, as well as the documentation and verification procedures required to support the income determination.<sup>20</sup>

**Drive the Distance:**

- Develop a system that requires a supervisor or employee not involved in the intake process to randomly review intake files to ensure proper information and documentation is obtained.<sup>36</sup>
- Child Support Services and Referrals: 1) Inform custodial parents in single-parent families that participate in programs, activities, or services carried out or provided under this subtitle about the availability of child support services; and 2) Refer eligible parents to the child support offices of State and local governments.<sup>91</sup>

**Authority:** 42 USC 9902(2) and IM-102

## CATEGORY TWELVE:

An Inventory Management system provides the agency with the necessary information to efficiently document and manage the organizations capital equipment and physical inventory. U.S. accounting rules consider capital equipment that costs more than \$5,000 and has an extended lifetime of over one year to be a fixed asset of a business.

The non-Federal entity must make available upon request, for the Federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates.<sup>112</sup>

**Standard 12.1:**

**Purpose:**

- Must maintain written standards of conduct covering real or apparent conflicts of interest in the selection, award, or administration of a contract.<sup>105</sup> In other words, no conflict of interest affected the procurement of goods and services.

**Resource Tool(s):** OMB Uniform Guidance Training

**Implementation Tip:**

- Competitive bidding procedures should be used for large financial transaction situations in which board members or agency staff members have an interest, or relationship to, one or more providers of the needed goods or services.<sup>64</sup>
- Develop a checklist to be followed throughout the procurement process. The checklist should require that the employee facilitating the procurement process sign it to verify that all procedures were followed and that all documents were obtained.<sup>36</sup>
- Maintain a procurement file that includes the proposals received, scoring grids, list of individuals who participated in the decision, rationale for method of procurement, contractor selection or rejection, basis for contract price, and contract with contractor.<sup>135</sup>

**Drive the Distance:**

- Each agency employee involved in the procurement process has signed an annual conflict of interest policy statement.
- Purchase orders are generally preprinted, numbered documents which show purchase details and document the sequence of purchases. Preprinted POs reduce the chances for duplicate numbering and fraud.

**Authority:** 2 CFR 200.317-327, 2 CFR 200.439(2), IHEDA Grant Agreement No.2(I) & No.7(F)

### Standard 12.2:

#### **Purpose:**

- Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a federal award, until disposition takes place, will at a minimum meet these requirements.<sup>107</sup>

**Resource Tool(s):** OMB Uniform Guidance Training and Fiscal Calendar of Events

#### **Implementation Tips:**

- Create an Excel spreadsheet to track the items listed in the standard.
  - Show the dates for each annual review/update to the tracking document.
- Schedule of Inventory must include:
  - A description of the property
  - Serial Number or other identification number
  - Source of funding for the property
  - Include the FAIN
  - Who holds the title
  - Acquisition Date
  - Cost of the property
  - Federal percentage or portion of the cost
  - Location
  - Condition of the property
  - Sales price or fair market value, if applicable
  - IHEDA also requires date of disposal, if applicable
  - IHEDA also requires date of reported (i.e. the last time the list was updated)

#### **Drive the Distance:**

- The agency may benefit from a single agency-wide Schedule of Inventory, or a centralized system that encompasses the identified fields in the standard.

**Authority:** 2 CFR 200.313(d)(1) and IHEDA CSBG Grant Award Agreement No.7(L)

### Standard 12.3:

#### **Purpose:**

- To validate the accuracy of inventory records, which is essential for financial reporting, operational efficiency, and strategic decision-making.

**Resource Tool(s):** CAPLAW December 2021 e-news brief- Strategies for Preventing Fraud, Theft, and Embezzlement in Nonprofit Organizations and Fiscal Calendar of Events or Physical Inspection Schedule

#### **Implementation Tips:**

- The person purchasing the equipment should not be the same person who conducts the inventory review.

