

Comprehensive Administrative Review

CSBG/CAR TOOL

TUNE UP SERVICE

ihcda



Indiana Housing &
Community Development
Authority



Effective January 31, 2020

Contents

Community Service Block Grant.....	8
Comprehensive Administrative Review	8
CSBG Monitoring Authority.....	8
Monitoring Objective.....	9
Community Programs Division On-site Monitoring Approach.....	9
State Monitoring Tool	10
Scoring.....	11
Total Number of Standards and Points by Category	11
Pre-Monitoring Preparation.....	12
On-Site Field Monitoring Visit	12
Monitoring Report.....	13
CSBG CAR Monitoring Reporting Process:	15
A. Monitoring Report Content Acceptance Timeline.....	15
B. Agency Corrective Action Response Timeline.....	16
C. Corrective Action Category Description	16
1.Required Action Plan (RAP)	16
2.Modified Quality Improvement Plan (MQIP).....	17
3.Quality Improvement Plan (QIP)	17
The Information Memorandum (IM) 116 Overview.....	18
Other	19
Training and Technical Assistance	19
CAR Compliance.....	19
PART ONE-ORGANIZATIONAL MANAGEMENT.....	20
Section 1: Maximum Feasible Participation for Operational Performance.....	20
Category One: Consumer Input & Involvement.....	20
Federal Standard 1.1	20
Federal Standard 1.2	21
Federal Standard 1.3	21
Category Two: Community Engagement.....	22
Federal Standard 2.1	22
State Standard 2.1.1.....	22
Federal Standard 2.2	23
Federal Standard 2.3	23

Federal Standard 2.4	24
State Standard 2.5	24
State Standard 2.6	24
Category Three: Community Assessment.....	26
Federal Standard 3.1	26
Federal Standard 3.2	27
Federal Standard 3.3	27
Federal Standard 3.4.....	28
Federal Standard 3.5	29
Section 2: Vision and Direction for Operational Performance Metric.....	30
Category Four: Organizational Leadership	30
Federal Standard 4.1	30
Federal Standard 4.2	30
Federal Standard 4.3	31
Federal Standard 4.4 The governing board receives an annual update on the success of specific strategies included in the Community Action Plan (CAP).....	31
Federal Standard 4.5	32
Federal Standard 4.6	32
State Standard 4.7	33
State Standard 4.8	33
Category Five: Board Governance.....	34
Federal Standard 5.1	34
Federal Standard 5.2	35
Federal Standard 5.3	36
Federal Standard 5.4	36
Federal Standard 5.5	36
Federal Standard 5.6	37
Federal Standard 5.7	37
Federal Standard 5.8	38
Federal Standard 5.9	39
State Standard 5.11	40
State Standard 5.12	41
State Standard 5.13	41

Category Six: Strategic Planning	43
Federal Standard 6.1	43
Federal Standard 6.2	43
Federal Standard 6.3	44
Federal Standard 6.4	45
Federal Standard 6.5	45
Section 3: Operations and Accountability for Operational Performance Metric	46
Category Seven: Human Resource Management	46
Federal Standard 7.1	46
Federal Standard 7.2	46
State Standard 7.2.1	47
Federal Standard 7.3	48
Federal Standard 7.4	49
Federal Standard 7.5.....	49
Federal Standard 7.6	50
Federal Standard 7.7	50
Federal Standard 7.8	51
Federal Standard 7.9	51
State Standard 7.10	51
State Standard 7.11	52
Category Eight: Financial Operations and Oversight	53
Federal Standard 8.1	53
Federal Standard 8.2	54
Federal Standard 8.3	54
Federal Standard 8.4	54
Federal Standard 8.5	55
Federal Standard 8.6	55
Federal Standard 8.8	57
Federal Standard 8.9	57
Federal Standard 8.10	58
Federal Standard 8.11	58
Federal Standard 8.12	59
State Standard 8.12.1.....	59

Federal Standard 8.13	60
State Standard 8.14	60
State Standard 8.15	62
Category Nine: Data and Analysis.....	63
Federal Standard 9.1	63
Federal Standard 9.2	63
Federal Standard 9.3	64
Federal Standard 9.4	64
State Standard 9.5	65
PART TWO- ORGANIZATIONAL ANALYSIS	66
Section 4- Allocation for Fiscal Performance Metrics	66
Category Ten: Internal Controls Analysis.....	66
State Standard 10.1	66
State Standard 10.2	66
State Standard 10.3	67
State Standard 10.4	67
State Standard 10.5	67
State Standard 10.6.....	68
Category Eleven: Inventory Management Analysis	69
State Standard 11.1	69
State Standard 11.2	69
State Standard 11.3	70
State Standard 11.4	70
Category Twelve: Procurement Analysis.....	71
State Standard 12.1.....	71
State Standard 12.2	71
State Standard 12.3	72
State Standard 12.4	72
Section 5: Accounting for Fiscal Performance Metric.....	73
Category Thirteen: Payment and Reimbursement Process Analysis	73
State Standard 13.1	73
State Standard 13.2.....	73
State Standard 13.6	75

Category Fourteen: Fiscal Process Analysis	76
State Standard 14.1	76
State Standard 14.2.....	76
State Standard 14.3	77
State Standard 14.4	77
State Standard 14.5	77
Category Fifteen: Financial Ratio Analysis	78
State Standard 15.1	78
State Standard 15.2	79
State Standard 15.3.....	79
PART THREE- BEYOND COMPLIANCE	80
Section 6: Road to Excellence	80
Category Sixteen: Bonus Opportunities.....	80
Bonus Standard 16.1	80
Bonus Standard 16.3	81
Bonus Standard 16.4.....	81
Bonus Standard 16.6	82
Bonus Standard 16.7	83
Bonus Standard 16.8	83
Category Seventeen: Best Business Practice Recommendations.....	84
Organizational Management (OM).....	84
Recommendation 17.1	84
Recommendation 17.2	84
Recommendation 17.3	85
Recommendation 17.4	85
Recommendation 17.5	85
Recommendation 17.6	86
Recommendation 17.7	86
Recommendation 17.8	86
Recommendation 17.9	86
Recommendation 17.10	87
Recommendation 17.11	87
Recommendation 17.12	88

Recommendation 17.13	88
Recommendation 17.14	88
Organizational Analysis (OA).....	89
Recommendation 17.16	89
Recommendation 17.17	89
Recommendation 17.18	89
APPENDIX "A"- Acronyms.....	91
APPENDIX "B"- Definitions.....	94

Community Service Block Grant Comprehensive Administrative Review

The Department of Health and Human Services (HHS) provides funding for the Community Service Block Grant (CSBG). The purpose of CSBG is to provide assistance to State and local communities to reduce poverty, revitalize low-income communities, and to empower low-income families and individuals in rural and urban areas to become fully self-sufficient. The Office of Community Services within HHS, working with the National Partners, has positioned CSBG and Community Action as a model of National Performance Management using the Organization Standards and ROMA Next Generation.

HHS has charged each state with the task of overseeing and ensuring that funds are disbursed to the eligible entities hereafter called “agency/agencies” and are administered in accordance with federal regulations. In 2007, the Governor designated the Indiana Housing and Community Development Authority (IHCDA), as the State of Indiana’s Lead Agency with authority to oversee this process. Within the State of Indiana, agencies are made up of both private and public not-for-profit organizations that administer programs and services throughout their designated service area. Each agency’s governing board is responsible for ensuring that their organization meets all Federal and State requirements. The Comprehensive Administrative Review (CAR) Tool provides a detailed guide on implementation of Federal and State requirements that will be monitored by IHCDA.

State CSBG Lead Agency will complete the CSBG Annual Report to be provided to HHS. This report will include the “Actual” Organization Standards Performance achieved by agencies within the state by indicating the number of agencies that meet 70-79%, 80-89%, 90-99% and 100% of the standards. The percentage meeting Organizational Standards by category will also be provided. The “Target” performance established by IM-138 is 100%.

CSBG Monitoring Authority

Under Section 678B of the CSBG Act and 42 U.S.C. 9914; the State CSBG Lead Agency (IHCDA) has the authority to establish and monitor goals, standards and requirements that assure an appropriate level of accountability and quality among the State’s agencies,. To fulfill this responsibility, IHCDA requires agencies to participate in an onsite compliance review, called a Comprehensive Administrative Review (CAR) at least every three years, as well as after the first year for newly designated entities, or as appropriate.

IHCDA utilized a combination of resources to develop this monitoring tool, all of which are consistent with its past State monitoring requirements and new Federal regulations and standards. A general list of those resources are listed below, but are not limited to:

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

Monitoring Objective

Monitoring CSBG Grant Awards ensures that agencies are providing good stewardship of those funds and using them in a manner consistent with their required intent. Monitoring also allows agencies to continually improve outcomes as they strive to adopt high impact strategies to assist in meeting the needs of their communities. Monitoring is also an effective tool for risk mitigation for the agencies themselves.. To successfully assist each agency in fulfilling its mission, IHCDCA utilizes a “whole agency” or systems approach centered on collaboration, communication, and partnership. This allows agencies to build capacity over time to more effectively promote and support self-sufficiency among low-income individuals in their communities.

Effective communication, transparency and mutual respect are vital in facilitating a good working relationship between IHCDCA and each agency. This relationship should allow IHCDCA to provide reasonable program objectives and requirements, assist in developing solutions to problems, share program improvement ideas, and provide information on new developments in the field. IHCDCA operates with the basic belief that a team approach is in the best interest of the agencies' long-term growth and that the monitoring process is one of the mechanisms for this interaction to occur. To ensure proper communication is achieved the following communication plan will be utilized:

- Keep agencies updated on any changes to the monitoring policies and/or procedures
- Send all monitoring correspondences preliminary and final report to the Executive Director
- Provide the agency with the monitoring timetable for the on-site review, report, follow-up and closeout
- Conduct an entrance and exit conference with Executive Director and key leadership staff
- Meet regularly with the Executive Director during the on-site monitoring review to discuss all standards that are not met, partially met, recommendations and comments
- Be available to the governing board to review the monitoring report, if requested
- Meet with the governing board to review the monitoring report if a quality improvement plan is warranted
- Provide an opportunity for the agency to evaluate the monitoring process and the on-site monitors
- Provide the training and technical assistance contractor with potential topics that could be utilized by the network to enhance agency operations

Community Programs Division On-site Monitoring Approach

Currently, IHCDCA monitors its CSBG sub-grantees based upon the criteria established in the CAR Tool at least once during a three-year period and, as needed, after the completion of the first year in which a newly designated entity receives funds through the community service block grant (IM-97). Or when informed that grant funds were terminated for cause under related programs such as Head Start, Low Income Home Energy Assistance Program (LIHEAP), Weatherization Assistance Program (WAP), or other Federal programs (IM-116).

In addition, IHCDCA may monitor agencies after the completion of the first year a new Executive Director/Chief Executive Officer has been hired. This will be based upon whichever is sooner, the completion of the first year or a regularly scheduled CAR monitoring.

IHCDCA is aware that preparing for compliance reviews can create a burden for its sub-grantees and wishes to decrease the overall number of monitoring days on site through this consolidated approach. While on-site, we ask your cooperation and assisting us in completing the monitoring as diligently as possibly:

- Please upload the requested documents within the appropriate time period so we can begin reviewing material prior to arrival
- Please provide the monitoring team with a conference room, office or workspace.
- Please provide access to Ethernet cables or WI-FI connection to the internet.
- Please assure all key leadership staff and governing board representatives are available at some time during the monitoring visit for interviews to obtain knowledge of process area and asked follow up questions.
- Please provide any follow-up documentation that is requested on-site as promptly as possible.
- While appreciated and recognized as hospitality, the agency does not need to provide snacks to the monitoring team or feel obligated to do so.

Additionally, IHCDCA will continue its follow up with each agency at the end of the monitoring session, by an emailed survey link. The anonymous survey allows each agency to evaluate the monitors and the overall monitoring process.

State Monitoring Tool

This tool, or review instrument, is used as an open and transparent document to complete the CSBG CAR monitoring process, which consists of Organizational Standards (OS) developed by the Center of Excellence (COE), Federal regulations, and IHCDCA requirements. This monitoring tool will ensure programmatic and financial integrity of the eligible entities receiving CSBG funds. The CAR instrument contains the following parts:

- **Part One: Organizational Management** (*Sections 1-3; categories 1-9*), which evaluates the operational performance metric for maximum feasible participation, vision and direction, and operations and accountability.
- **Part Two: Organizational Analysis** (*Sections 4- 5; categories 10-15*), which evaluates the fiscal performance metrics, allocations, and accounting to determine solvency.
- **Part Three: Beyond Compliance** (*Section 6, categories 16 & 17*), which evaluates an agencies road to excellence through bonus opportunities and best business practice recommendations.

This tool outlines each **standard** by section (e.g. 1.1 or 2.3.1). Each standard is followed by additional information related to the specific standard:

- **Agency Guidance** is the purpose, tips, clarifications, statute or best practice information on how to interpret the standard, as well as how to successfully demonstrate to the monitor(s) how the agency has met each standard.
- **Authority** identifies the applicable Federal or State requirement imposed by stated or Federal regulation or code, contract, memorandums or policy guidance, other practices or laws governing the standard.
- **Linkage** demonstrates the association or connection to other standards, national guidance, state policy, agency policy, etc..
- **Monitoring Evaluation** will explain the possible concrete or subjective methods used by the IHCDCA monitor(s) to see if the agency has met, partially meets or does not meet each standard. However, the standard may just have "Provide" if documentation is only needed to review the standard.
- **Interview** is information regarding compliance or operations obtained from discussion with individuals associated with the process under review.
- **Provide** is the list of materials that may be requested to document compliance with the corresponding standard.

Scoring

A **Value** is assigned to each standard that will allow the IHEDA monitor(s) to supply a **Success Rate** of the monitoring. IHEDA also incorporates additional State recommended standard practices, which are an opportunity for each agency to gain **Bonus Points**. Bonus points will be added to the Success Rate creating an **Overall Performance Score** for the final monitoring report.

Each standard has an assigned value. All points will be assigned based on the following criteria:

Meets Expectation	Full point(s)
Partially Meets Expectation	Partial point(s)
Does Not Meet Expectation	Zero points (0)
Not Applicable (N/A)	Points removed from the total points possible

Not Applicable (N/A), at certain times during the monitoring process some standards may not apply. They will be identified on the report and removed from scoring.

Recommendations are not mandates and therefore do not carry a value (0 points). A best business practice recommendation is for the agency's consideration as part of continuous improvement efforts, there is no violation of any policy or procedures but may aid in stronger operations, if enacted.

Total Number of Standards and Points by Category

PART ONE		Base Standards	Base Standard Points
Organizational Management (OM)	Category 1	3	7
	Category 2	7	11
	Category 3	5	10.5
	Category 4	8	18.5
	Category 5	13	47
	Category 6	5	13
	Category 7	12	29
	Category 8	16	43.5
	Category 9	5	8
Part One Total		74	187.5

PART TWO		Base Standards	Base Standard Points
Organizational Analysis (OA)	Category 10	6	16.5
	Category 11	4	10.5
	Category 12	4	10
	Category 13	6	13
	Category 14	5	11.5
	Category 15	3	10.5
Part Two Total		28	72
Part One and Two Totals		102	259.5

PART THREE		Base Standards	Bonus Standard Points
Beyond Compliance	Category 16	8	8
	Category 17	18	Recommendations
Part Three Total		26	8

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

Pre-Monitoring Preparation

Prior to the actual onsite monitoring visit, IHCDCA reviews a number of tasks to prepare for the visit. Adequate preparation provides IHCDCA monitors with the background information necessary to conduct a thorough review.

Prior to an on-site monitoring visit, the agency will be given a minimum 30 calendar day notice in the way of a CSBG CAR Monitoring Notification letter. Agencies will have at least 20 calendar days to provide the information contained in the CSBG CAR Monitoring Document list to IHCDCA. IHCDCA will provide instructions in the notification letter for uploading documents along with a in preparation for the on-site CAR monitoring.