#### **Drive the Distance:**

- Include the responsibility of conducting the inventory (program or agency-wide) as part of an individual or individual's job description(s).
- Take photos of inventory to confirm their state and maintenance status at every inspection.<sup>82</sup>

**Authority:** 2 CFR 200.313(d)(2) & (d)(3)

### Standard 12.4:

#### **Purpose:**

- Definition: disposition is the act of selling or otherwise disposing of an asset or a security.<sup>149</sup>

- In cases where a non-Federal entity fails to take appropriate disposition actions, the Federal awarding agency may direct the non-Federal entity to take disposition actions.<sup>107</sup>

**Authority:** 2 CFR 200.313(e) and IHCD A CSBG Grant Award Agreement No.7(g)

## CATEGORY THIRTEEN:

A State shall “establish fiscal control and fund accounting procedures necessary to assure the proper disbursement of and accounting for Federal funds paid to the State”.<sup>89</sup>

The purpose of claims processing is to ensure that requests for reimbursement made to IHCD A through the Financial Operations Department are eligible and contains the documentation necessary to validate the claimed expenses. Requests for reimbursement may be made only in accordance with the budget described in the award agreement and any subsequent modifications which have been approved by IHCD A. Additionally, any program guidance/regulations on cost eligibility will be used when reviewing expenses for reimbursement.

### Standard 13.1:

**Resource Tool(s):** CAPLAW Community Service Block Grant Q & A on Property Issues (September 2017) and OMB Uniform Guidance Training

#### **Implementation Tips:**

- This information meets the IM-102 requirement that the state office educate CAAs about the limitations on the use of CSBG funds. Watch for these commonly claimed unallowable costs, including but not limited to:
  - Purchase or improvement of land<sup>90</sup>
  - Purchase, construction, or permanent improvement of building or facilities<sup>90</sup>
  - Political activity (advertising, candidacy, voter registration activities, etc.)<sup>90</sup>
  - Match funds to most other federal programs
  - Awards for employees or board members (End of Year Awards)
  - Alcoholic beverages
  - Bad debts
  - Fundraising costs
  - Entertainment costs (generally)
  - Bank and/or credit card late fees
- Credit cards are a big risk exposure to the agency.<sup>82</sup>

#### **Drive the Distance:**

- Head Start agencies are required to review monthly credit card statements at board meetings and should be reflected in the meeting minutes.
- WIPFLI Financial Services offers an annual service (mywipfli) for immediate access to Uniform Guidance Compliance Q&A.

**Authority:** IM-37, 2 CFR 200.404 & 405, and IHCD A CSBG Grant Award Agreement No.2(C) & No.3(C), and No.4 (H)

### Standard 13.2:

**Resource Tool(s):** Fiscal Calendar of Events

#### **Drive the Distance:**

- CSBG reimbursement claims are submitted on a monthly basis.<sup>59</sup>

**Authority:** IC 4-13-2-20 (Arrears) and IHCD A CSBG Grant Award Agreement No.4:(A),(E),(I), and (L)

## CATEGORY FOURTEEN:

Nonprofits are complex organizations that are built around mission and outcomes. Therefore, an agency's fiscal position is fluid because it is based on changing conditions. Benchmarks are an assessment of the viability, performance, and stability of the organization. They provide a snapshot of how the financial portfolio and resources are meeting key short- and long-term objectives on the planned financial path. This information is a critical tool that allows the governing board and leadership staff to monitor current trends and take any necessary actions towards reaching the desired goals.

### Standard 14.1:

#### **Purpose:**

- Agency conducts regular, timely reconciliation of its bank statements to its financial records.<sup>78</sup>
- A key issue for financial reports in general is the timeliness of information. The information portrayed in the financial statements is valid as of the last date covered by the report. If the board is receiving information that is 'old' the value of the information is minimal.<sup>31</sup>
- The IRS requires presentation of expense information in much the same matrix format as GAAP.<sup>35</sup>

**Resource Tool(s):** Fiscal Calendar of Events

#### **Drive the Distance:**

- It may be beneficial to soft-close financials by the 10th of each month.<sup>136</sup>
- Year-end adjusting journal entries should be completed by the following month after the fiscal year ends.

**Authority:** CSBG Act 678(a)(1)(B) and 2 CFR 200.302(b)(5)

### Standard 14.2:

#### **Purpose:**

- To uphold the integrity of financial reporting by ensuring accuracy and reconciliation, facilitating informed decision-making and regulatory compliance.