On-Site Field Monitoring Visit

The review is conducted by the IHCDCA Community Programs Monitors and/or a possible fiscal monitoring subcontractor of IHCDCA. The IHCDCA Community Programs CSBG Monitor will serve as the agencies' point of contact, oversee the complete CAR process including issuing all reports, collecting documentation and evaluating compliance of the Organizational Management components associated with the CAR. The fiscal monitor will primarily be responsible for reviewing compliance of the Organizational Analysis components associated with the CAR which includes auditing fiscal operations, fiscal files and interviewing fiscal staff.

The review will begin with an entrance conference on day one, held between the IHCDCA monitors and the agency's management team or its point of contacts for the review, to familiarize the agency with the review process and for the monitor to become familiar with specific details unique

to each organization. Monitoring evaluation is based upon all agency actions during the monitoring period up to the entrance conference.

Since every agency is administered differently, it is important for the monitors to interview key management staff to better understand how the specific agency being monitored operates. Typically, the Executive Director, Fiscal Manager, Human Resources Manager and select governing board members are interviewed. These conversations allow the monitors to put into context the vast amount of information reviewed. Questions may be specific to organizational/state standard compliance, understanding agency operations, or determining possible best business practices for recommendations. Therefore, it is important for staff to provide as much detail as possible when providing answers.

When the monitoring visit is complete, an exit conference will be conducted to provide a preliminary report of the agency’s operational and fiscal analysis results.

Monitoring Report

Following the on-site monitoring review, a CAR Monitoring Report will be issued within 30 calendar days of the exit conference to the CEO/Executive Director via email, barring any circumstances that would cause a reasonable delay,. The report will summarize the results of the review based upon the agency’s performance. These key details will be included:

- Agency Monitoring Information (agency name, monitors, agency participants for the entrance and exit conference and governing board participants)
- Base Standards Met Chart
- Performance Scorecard
 - Base Standards (IM 138 Standards Score, State Standards Score and CSBG Grant Award Agreement Score)
 - Overall Performance Score and Performance Percentage Charts
- Fiscal Ratio Trend Analysis
- Required Action Plan (RAP)
- Best Business Practice Recommendation(s)

The **Overall Performance Score** indicates the success of the agency in meeting all CAR requirements. This score determines whether the agency meets the States minimum overall performance goal or baseline is ninety-two percent (92%). *Exceptions may be made if the monitoring determines a critical compliance issue which is not supported by the performance score.*

<u>Overall Rating</u>	<u>Percentage (%)</u>	<u>Action</u>
Needs Improvement	91.99% or below	<i>Modified Quality Improvement Plan or Quality Improvement Plan</i>
Average Standing	92% to 94%	<i>Required Action Plan</i>
Good Standing	95% to 97%	<i>Required Action Plan</i>
Excellent Standing	98% to 100+%	<i>Required Action Plan</i>

The **Organizational Standard Score** provides the agency with how well it is meeting the IM 138 Standards. This information is required to be reported to HHS as Met or Not Met:

Organizational Management (OM):	Standards	Number of Standards	Category Score
Category 1	1.1, 1.2 and 1.3	3	Number Met
Category 2	2.1, 2.2, 2.3 and 2.4	4	Number Met
Category 3	3.1, 3.2, 3.3, 3.4 and 3.5	5	Number Met
Category 4	4.1, 4.2, 4.3, 4.4, 4.5 and 4.6	6	Number Met
Category 5	5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, 5.8 and 5.9	9	Number Met
Category 6	6.1, 6.2, 6.3, 6.4 and 6.5	5	Number Met
Category 7	7.1, 7.2, 7.3, 7.4, 7.5, 7.6, 7.7, 7.8 and 7.9	9	Number Met
Category 8	8.1, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7, 8.8, 8.9, 8.10, 8.11, 8.12 and 8.13	13	Number Met
Category 9	9.1, 9.2, 9.3 and 9.4	4	Number Met
Total Number of Base Standards		58	Number Met

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

NOTE: Twenty-seven (27) of the fifty-eight (58) of the IM 138 standards or forty-six percent (46%) are directly or indirectly related to actions and/or reviews being documented in governing board minutes.

The **CSBG Grant Award Agreement Score** provides the agency with how well it is managing the requirements established in their CSBG Grant Award Agreement.

Category	Standards	Number of Criteria	Category Score
Category 2	2.5	1	Number Met
Category 5	5.1	1	Number Met
Category 7	7.2.1	6	Number Met
Category 8	8.1, 8.12 and 8.15	3	Number Met
Category 10	10.3	1	Number Met
Category 11	11.1 and 11.2	2	Number Met
Category 12	12.3 and 12.4	2	Number Met
Category 13	13.1, 13.2, 13.3, 13.4 and 13.5	5	Number Met
Total Number of Criteria		21	Number Met

A **Required Action** indicates that the agency did not successfully comply with a standard and therefore partially met or did not meet the expectation. A required action results from a violation of an established federal or state-issued guideline or an element that did not follow an established policy as set forth in the agency's policies and procedures.

A **Best Business Practice Recommendation** is for the agency's consideration; there is no violation of any policy or procedures but will aid the agency in stronger operations if enacted.

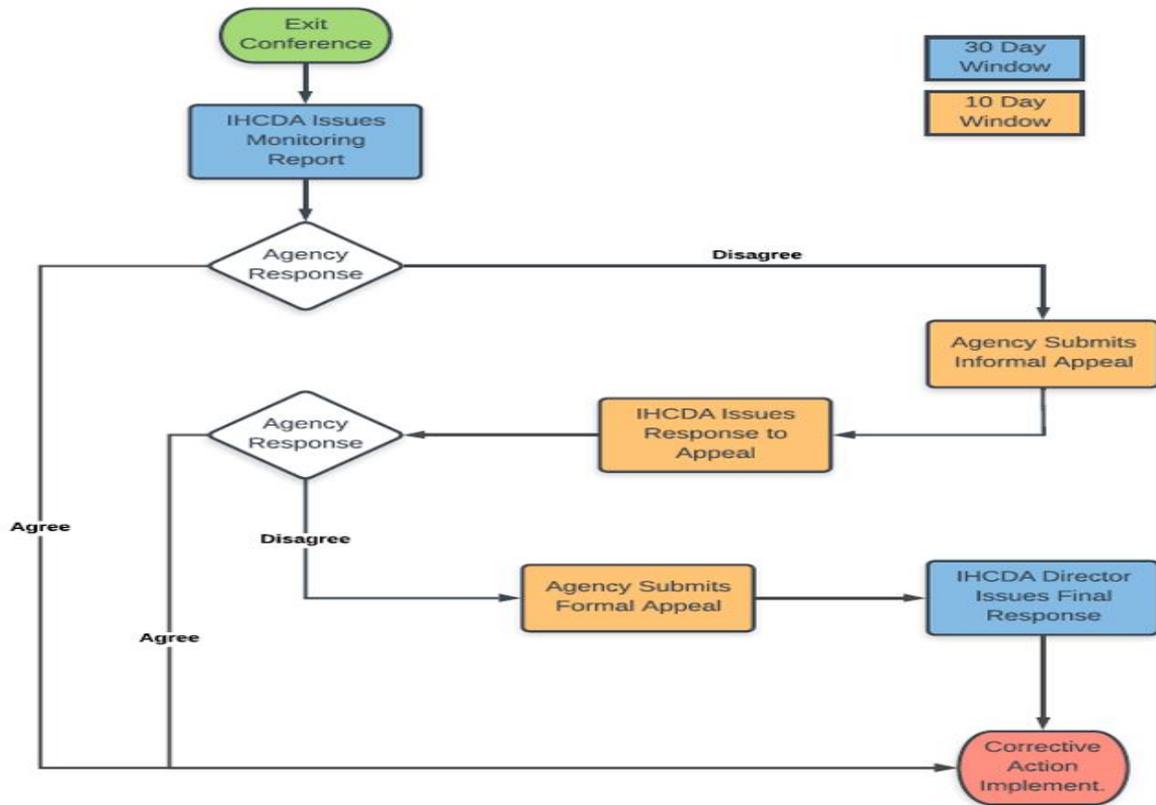
CSBG CAR Monitoring Reporting Process:

A. Monitoring Report Content Acceptance Timeline

The agency will receive a copy of the monitoring report within thirty (30) calendar days from completion of the exit conference.

The agency must either **Accept** or **Informally Appeal** (disagrees with) the specific Standards that have been "Not Met" or "Partially Met". The agency will have ten (10) calendar days from the receipt of the monitoring report to submit, via email, any written response to the IHEDA Community Programs Monitor-CSBG. If the agency accepts the report, it will receive a CSBG CAR On-site monitoring Completion letter outlining the appropriate corrective action step.

1. IHEDA's Community Programs Monitor-CSBG will respond within ten (10) calendar days of receipt a response of the agency's Informally Appeals the monitoring report.
 - a. If IHEDA agrees with all items identified in the agency's **Informal Appeal**, the agency will receive a CSBG CAR On-site Monitoring Completion letter outlining the appropriate corrective action category and response.
 - b. If IHEDA does not agree (in-full or in-part) with the agency's Informal Appeal, the agency will receive **IHEDA's Informal Appeal Reply**. The response will acknowledge which standards have been approved or still stand as identified.
2. The agency will provide a **second response** within ten (10) calendar days to IHEDA's Informal Appeal Reply.
 - a. If the agency agrees with the decision, the agency's second response is to be sent to the Community Program Monitor- CSBG. The agency will receive a CSBG CAR On-site Monitoring Completion letter outlining the appropriate corrective action category and response.
 - b. If the agency disagrees (in-full or in-part) with IHEDA's informal appeal response, the agency may submit a **Formal Appeal**, in writing, to the Director of Community Programs. The Director of Community Programs will review the formal appeal and provide a written decision within thirty (30) calendar days. Whatever decision made is final.



B. Agency Corrective Action Response Timeline

After all standards have been finalized, the monitor will review the agency corrective action response and either send a Monitoring Completion letter or a Request for Additional Information.
Time Period: Within 10 calendar days

If the agency received an On-Site Monitoring Completion Letter, a corrective action plan should be submitted to the IHCD Community Program Monitor based upon the results identified in the summary:

RAP Time Period: Within 30 calendar days

MQIP Time Period: Within 45 calendar days

QIP Time Period: Within 60 calendar days *

** 678C(4)(a)-the agency develops and implements within 60 days after being informed of the deficiency, a QIP*

C. Corrective Action Category Description

Based on the agreed upon deficiencies detected as part of the CAR, the Summary report may outline the following course of action:

1. Required Action Plan (RAP)

The RAP, also called a technical assistance plan, is prepared by the agency to address and resolve any deficiency identified in the CAR report and should provide a timeline (month, day and year) for implementation or correcting each issue within ninety (90) calendar days from the approval response letter, unless otherwise specified in the monitoring report. If IHCD finds that the RAP does not effectively resolve the deficiencies, IHCD may determine that the agency

requires additional monitoring and will be placed on a Modified Quality Improvement plan (MQIP) or Quality Improvement Plan (QIP).

It is the responsibility of the monitored agency to provide IHCDCA with the necessary documentation of completed benchmarks, as required, in their monitoring response. IHCDCA may track the agency's progress through the RAP or at the next monitoring session. However, action items identified on the RAP that are not completed by the next monitoring will be placed on the new report causing additional penalties.

2. Modified Quality Improvement Plan (MQIP)

A MQIP is usually programmatic in nature, triggered by substantial changes to the organization's operational health and service delivery. Some examples include but are not limited to; the agency may be non-compliant with its tripartite Governing Board requirements, Board bylaws, ROMA requirements, personnel or fiscal policies, conflict of interest practices and/or strategic and succession planning. There also may be fiscal issues that are identified as an area for improvement. At the invitation of the Executive Director, IHCDCA will present the CAR final report to the agency Board of Directors. However, IHCDCA may also deem this step necessary if there is minimal progress being made throughout the MQIP process.

If the agency's CAR score merits a MQIP, IHCDCA will set forth performance benchmarks to be included in the RAP, along with a required completion date for the plan. IHCDCA will review the plan and work with the agency to obtain an approved process to correct the listed deficiencies. Generally, the MQIP process should be completed within one hundred and twenty (120) calendar days and is quicker than a QIP. If progress on completing required actions listed on the RAP deviate from the accepted timeline or do not meet the stated objective, IHCDCA may determine the agency should be placed on a QIP.

Agencies that have been placed on a MQIP will be required to create direct lines of communication with IHCDCA in which they will:

- Provide progress reports on the action plan during a monthly or quarterly conference call.

3. Quality Improvement Plan (QIP)

Section 678C(a)(4) of the CSBG Act allows for State discretion in the implementation of a Quality Improvement Plan to correct an identified deficiency or deficiencies. A QIP is often financial in nature, triggered by substantial changes in the agency's fiscal health. The agency may have outstanding debt, unpaid vendors, unallowable costs, or negative ratios. There may also be significant program deficiencies that need to be addressed such as the examples listed in the MQIP section above. Agencies are not required to have deficiencies in both the program and fiscal sections of the CAR to be placed on a QIP. IHCDCA's process for addressing noncompliance will follow the guidance set forth by Information Memoranda 116 (IM-116) at <https://www.acf.hhs.gov/ocs/resource/no-116-corrective-action-termination-or-reduction-of-funding>. The State is required (678C(4)(a)) to provide official notice to HHS of any agency placed on a QIP **within 30 calendar days** of accepting the agency's quality improvement plan. The State must also track progress on correcting deficiencies and training and technical assistance. Finally, the State will report the results of the IM-116 process.

The IHCDCA monitor will present the CAR Monitoring Report to the agency Board of Directors at the first available meeting after the agency has been notified of its QIP status. If the agency is placed on a QIP, IHCDCA will set forth performance benchmarks to be included in its Corrective Action Plan (CAP) including anticipated required completion date for the plan. The submitted plan to IHCDCA must be approved by the agency's governing board. IHCDCA will review the plan and

work with the agency to obtain an approved process to correct the listed deficiencies. Generally, the QIP process should be completed within one hundred and eighty (180) calendar days.

Agencies that have been placed on a QIP will receive additional monitoring. The agency will be required to create and implement direct lines of communication with IHCDCA in which they will:

- Provide progress reports on the action plan during a monthly conference call.
- Develop and submit a monthly QIP Implementation Scorecard to IHCDCA which will track and demonstrate progress (%) in meeting the identified action items.
- Provide the governing board with a progress report or the for mentioned QIP Implementation Scorecard at each scheduled meeting and submit the meeting minutes to IHCDCA indicating discussion and board acceptance.
- Provide supporting documentation upon request.

Additional special conditions may be initiated by IHCDCA, including but not limited to:

- Withholding authority until evidence of acceptable performance is provided
- Requiring additional, more detailed financial reporting
- Additional project monitoring (onsite and/or desk-top) to assure the agency is meeting the required performance benchmarks
- Requiring the agency to obtain technical assistance (T/TA)
- Working with the State Association to help correct failures
- Establishing additional prior approvals
- Additional analysis and increased frequency of denial from Request for Purchases of equipment or services using CSBG funds
- Additional review of claims submitted for payment

Failure to complete the QIP may result in continued monitoring or a reduction, withholding, or termination of the agency's CSBG funding. Specifically, if the agency fails to complete the QIP within multiple years, a final RAP will be required. Failure to successfully complete the final RAP may result in a reduction or termination of CSBG funding. **Note: significant deficiencies related to fiscal health, program integrity or fraud, waste and/or abuse may escalate this timeline.** During the QIP process, IHCDCA follows the action steps for Information memorandum (IM) 116.

The Information Memorandum (IM) 116 Overview

Information Memorandum 116 provides background on statutory and regulatory requirements for terminating organizational eligibility or otherwise reducing the share of funding allocated to any CSBG-eligible entity. IHCDCA must assure accountability and prevent waste, fraud, or abuse of CSBG funds for each recipient.