**Authority:** CSBG Act 678(a)(1)(B), 45 CFR 75.302(b)(2), and IHEDA CSBG Grant Agreement No.7(D)

## CATEGORY FIFTEEN:

Financial ratios are useful as a tool for the assessment of the state of an organization. They quantify the many aspects of a business and are an integral part of the financial statement analysis. They are categorized according to the financial aspect of the business which the ratio measures.

In general, ratios provide a quick way to compare an organization to its performance over time. It may also be used to compare, within reason, the organization to other community action agencies who operate within a similar business model. Lastly, ratios can be useful in comparing to the industry average.

IHCDA has based these ratios (formulas and benchmarks) on non-profit industry standard financial guidelines (i.e., WIPFLI, Nonprofits Assistance Funds, etc.)

### Standard 15.1:

#### **Purpose:**

- Liquidity ratios determine an agency's ability to cover short-term obligations and cash flow.
  - Shows the ability of the organization to meet short-term financial obligations in the event agencies experience funding pause or loss.
- Current assets: cash, CD's, accounts and/or grants receivable.
- Current liabilities: accounts payable, current payroll and related taxes, accruals, and current portion of long-term debt.

**Authority:** IHCD; Associated: 42 USC 9914(a)

### Standard 15.2:

#### **Purpose:**

- Expenses are managed to provide programs with adequate support.
- Efficiency ratios compare the agency's administrative costs to their overall budget.

#### **Drive the Distance:**

- Days Cash on Hand: Thirty (30) to forty-five (45) days is an acceptable range to have in reserve.<sup>135</sup>
- Days Cash on Hand: Communicate with your auditor about anything that could be labeled as a cash equivalent.

**Authority:** IHCD; Associated: 42 USC 9914(a)

### Standard 15.3:

#### **Purpose:**

- Demonstrates that the organization's long-term debt is manageable.
- Leverage ratios examine whether an agency is bringing in the amount of funding needed to cover its long-term debt.

**Authority:** IHCD; Associated: 42 USC 9914(a)

## CATEGORY SIXTEEN:

### Standard 16.1:

#### **Purpose:**

- Ensure that agencies (1) routinely review their partnerships to identify any weak or missing connections with key sectors of the community, and (2) participate in partnerships that are effective and aligned with their mission to reduce poverty.<sup>24</sup>

**Resource Tool(s):** Leadership Calendar of Events

#### **Implementation Tips:**

- Routinely reviewing all partnerships with the agency leadership team is an efficient way of ensuring that the partnerships across multiple programs are consistently effective.

#### **Drive the Distance:**

- Initiate and sponsor projects responsive to those needs of the poor that are not otherwise being met, with emphasis on providing central or common services that can be drawn upon by various related programs and filling gaps pending the expansion or modification of the programs.<sup>54</sup>

**Authority:** Linkages: 42 U.S.C. 9908(b)(3)(B) & (b)(5), IM-102, and IC 12-14-23-9(7)

### Standard 16.2:

#### **Purpose:**

- Designed to make clear to prospective clients/participants, employees, volunteers, and stakeholders the CAAs commitment to equal opportunity throughout the organization.

**Background:** Age Discrimination Act of 1975

**Authority:** IHCDCA CSBG Grant Award Agreement No.18(C); Associated: 42 USC 9918(c)(1)

### Standard 16.3 and Standard 16.4:

**Purpose:**

- The CAA is the poverty reduction leader in their community because their mission is to function as the vanguard of America’s fight against poverty. They must effectively mobilize and spearhead this national movement, so it reaches the local level; then assist the many nonprofit organizations who contribute to low-income individuals and families becoming self-sufficient.

**Implementation Tips:**

- Sponsor or facilitate a Community Coalition/Community of Care group so local non-profits can share resources and experiences related to the low-income population.
- Invite local non-profit service organizations to your in-house staff development trainings.

**Authority:** IC 12-14-23-8 and IC 12-14-23-9:(5),(6),& 8(C); Associated: 42 USC 9901(2)(A)&(C)

### Standard 16.5:

**Purpose:**

- One of the most critical stakeholders in assuring adherence to established organizational standards is the board which oversees operations on behalf of the community.