IM 116 lays out a series of steps which would be taken by IHCDCA throughout its oversight to assure compliance with the CSBG Act and applicable regulations cited in the agency's grantee agreement. Once an agency is placed on a QIP, IHCDCA will notify the federal Office of Community Services (OCS). Ultimately, (A) The agency completes the necessary requirements of the QIP and will be removed from the QIP process or (B) IHCDCA will provide adequate notice to the agency and an opportunity to attend a public hearing for the reduction or termination of its funding due to failure to meet the RAP and timeline to resolve the deficiencies identified in the QIP.

After providing an opportunity for a public hearing, if IHCDCA finds cause for termination or reduction in funding, the State may initiate proceedings to terminate the designation of or reduce the funding to the agency. If IHCDCA determines funding will be reduced or that eligibility for CSBG funds will be terminated, IHCDCA must notify both the agency and the HHS Secretary of the decision.

A Federal review of the State decision to reduce or terminate funding may be initiated through a request from the affected organization. In accordance with 45 CFR §96.92, an eligible entity has 30 days following notification by the State of its final decision to request a review by the Secretary of the Department of Health and Human Services (HHS).

Other

Training and Technical Assistance

IHCDA also encourages each agency to seek out training and technical assistance for the governing board, leadership staff or employees, based upon the standards that may assist with regulatory compliance, ensuring that proper internal controls are developed and utilized, and that the agency is providing effective and sustainable service delivery to the community.

CAR Compliance

In conclusion, IHCDA 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 at least good standing with each standard outlined in this document.

PART ONE-ORGANIZATIONAL MANAGEMENT

Section 1: Maximum Feasible Participation for Operational Performance

Category One: Consumer Input & Involvement

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. Agencies work in partnership with the people and communities that they serve. Community Action works in a coordinated and comprehensive manner to develop programs and services that will make a critical difference in the lives of participants. Individuals and families are well attuned to what they need, and when Community Action taps into that knowledge, it informs our ability to implement high-impact programs and services. Research shows that through engagement in community activities such as board governance, peer-to-peer leadership, advisory bodies, volunteering, and other participatory means, the poor build personal networks and increase their social capital so that they are able to move themselves and their families out of poverty. Community Action is grounded in helping families and communities build this social capital for movement to self-sufficiency. (IM-138)

Federal Standard 1.1 The organization demonstrates low-income individuals' participation in its activities.

Agency Guidance:

- Identify how the agency directly involves low-income individuals in the service delivery of its programs. For example: Head Start policy council, advisory boards or neighborhood councils, volunteering opportunities (i.e. parents, foster grandparents), etc.
- This standard is meant to embody maximum feasible participation and go beyond the agency's tripartite board membership (OS):
 - *"Maximum participation of residents of low-income communities and members of the groups served by programs assisted through the block grants made under this subtitle to empower such residents and members to respond to the unique problems and needs within their communities."* (CSBG Act)
- The agency will demonstrate that it provides regular participation of the poor and the affected area residents in the implementation of the programs (IC)

Authority: PL 105-285.Section 672 (2)(D), IC-12-14-23-9(8)(b) and IM 138 (1.1)

Interview: Executive Director, governing board and leadership staff

Monitor Evaluation: Review brief narrative and examples that reflects low income participation within the agency.

Provide: Activity sign in sheets, program meeting minutes, volunteer hours list, surveys, board meeting minutes, etc.. denoting low income individual's participation within the agency.

Value: 1 point

Federal Standard 1.2 The organization analyzes information collected directly from low-income individuals as part of the community assessment.

Agency Guidance:

- Reflects the need for the agency to talk directly with low-income individuals regarding the needs in the community (OS)
 - Best Business Practice: Annually review questions and make adjustments so the agency is provided new information which can be used for continuous improvement
- Demonstrate that there is a systematic way of utilizing **analyzing** data through annual reports, charts, graphs, and /or spreadsheets of evaluated or compiled data
- Customer satisfaction data is important information related to the client's experience and typically includes factors such as how easy it is to access services, how long it took services to be delivered, the perceived quality of interactions between the customer and staff, and overall satisfaction with how well the service met the customer's needs.
- Customer input covers a broader range of issues and includes feedback customers offer on such topics as whether the agency provides an adequate range of services, how well it involves customers in its activities, and their perceptions of the outcomes the agency achieves for the individuals, families, and communities it serves. (NCAP)

Authority: IC-12-14-23-9(8)(a), IM 138 (1.2), and CSBG Annual Report (I.5)

Linkage: IM 138 (6.4), IHEDA Program Guidance CSBG-019-01 and Community Action Partnership 2018 Standards of Excellence 1.5 & 3.2

Monitoring Evaluation: Review notes, meeting minutes or any subsequent reports associated with the analyzed customer information during the monitoring period.

Provide: Documented discussion of the information by the agency staff during the monitoring period. Also, provide several examples of changes made by the agency to improve service delivery or impact customers based upon an analysis of performance data.

Value: 3 points

Federal Standard 1.3 The organization has a systematic approach for collecting, analyzing, and reporting customer satisfaction data to the governing board.

Agency Guidance:

- Customer satisfaction data is defined in Standard 1.2
- Comment boxes, focus groups, interviews, community forums, customer surveys/ post cards (OS) demonstrate what methods are used to collect its data directly from low-income individuals
- Close-ended or multiple-choice questions on customer surveys provide quantitative data that can be used in graphs or charts
- Open-ended questions on customer surveys ask respondents to provide answers in their own words and are designed to elicit more information than possible in a multiple choice or other close-ended format
- Provides board with information they need to effectively plan and evaluate (IM 82)
- Reporting to the governing board or appropriate committee meeting may be via written or verbal forms (OS) but should be documented in the meeting minutes.

Authority: IM 82 and IM 138(1.3)

Linkage: IM 138 (1.2) and Community Action Partnership 2018 Standards of Excellence 7.2

Interview: Agency staff responsible for CSBG reporting

Monitoring Evaluation: Review board meeting minutes, agenda or board packet

Provide: Governing board meeting minutes or other documentation of receipt during the monitoring period

Value: 3 points

Category Two: Community Engagement

No one service provider can meet all of a community's needs independently. Through formal and informal partnerships, ongoing community planning, advocacy, and engagement of people with low incomes; partners ranging from community and faith-based organizations, educational institutions, government, and businesses work together with Community Action Agencies and other organizations to successfully move families out of poverty and revitalize communities. 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. (IM-138)

Federal 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.

Agency Guidance:

- Partners are stakeholders
- Documented or demonstrated partnerships: Relationships that are formalized. This may be through an MOU/MOA, contract, coalition membership, etc. (NASCS)
- Identify public or private resources and programs that may contribute to customer or agency outcomes (IM)
- In cooperation with community agencies and officials, undertake actions to improve existing efforts to reduce poverty (IC)
- Partnerships can be documented (i.e. coalition membership, MOUs, contracts, etc.) or partnerships that require joint planning or are in cooperation with community agencies and officials who are assigned actions to improve existing efforts to reduce poverty (IC)

Authority: PL 105-285.Section 676 (b)(5) & (b)(9), IM 103, CSBG Annual Report (G.3a), IC 12-14-23-9(5)(6), IM 49 and IM 138(2.1)

Linkage: Community Action Partnership 2018 Standards of Excellence 2.3 & 7.4

Interview: Executive Director on how partnerships are making an impact in the agencies service delivery and how linkages assure the effective delivery of services and avoid duplication of services

Monitoring Evaluation: CSBG Annual Reports and NPI 4.1 during the monitoring period

Provide: Agency partnership list, MOAs, memberships, etc..

Value: 1 point

State Standard 2.1.1 The organization can demonstrate that it regularly assesses its current partnerships to ensure they are meeting program and customer needs.

Agency Guidance:

- Describe and demonstrate how linkages are developed to fill identified gaps in services through provision of information, referrals or case management (PL)
- Documented discussion in governing board/leadership minutes or another formalized agency review process.

Authority: PL 105-285.Section 676(b)(3), CSBG Annual Report (G.3b), and ROMA

Linkage: IM 138(2.1) and Community Action Partnership 2018 Standards of Excellence 7.2 & 7.4

Interview: Executive Director about the process used to assess partnerships and how that review has impacted existing partnerships.

Monitoring Evaluation: Review partnership analysis or discussions by the governing board and/or agency leadership staff that demonstrates partnership are discussed.

Interview: Executive Director and CSBG Program Representative

Provide: Meeting minutes or other documentation to support that partnerships are assessed by agency staff and/or governing board during the monitoring period.

Value: 1.5 points

Federal 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.

Agency Guidance:

- Demonstrate activity in each of the 5 key sectors: community-based organizations, faith-based organizations, private sector, public sector and educational institutions over the agency's entire service area
- Representing the agency on community groups, schools, advisory boards, etc.
- Each community action agency shall consult neighborhood-based organizations to assist the agency in the planning, conduct, and evaluation of components of the community action program (IC)

Authority: IM 138(2.2) and IM 103

Linkage: IC 12-14-23-8, IHEDA Program Guidance CSBG-019-01 and IHEDA CSBG Strategic Planning Consultants Guide for Indiana Community Action Agencies

Interview: Director or CSBG Program Representative

Monitoring Evaluation: Review on-site documentation of surveys, interviews, or focus groups (hard copy or electronic) and/or reports from key partners (online/written) during the monitoring period.

Provide: Brief summary of how the agency utilizes information for each of the five areas in support of programs/services, etc.

Value: 1 point

Federal Standard 2.3 The organization communicates its activities and its results to the community.

Agency Guidance:

- Demonstrates the agency's ability to deliver performance results or to "tell the organization's success story" to the community.
- Effective messaging also creates awareness of what you do, highlights the needs of the community and promotes your community partners.
- Promotes the interest of the poor (low income community members) (NCAP)
- Utilizes an annual report, social media (i.e. Facebook, twitter, blogs, LinkedIn, e-newsletter, etc.), website or other print media (i.e. newsletters and publications, publicity releases, informational pamphlets and letters to the editor), television (community access channel), etc.
- Best Business Practice: Provide greater transparency by placing on the website (Examples include IRS Form 990, audit, annual report, donors list, strategic plan, bylaws, calendar of events, mission statement, partnerships, etc.)

Authority: IM 138(2.3)

Linkage: CSBG Annual Report and Community Action Partnership Code of Ethics (4)

Monitoring Evaluation: Review the various methods used by the agency to deliver its message

Provide: Summary list of the various methods the agency uses to communicate and tell its story to the community

Value: 1.5 points

Federal Standard 2.4 The organization documents the number of volunteers and hours mobilized in support of its activities.

Agency Guidance:

- Document the number and hours of governing board members, advisory board/council, or other activities where a volunteer or group is utilized
- This is a critical data element for local CAA's and national Partners as the Community Action story is communicated (NCAP)
- Each organization has, at a minimum, a volunteer governing or advisory board
- Best Business Practice: the agency has a system in place to document hours for any agency volunteer

Authority: IM 138(2.4), IRS Form 990 (Part 1) and CSBG Annual Report

Monitoring Evaluation: Review supporting documentation that comprises the annual volunteer list for each year during the monitoring period

Provide: Annual agency-wide list of volunteers and service hours for each year during the monitoring period

Value: 3 points

State Standard 2.5 The organization's publications clearly state that all services are provided without regard to race, age, color, religion, sex, disability, national origin, ancestry, or status as a veteran.

Agency Guidance:

- All publicly posted information related to programs and services contain the above statement
- Any publicity release or other public reference, including media releases, informational pamphlets, etc. (IHCDA CSBG Grant Award Agreement)

Authority: 45 CFR Part (80, 84, 86 & 91) and IHCDA CSBG Grant Award Agreement No. 18(C)

Monitoring Evaluation: Review agency website and printed materials

Provide: Annual report, news releases, brochures, and other relevant documents

Value: 1 point

State Standard 2.6 The organization encourages local agencies to be engaged in activities related to the community action program. (Effective January 1, 2021)

Agency Guidance:

- This language comes directly from the section of the Indiana Code that identifies what CAAs are, their powers, duties, and activities.
- The agency, as the poverty reduction leader in their community, should be able to demonstrate that it encourages other local organizations who provide similar programs/activities to do the following:
 - Plan for, secure, and administer available assistance on a common or cooperative basis
 - Provide planning or technical assistance to those agencies
- In cooperation with community agencies and officials, the agency should undertake actions to improve existing efforts to reduce poverty including day-to-day communication, closing service gaps, and focusing resources on the most needy.

Authority: IC 12-14-23-9(5) and 9(6)

Linkage: IM 138 (2.1 and 3.1), CSBG Act, and CSBG Annual Plan Module 3

Monitoring Evaluation: Review the documented methods in which the agency has encouraged, interacted with and provided training & technical assistance to organizations engaged in community action type of work. This may include, among other things, the items listed below.

Provide: List of agencies, training and technical assistance topics offered, evidence of attendance by CAA at community functions (roundtables, presentations, events, fairs), evidence of attendance by community members at CAA events, or other methods provided during the monitoring period. In addition, this may also include a detailed summary of all engagement activities by the agency signed by the Executive Director and Governing Board President that showcases agency involvement.

Value: 2 points

Category Three: Community Assessment

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. (IM-138)

The goals of the community needs assessment are to gain the perspective of low-income families, the human service network, and key community stakeholders regarding the needs of low-income individuals and families. The findings will be used to complete the agency's ongoing Community Action Plan activities as well as utilized in strategic planning efforts; and to sustain funding for successful programs in addressing resident identified impediments (Sagamore Institute- 2018 CNA)

Monitoring Category Evaluation:

Section 676(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, IHCD recognizes that other agency program needs assessments, such as for HUD or Head Start, may be used to meet this standard if all the details outlined in Standards 3.2-3.4 are completed and appropriately demonstrated.

Federal Standard 3.1 The organization conducted a community assessment and issued a report to the community within the past three (3) years.

Agency Guidance:

- Also called a community needs assessment (CNA)
- The CNA is the foundation for addressing the cause and conditions of poverty within the community.
- The agency has shared the results of the CNA with agency staff, partner organizations, stakeholders, other sectors, and the community at large (e.g. agency website or Facebook page, email distribution, social media, press conference, etc.). However, presenting only at a governing board meeting, while open to the public, does not meet the requirements of the standard.
- The report may be electronic or print and circulated as the agency deems appropriate
- Best Business Practice: Conduct a public meeting to demonstrate the importance of the information and as an opportunity to promote community action.
- Resource: Indiana Community Needs Assessment Impact Guide at www.incaaimpact.com/course/community-needs-assessment-course/

Authority: PL 105-285 Section 676(b) (11), IM 82, ROMA, and IM 138(3.1)

Linkage: IM 138(6.4), IHCD Program Guidance CSBG-019-01, Community Action Partnership Code of Ethics (4), and Community Action Partnership 2018 Standards of Excellence 1.6

Interview: Executive Director, governing board members and leadership staff

Monitoring Evaluation: Review that the current CNA has been communicated to the public and when

Provide: Documentation illustrating how the results were communicated to the public

Value: 2 points

Federal 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).

Agency Guidance:

- Includes a clear description of the geographic location (counties) that the agency is funded to serve. If the assessment is for multiple program's then the service area must include all areas.
- Should include using data from internal program reports and the CSBG Annual Report

Authority: IM 138(3.2)

Linkage: NASCSP Checklist for Monitoring Community Needs Assessment for State CSBG Offices and IHCD Program Guidance CSBG-019-01

Monitoring Evaluation: Review that the data to determine it has the four categories of gender, age, race, and ethnicity. Review that the appropriate geographic service area is represented.

Provide: CNA pages related to gender, age, and race/ethnicity and for geographic service area

Resource: Data on poverty is available from the U.S. Census Bureau. The CARES Engagement Network site (formerly Community Commons) can assist in obtaining other necessary data.