**Resource Tool(s):** Governing Board Calendar of Events

**Authority:** IHCDCA; Associated: 42 USC 9910(a)(1) and IM-82

### Standard 16.6

**Purpose:**

- Classification of Employees: The FLSA designates employees as either exempt or nonexempt.
- Drug-Free Workplace Policy: Notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employee’s violations of such provisions.<sup>148</sup>
- Smoke-Free Workplace Policy: Smoking is prohibited in the area within (8) eight feet of a public entrance to a public place or a place of employment.<sup>51</sup>
- Information Protection: Provide reasonable measures to safeguard protected PII.<sup>106</sup>

**Resource Tool(s):** Privacy Rights of CAA Clients, (CAPLAW FAQ, December 2021)

**Implementation Tips:**

- Protecting PII policy should state how access to customer information by unauthorized persons will be prevented<sup>74</sup> (i.e., locked file cabinets/offices, encrypted laptops, password-protected spreadsheets, HIPAA-secure data platforms, not publicly sharing information (e.g., social media)), etc.
  - A CAA should limit the client information it provides to third parties to the minimum.
  - necessary to accomplish the intended purpose of the use, disclosure, or request.<sup>21</sup>

**Drive the Distance:**

- Establish a drug-free awareness program to inform employees of the dangers of drug abuse in the workplace and any available drug counseling, rehabilitation, and employee assistance programs.<sup>148, 59</sup>

**Background:** Classifications: Fair Labor Standards Act of 1938

**Authority:** Approved Policies: IM-82; Classifications: Fair Labor Standards Act (FLSA); Drug Free Workplace: 41 USC 702(a)(1)(B), State of Indiana Executive Order No. 90-5 (April 12, 1990), and IHCD A CSBG Grant Award Agreement No.20; Smoke Free Workplace: IC 7.1-5-12-4/ Associated: 20 USC 6081 (Pro Childrens Act of 1994) and IHCD A CSBG Grant Award Agreement No.25; Information Protection: 2 CFR 200.303(e) and IHCD A CSBG Grant Award Agreement No.10 & No.48(E)

### Standard 16.7

#### **Purpose:**

- Labor law posters are compliance notices that employers must post in a conspicuous place to inform employees of their rights under federal and state employment laws.
  - Failure to display the correct state and federal employment law notices can result in penalties, fines, and lawsuits.

#### **Implementation Tips:**

- According to the DOL, posters must be displayed so they are easily visible to the intended audience.

**Authority:** U.S. Department of Labor

### Standard 16.8:

#### **Purpose:**

- When an entity is using cost allocation, it may be necessary for the cost allocation plan to be approved before it is used to allocate costs.<sup>31</sup>
- Just as the governing board should understand the agency's budget, they should also understand how costs are allocated for the agency and across programs.<sup>61</sup>

**Resource Tool(s):** Fiscal Calendar of Events

#### **Implementation Tips:**

- Cost Allocation Plan should be updated annually or when any of the [assumptions in the] allocation methodology change, whichever is sooner.<sup>135</sup>
  - At a minimum, the plan "should be reviewed and modified by staff every two to three years."<sup>31</sup>
- There is no Uniform Guidance provision requiring a nonprofit organization cost allocation plan to be approved by a cognizant federal agency, federal awarding agency, or a pass-through entity [IHCD A].<sup>16</sup>

**Authority:** IM-82 (governing board review) and IHCD A (staff review)

### Standard 16.9

#### **Purpose:**

- "Cause" is a failure by the agency to adequately administer or adhere to the program guidelines.
- State CSBG Lead Agencies should include questions in routine monitoring visits and contacts about whether an eligible entity has had funds terminated for cause in any federal, state or local program other than CSBG.<sup>68</sup>

#### **Implementation Tips:**

- The agency is not on a Quality Improvement Plan (QIP) by any IHCD A program.

**Background:** OMB Circular A-133

**Authority:** IM-116 and IM-102; Associated: 42 USC 9914(a)(4)



## Category 18: More Best Business Practice Recommendations

**Recommendation 18.1** The organization has an active Certified ROMA Trainer or Implementer, as well as a Certified Community Action Professional (CCAP) on staff.