Value: 2 points

Federal Standard 3.3 The organization collects and analyzes both qualitative and quantitative data on its geographic service area(s) in the community assessment.

Agency Guidance:

- The agency analyses both qualitative and quantitative data.
 - **Qualitative:** Focus groups, interviews, surveys, community forums, etc. (OS). This is data collected directly from the individual or "primary" data. Often referred to as descriptive or narrative data.
 - This information must be demonstrated:
 - What methods were used to gather the information?
 - How were these methods promoted (social media, website, partners, etc..)?
 - How were these distributed (online, paper, etc..)?
 - What group was the focal point (customers, partners, general public, staff, board, business, etc..)?
 - **Quantitative:** Numeric information or data with numbers, e.g. census data, program counts, demographic information, other statistical sources, etc. (OS).
 - This information must be demonstrated:
 - What data sources were used (national, state, local and agency)? and for what information?
 - Is the data relevant?, Is there enough data to make a connection to a need, and Is there too much data?
- Once data is collected, it must be analyzed to be useful for the organization to identify needs and determine a plan of action based upon those needs (NASCSPP)
 - Who completed the analysis?
 - What methods of analysis were used?
 - What were the similarities/differences between the qualitative and quantitative data?
- TIP: Collect quantitative data first, then use qualitative methods to assist in analyzing the results

Authority: IM 138(3.3)

Linkage: IM 138 (9.1 and 9.2) and NASCSP Checklist for Monitoring Community Needs Assessment for State CSBG Offices and IHCD Program Guidance CSBG-019-01

Interview: Executive Director and CSBG Program Staff

Monitoring Evaluation: Review the Summary sheet/page in the report. Evidence that both qualitative and quantitative data were used, a collection process was used, and that an analysis of the results was conducted.

Provide: CNA Summary sheet/page of analyzed results. Copy of surveys & interview/focus group questions and committee/leadership management team minutes reflecting analysis/ charts/ graphs.

Value: 1.5 points

Federal Standard 3.4 The community assessment includes key findings on the causes and conditions of poverty and the needs of the communities assessed.

Agency Guidance:

- A critical aspect of the CNA is that it must clearly state that the agency made a determination of the key findings from the analysis of the data on the causes and conditions of poverty.
- The Introduction to Results-Oriented Management and Accountability (ROMA) Trainers Manual provides examples of how to analyze assessment data (The Five Whys, Force field Analysis, Compassion technique, Causes and Effect, Trend Analysis). They will assist in completing the step identified below.
- An important part of the assessment is the identification of needs by level:
 - Family (does the need concern individuals and families who have identified things in their own life that is 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).

This is an example of how the identification of needs by level would be integrated into the assessment report:

Identified Need	Employment
Community level	Not enough quality paying jobs within the service area
Family Level	Individuals do not have the skills for good paying jobs where they live
Agency level	Resources not available to provide necessary job training

- Best Business Practice: CNA should make community-wide policy (and system change, when appropriate) recommendations that will impact being successful on addressing the findings.

Authority: IM 138(3.4)

Linkage: IM 138 (3.3) and NASCSP Checklist for Monitoring Community Needs Assessment for State CSBG Offices, IHEDA Program Guidance CSBG-019-01 and IHEDA CSBG Strategic Planning Consultants Guide for Indiana Community Action Agencies

Monitoring Evaluation: Review the Key Findings sheet/page in the report. Compare previous community needs list with the current needs for changes or adjustments. Review that each identified need is by level.

Provide: CNA Key Findings sheet/page

Value: 4 points

Federal Standard 3.5 The governing board formally accepts the completed community assessment.

Agency Guidance:

- The assessment must be formally accepted by governing board motion, and the vote must be recorded in meeting minutes for the most current community needs assessment within the last three years.

Authority: PL 105-285.Section 676B(a)(1) and IM 138(3.5)

Linkage: IM 138(3.1) and IHEDA Program Guidance CSBG-019-01

Monitor Evaluation: Review governing board meeting minutes

Provide: Governing board meeting minutes of the board vote of the community needs assessment

Value: 1 point

Section 2: Vision and Direction for Operational Performance Metric

Category Four: Organizational Leadership

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. (IM-138)

Federal 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; and
2. The organization's programs and services are in alignment with the mission.

Agency Guidance:

- Language such as but not limited to "low-income", "self-sufficiency", "economic security", etc. (OS)
- Five (5) year requirement meant to align with the strategic plan standards and help eliminate mission drift.
- Expresses the agency's reason for existence
- Governing boards are responsible for determining the overall mission or direction (IM)
- 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 (IM)

Authority: PL 105-285 Section 676 B (a)(1), IM 49, IM 82, and IM 138(4.1)

Linkage: Community Action Partnership 2018 Standards of Excellence 1.2 and IHEDA CSBG Strategic Planning Consultants Guide for Indiana Community Action Agencies

Monitoring Evaluation: Documented discussion of the mission statement by the governing board

Provide: Current organization mission statement and governing board meeting minutes or retreat notes indicating discussion of the mission statement

Value: 2 points

Federal Standard 4.2 The organization's Community Action Plan (CAP) is outcome-based, anti-poverty focused, and ties directly to the community assessment.

Agency Guidance:

- The State will secure from each eligible entity, as a condition of receiving funding, a Community Action Plan (CSBG Act)
- Three elements – outcome-based (focused on outcomes or changes in status), anti-poverty focused (requirements and uses of CSBG); tied to the community assessment (CSBG Act)
- A strategic plan encompasses a 3 to 5 year period and the CAP is a component of the strategic plan. All of these should link directly to the needs of the community identified in the Community Needs Assessment.

Authority: 42 USC 9908(b) (11), IM 49, and IM 138(4.2)

Linkage: IM 138 (3.1) and IHEDA Program Guidance CSBG-019-01

Monitoring Evaluation: Review each annually submitted CAP results during the monitoring period to ensure the plan can be linked to the needs assessment.

Interview: Executive Director and possible leadership staff

Value: 3 points

Federal 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.

Agency Guidance:

- Demonstrate the agency's use of all the phases of the ROMA cycle in its work (NCAP)
 - The documentation for this integration can be found in its Community Assessment, Strategic Plan, and agency reports (to external entities and to its board). It is not intended to be a complex or burdensome description of use, but an affirmation that the agency engaged in 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 (NCAP)
- 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?" (IM 49)
- Agency determines the manner of involvement of the Nationally Certified ROMA Trainer (NCRT) or Nationally Certified ROMA Implementer (NCRI) such as strategic planning meetings, consultation on implementation, etc.

Authority: 42 USC 9908(b)(12), IM 49, and IM 138(4.3)

Linkage: Community Action Partnership 2018 Standards of Excellence 2.4 & 6.6, Community Action Partnership COE Developed CSBG Organizational Standards-4.3, ROMA Implementation Checklist and IHEDA CSBG Strategic Planning Consultants Guide for Indiana Community Action Agencies

Interview: Executive Director, CSBG Program Representative or the on-staff ROMA trainer, if applicable.

Monitoring Evaluation: Strategic planning notes, ROMA Implementation Checklist and/or other documentation. Also, ROMA trainer/implementer involvement through meeting minutes, written communication, invoice or contract.

Provide: Documentation tool or other brief narrative speaking to the agency's use of each step of the ROMA cycle. Also, evidence of assistance by a Nationally Certified ROMA Trainer or Implementer.

Value: 2 points

Federal Standard 4.4 The governing board receives an annual update on the success of specific strategies included in the Community Action Plan (CAP).

Agency Guidance:

- This update may be part of a review by the governing board of the complete annual CAP submission to IHEDA or part of a program report or staff presentation.
- The update must occur within at least ninety (90) calendar days of the submission

Authority: IM 49, IM 82, and IM 138(4.4)

Linkage: IM 138(9.3), State Standard 5.11, and Community Action Partnership 2018 Standards of Excellence 1.1

Monitoring Evaluation: Governing board meeting minutes or other documentation that the board received the CAP and/or annual update for each year during the monitoring period.