**Agency Guidance:**

- Agency that has staff who hold these certifications increase an agency's capacity and knowledge to maintain advance the CSBG mission.
- Often (ROMA) trainers are in a position to see that a change is needed or being required of an agency to meet defined standards of management and operational excellence.<sup>99</sup>
- A CCAP has demonstrated to peers a mastery of the five Body of Knowledge sets necessary to do Community Action work (History of the Community Action Movement, Vision and Values of the Community Action Movement, Community Action Traditional Management Skills, 21<sup>st</sup> Century Positive Leadership Skills, and Theories of Poverty).<sup>42</sup>
  - The purpose of the CCAP program is to position the Community Action Network to serve the best interests of people experiencing poverty.

**Drive the Distance/Implementation Tips:**

- As a Certified ROMA Trainer, you are called to be a leader in your agency, state, regional network, and in national arenas – championing and strengthening quality management and accountability systems in the CSBG network.<sup>99</sup>
- Many CCAPs reported becoming more passionate, inspired, excited, and motivated because of their experiences during the CCAP process.<sup>42</sup>

**Authority:** Associated: CSBG Annual Report (Module 2 (B.4))

**Recommendation 18.2** The full governing board, at least biennially (2 years), conducts a self-assessment about their responsibility and overall board performance.

**Agency Guidance:**

- Perform a board self-assessment to identify more specifically the board's weaknesses and strengths and determine the best way to address the areas that need improvement.<sup>36</sup>
  - Opportunity to reflect on board responsibilities both individual and shared.<sup>11</sup>
  - Identify varying perception and opinions by the board as a whole.<sup>11</sup>
  - Acts as a platform for setting and obtaining board priorities and goals.<sup>11</sup>
- Provides the Executive Director with potential board training topics and the ability to manage expectations.
- Common board self-assessment topics include vision and mission, strategic planning, policy making decisions, board and staff roles, executive leadership, program performance, fiscal management, board structure & operations, and financial resources.<sup>11</sup>

**Authority:** IM-102

**Drive the Distance/Implementation Tips:**

- Many boards conduct an annual assessment of their own performance which includes review of the composition of the board and the board's role in needs assessment, planning, and oversight as required by CSGB.<sup>34</sup>
- Charge the board governance committee with the responsibility to implement the board self-assessment process.<sup>11</sup>

**Recommendation 18.3** Employees are, at least biennially (2 years), surveyed about program operations, work environment, benefits, etc.

**Agency Guidance:**

- Demonstrates that employees provide valuable insight on how the agency operates.



- Employee surveys provide the opportunity to create a stronger and more efficient organization, a better work experience, and employee satisfaction.
- It costs more to hire someone (3x-4x more than the position's salary) than it is to retain someone.<sup>100</sup>

**Drive the Distance/Implementation Tips:**

- Conduct lengthy employee surveys annually, with short pulse surveys conducted more frequently.
- Share survey results with agency staff and take action on the key findings.

**Recommendation 18.4** The organization utilizes a Governing Board Calendar of Events/Actions to meet necessary deadlines across all programs with the agency.

**Agency Guidance:**

- This is an agency-wide tool and not specific to the CSBG program.
- A checklist that lists all required actions related to the governing board, by timeframe, to assist agency leadership in planning board meetings agendas and board materials.

**Drive the Distance/Implementation Tips:**

- The annual meeting is an opportunity to report out to the governing board the many results (e.g., strategic plan, programs, etc.)<sup>13</sup>

**Recommendation 18.5** Account balances do not exceed the Federal insured limit of \$250,000 at a single financial institution.

**Agency Guidance:**

- Federal Deposit Insurance Corporation (FDIC) and National Credit Union Administration (NCUA) policy: deposits owned by a corporation are insured up to \$250,000 in a single bank.
  - A Collateral Security Agreement through the financial institution will cover any access amounts, if available.
- Agency Fiscal Policies and Procedures manual should have a policy in place to ensure ongoing protected coverage.
- Determine the best available options. For example:
  - Certificate of Deposit (CDARS)<sup>150</sup> allows you to work directly with just one financial institution but receive FDIC protection.
  - Accessing a cash management account.<sup>150</sup>
  - Diversifying by depositing money into different financial institutions.<sup>150</sup>
  - Utilize a [FDIC insured deposit sweep] program that divides your deposits for you among a group of banks so that you can insure a greater amount of your organization's funds.<sup>150</sup>

**Recommendation 18.6** The organization routinely tracks Organizations Reliance Fiscal Ratios to spotlight the agency dependency on government funding revenue streams:

1. Government Funding Ratio

**Purpose:** Provide awareness of risk in both reliance and autonomy. Government funding is tied to specific contracts and provides limited allocation and flexibility.

**Formula:** Total government grants & contracts ÷ total income

2. Earned Income Ratio

**Purpose:** Earned income is a percentage of total income and allows for more agency autonomy and flexibility including fundraising activities.

- Private Sector Resources

- Building relationships with funders in the philanthropic, public, and private sectors is critical to the long-term stability and success of CAAs.<sup>24</sup>

**Formula:** Total earned income ÷ total income

### 3. Unrestricted Ratio

**Purpose:** Demonstrates the change in unrestricted dollars versus earned income

- Agency increased unrestricted funds by more than was spend during the period.
- Shows that the agency is not reducing their overall unrestricted funding which could reduce financial flexibility.

**Formula:** Change in Unrestricted Net Assets ÷ Total Unrestricted Revenue

**Recommendation 18.7** The organization has developed and implemented a comprehensive Information Resource and Security Policy.

**Agency Guidance:**

- A security threat or incident can be defined as any potential action that could put information or resources at risk. Incidents might be caused by malicious attempts to steal information or by simple inattention to a security policy or procedure. Either way, you have the power to stop most security threats. Although the number of security threats is endless, the most common categories are:
  - **Loss:** Misplacing a resource or device (i.e., USB Drive)
  - **Theft:** Stealing information—electronically or physically—or resources (i.e., laptop)
  - **Cybercrime:** Damaging electronic devices, files, or organizational network (i.e., hacked network)
- Conduct, at least, annual staff training on such things as phishing (unsolicited emails & attachments), surfing safely, lockout, password protection, and physical onsite attacks.
- Include an Incident Response Plan as a section of the policy.
- Suggested Policies/Practices: unauthorized disclosure of confidential information, how to handle a firewall threat, multi-factor authentication, website lockout protocols/internet restrictions, unauthorized software, keyboard Lockout, access control chart, storage of information on non-company devices, unauthorized devices, loss of Equipment, and back-up system process.

**Recommendation 18.8** The organization maintains a written continuity of operations process through Standard Operating Procedures for each department and/or program.

**Agency Guidance:**

- Standard operating procedures (SOPs) are the documented processes that an agency has in place to ensure services and/or products are delivered consistently every time.
- Even the best employees don't have perfect memories, so having a set of written instructions they can refer to when performing the steps of the process ensures everything is done consistently and correctly.
  - When new employees are trained, standard operating procedures help keep their training fresh and serve as important reference tools.
- SOPs are also useful to communicate important organizational policies, government regulations, and best practices.

**Recommendation 18.9** The organization has documented that annual staff training is provided in executing conditions of the emergency action and disaster plan(s).

**Agency Guidance:**

- An emergency action plan is unique to each facility and is designed to define step-by-step emergency procedures, staff roles & responsibilities, emergency phone numbers, and communication protocols for the safety of all employees and guests.
  - An emergency action plan must be in writing, kept in the workplace, and easily accessible if an employer has more than ten (10) employees.
  - Head Start/ Early Head Start programs may be using the Indiana Emergency Response Planning Guide for Childcare Providers for their locations.
- It is important to not only have a well-established plan but practice the plan with staff so they know how to deal with the various emergency situation they may encounter.
- Minimum elements of an emergency action plan (per OSHA):
  - Procedures for reporting a fire or other emergency.
  - Procedures for emergency evacuation, including type of evacuation and exit rout assignments.
  - Procedures to account for all employees after evacuation.
  - Procedures to be followed by employees performing rescue or medical duties.
  - Name or job title of every employee who may be contacted by employees who need more information about the plan.
- Linked to OSHA 29 CFR 1910.38(b)(c)

**Recommendation 18.10** The organization maintains current Safety Data Sheets (SDS) in accessible locations.

**Agency Guidance:**

- Review the OSHA website ([www.osha.gov](http://www.osha.gov)) for information related to specific office environments.
  - Office workers who encounter hazardous chemicals only in isolated (intermittent or occasional) instances are not covered by this rule (i.e., pens, pencils, adhesive tape and toner).
- OSHA does not require that SDS sheets be provided to purchasers of household consumer products when used in the workplace in the same manner that a consumer would use them (i.e., Windex and White Out).
- Linked to OSHA 29 CFR 1910.1200

**Recommendation 18.11** The organization takes the necessary preventative action steps to reduce workplace accidents and educate its employees to potential dangers.

**Agency Guidance:**

- Provide training to reduce workplace accidents (i.e., slipping hazards) or provide targeted training based upon recent insurance claims. These situations affect the agency workers compensation rate.
  - This is separate from the safety training related to emergency action planning (i.e., fire extinguisher usage or tornado drill).
- OSHA Form 300A is posted (February 1 to April 30) and placed in the agency file for 5 years.
  - Employers must keep a Log and Summary for each physical location.
- All employers must post the OSHA Job Safety and Health: It's the Law poster which informs workers of their rights.
- Linked to Occupational Safety and Health Act (OSHA) 1903.2

**Recommendation 18.12** The organization provides accommodations to ensure services and programs have equal access.

**Agency Guidance:**

- Section 504 is incorporated by reference in the Community Services Block Grant (CSBG) Act. HHS grant recipients, including CAAs, must ensure compliance with Section 504.
  - This does not address the Section 504 requirements regarding structural changes to facilities to ensure accessibility.
- Some common disabilities that CAAs may be asked to accommodate include being hard of hearing or deaf; visually impaired or blind; or physically disabled. Examples of possible accommodations<sup>22</sup>:
  - Installing Text Telephone software (TTY) or providing a sign language interpreter for those hard of hearing or deaf.
  - Offering to guide those who are visually impaired, offering assistance filling out necessary forms, or providing documents in Braille.
  - Training employees to assist a physically disabled client in using equipment offered to other clients for use such as copiers, computers, etc.
- It is important to remember that technological advances can be expected to enhance opportunities available to qualified individuals with disabilities.<sup>22</sup>
- Resource: CAPLAW enews brief- Ensuring Equal Access to CAA Programs, January 2022
- Linked to the American with Disabilities Act/504 Accessibility

**Recommendation 18.13** CSBG eligible invoices are paid within forty-five (45) calendar days of receipt.

**Agency Guidance:**

- 45-day window refers to the time between paid date and claim date.
- Sub-grantee must maintain and implement written procedures to minimize the time elapsing between the transfer of funds to Sub-grantee and Sub-grantee's issuance or redemption of checks, warrants, or payments by other means for program purposes.<sup>59</sup>
- Supporting documentation is provided for any delay outside of the time period.
- If there is no invoice as part of the purchase process, then the date the cost was incurred will be used.
  - A credit card statement is not considered an invoice. The date the cost is incurred on the credit card statement is considered the "invoice date".
- The agency follows its written policy for paying vendors.

**Drive the Distance/Implementation Tips:**

- Prioritize paying credit card statements because they have multiple purchases throughout the month. There is a risk that the earlier transactions will not be paid within the appropriate timeframe.

**Recommendation 18.14** The governing board frequently determines that the Chief Executive Officer/Executive Director and the Chief Financial Officer have not filed for bankruptcy.

**Agency Guidance:**

- This is a process for the governing board, that when implemented, will act as an early warning system for potential fraud. It is a way that the board carries out its fiduciary responsibility to protect the assets of the agency.
- Methods:

- Develop agency policy that requires these positions to have it reviewed at the time of hiring then and then reported to the governing board if they file for bankruptcy.
  - Pull a Credit Report to determine if further information is needed.
  - Public Court Bankruptcy Records database search provides a more comprehensive check.
- Fraud Triangle: Opportunity, Pressure (motivation) and Rationalization (Justification).

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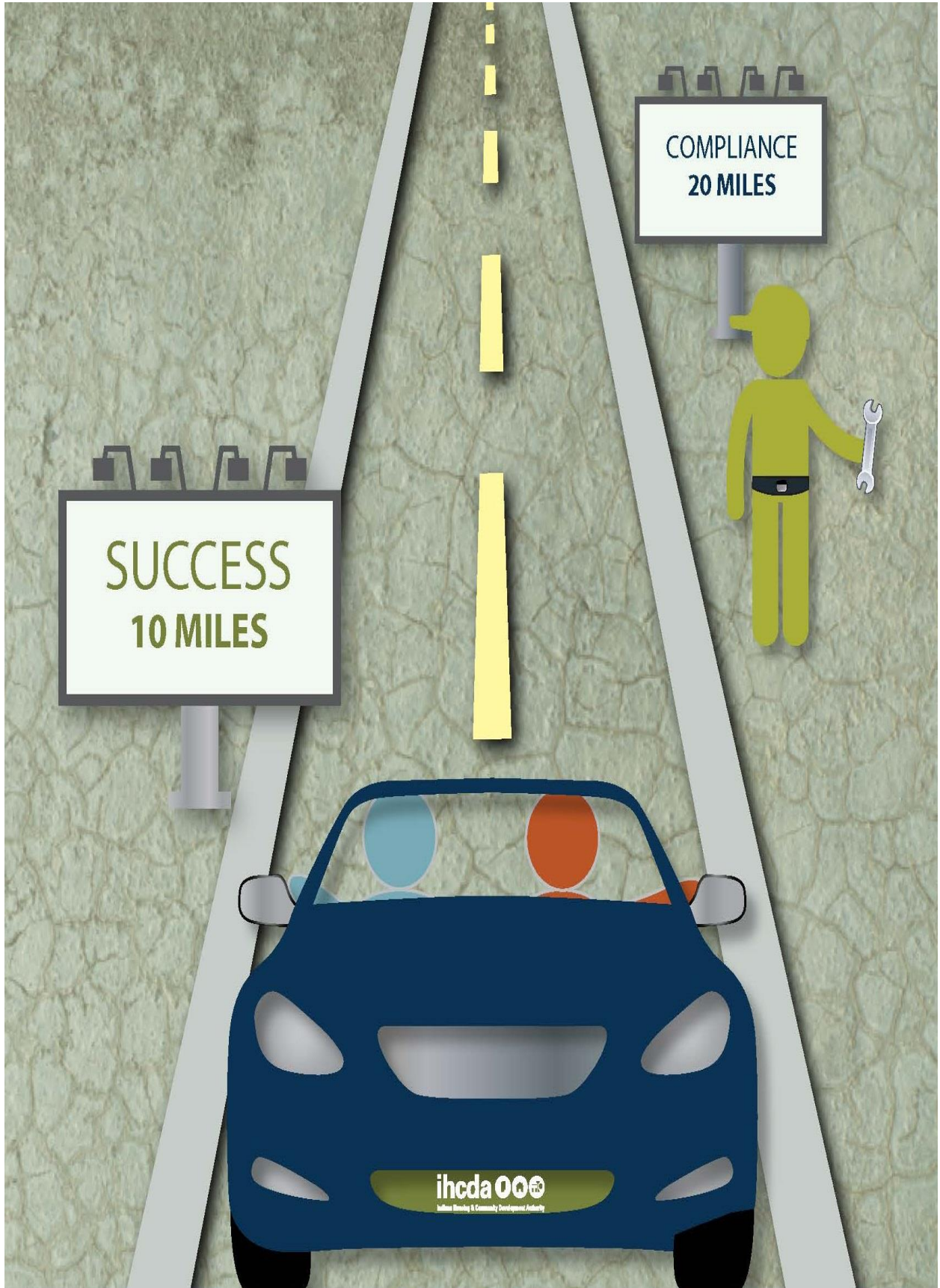
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SUCCESS  
10 MILES

COMPLIANCE  
20 MILES

ihcda   
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