Provide: Governing board meeting minutes and a brief summary of how an update/success of the CAP was annually presented to the board

Value: 1.5 points

Federal 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.

Agency Guidance:

- Succession planning for the executive position **must** be a roadmap explaining each step the board will need to take if the ED/CEO departs for any reason.
- Creating a Search Committee and/or a Transition Team is not considered a plan unless enough operational details or policies are included that describes “what” and “how” they will accomplish the assigned task.
- The plan may name an interim leader(s), locations of critical organizational documents, communication plan, and important contacts (NCAP). Other relevant planning information may be cross training requirements of staff needed to provide temporary assistance.
- The State strongly recommends detailed succession plans for all leadership staff positions.
- The plan must be reviewed at least during the monitoring period and approved by the board if changes are made.
- A public agency must adhere to its local government policies and procedures around interim appointments and processes for filling a vacancy.
- Best Business Practice: When possible, agencies should identify specific individuals to be cross-trained and coached for succession in key positions.

Authority: IM 138 (4.5)

Linkage: IM 138 (7.3), Community Action Partnership COE Developed CSBG Organizational Standards- Category 4, Community Action Partnership 2018 Standards of Excellence 1.1, and Community Action Partnership Preparing For Your Community Action Agency’s Future: Sustainability, Succession & Transition

Monitoring Evaluation: Review the current succession plan for the Executive Director position for all elements including documentation of agency staff review during the monitoring period. There are four required elements to be reviewed- 1) it covers the CEO/ED position; 2) it be approved by the governing board; 3) it covers an unplanned short absence; and 4) includes a process for filling a permanent vacancy.

Provide: Succession plan for the Executive Director/CEO and evidence of approval by the governing board in meeting minutes or review by staff during the monitoring period.

Value: 2 points

Federal Standard 4.6 An organization-wide comprehensive risk assessment has been completed within the past two (2) years and reported to the governing board.

Agency Guidance:

- Process of identifying risks that threaten the achievement of the agency goals and protects the long-term stability of the organization
- This is a comprehensive organization wide assessment (not specific to an individual programs or department) to identify potential hazards and analyze contributing factors. There is no mandatory format but should include such items as technology, insurance coverage, transportation, facilities, staffing, property, finances, competition, resources,

etc. However, if assessments are completed for each and every agency department these may add up to an agency-wide risk assessment.

- A risk assessment is generally followed by the implementation of a risk management plan
- The results are internal to the organization and therefore private (OS) and will be reviewed onsite only
- Public agencies may need to draw from multiple government documents that would make up a typical risk assessment used by the non-public agencies and not rely on a single source of information

Authority: 2 CFR Part 200 Subpart D, IM 112, IM 103, IM 82, and IM 138(4.6)

Linkage: IM 138 (8.10), Community Action Partnership 2018 Standards of Excellence 7.6, Community Action Partnership Risk Assessment Toolkit, and IHCDCA CSBG Strategic Planning Consultants Guide for Indiana Community Action Agencies

Interview: Executive Director

Monitoring Evaluation: Review the completed Comprehensive Risk Assessment governing board meeting minutes for discussion. The monitor may review all resources used in completing the risk assessment.

Provide: Governing board meeting minutes reflecting discussion of the risk assessment within the last two years

Value: 2 points

State Standard 4.7 The organization has implemented the required action plan items from the previous CSBG CAR Monitoring.

Agency Guidance:

- It is the responsibility of the agency to ensure all previously required action items are satisfactorily executed based upon the agency submitted action plan/timelines that were approved by IHCDCA as a condition of closing out that monitoring session.

Authority: IHCDCA

Monitoring Evaluation: Review previous CSBG monitoring report and agency submitted action plan items against the items identified during the current monitoring.

Value: 3 points

State Standard 4.8 The organization submitted IHCDCA requested CSBG documents, during the monitoring period, within the established timelines.

Agency Guidance:

- Reports, plans, contracts, amendments, etc.
- Community Action Plan, CSBG Annual Report or equivalent, previous agency CAR Report response(s), CSBG contracts
- IHCDCA request for additional documents

Authority: IHCDCA

Linkage: HHS reporting requirements

Monitoring Evaluation: IHCDCA deadlines versus the agency submitted date for each year during the monitoring period

Value: 3 points

Category Five: Board Governance

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. (IM-138)

A governing board is responsible for defining the organization's mission and for providing overall leadership and strategic direction. The board actively sets policy and ensures that the organization has adequate resources to carry out its mission and meet the challenges within its community. The board also provides oversight and direction for the executive director and is responsible for evaluating his/her performance.

Federal 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); and
3. The remaining membership from major groups and interests in the community (private).

Agency Guidance:

- **Pre-requisite: minimum 15 members and a maximum of 51 members** (Indiana Code)
- **15 Member Board Composition Examples:**
 - *Simple Example:* (5) public representatives, (5) low-income representatives and (5) community/private representatives
 - *Complex Example:* (5) public representatives, (7) low-income representatives and (3) community/private representatives
- **General Tripartite Operating Guidelines:**
 - No group number can ever be higher than the low-income representatives
 - When board composition is not divisible by three:
 - Best Business Practice for the low-income and public groups to be equal numbers
 - Public representative ratio must be rounded up to be a whole number
 - Governing boards have 90 calendar days to fill any vacancy, no exceptions
 - Public Representative cannot appoint more than one individual to represent them on the governing 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 (42 USC 9837(c)(1) that assist in filling a board position.
- When seating a low-income member of the board; rather than a representative, they must be at or below 125% of the Federal Poverty Guidelines (42 USC 9902 (2))
- Each member of the board selected to represent a specific geographic area within a community (i.e. county), must reside in the area represented (IC-12-14-23-6)
- Community is defined as officials or members of business, industry, labor, religious, welfare, law enforcement, education or other major groups and interest in the community served (CSBG ACT). This may include both public and private sector.

- Public (Elected) officials serve in that capacity only while they are “holding office” (42 USC 9910 & IM-82) and beyond that they should be reclassified to another sector if they continue on the board.
- Best Business Practice: Should have at least some low-income board members who are or were recently low-income themselves (CAPLAW)
- Best Business Practice: The board governance committee acting for the entire board oversees the responsibility of the agency maintaining tripartite compliance

Authority: 42 USC 9910 (a)(2), and (b), IC 12-14-23-6, IM 116, IM 102, IM 82, IM 138(5.1), and IHEDA CSBG Grant Award Agreement No. 3(E)

Linkage: Standard 5.5, agency Articles of Incorporation and/or the governing board bylaws, and Community Action Partnership 2018 Standards of Excellence 1.3

Monitoring Evaluation: Review total number of active members by sector representation for each year during the monitoring period listed on the annual attendance matrix. Review the total number of members at each board meeting during the monitoring period (with consideration for the 90-day period to find replacement members) listed on the annual attendance matrix.

Provide: Current governing board roster including county represented, sector represented and appointment/expiration date and attendance matrix for each year during the monitoring period.

Value: 15 points

Federal 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.

Agency Guidance:

- 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. (IM 82)
- A democratic selection process is not limited to an election process. Examples of the democratic selection process may include:
 1. 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)
 2. Vote at a community meeting of low-income individuals
 3. Designation of one or more community organizations composed predominantly of and representing low-income individuals in the service area (Head Start policy council, low-income housing tenant association, board of community health center, etc.) to designate representatives to serve on the board (IM 82) also called Micro-Democratic Selection Process. (CAPLAW)
- Outreach efforts; mail-in ballots, large well-advertised public meetings in which participants vote for a nominee or organizations or groups made primarily of low-income individuals designate a board member
- Bylaws may, but do not need to describe the democratic selection procedure. If not described in the bylaws, the selection procedure should be described in a separate document (i.e. board manual) referred to in the bylaws and approved by the governing board (CAPLAW)
- A community representative can be either someone who receives services or provides services to the low-income population
- This representative should not be chosen by or voted onto the governing board solely by governing board vote or by the nominating committee (CAPLAW)

- This individual should not be chosen by the Executive Director of another organization or the Executive Director of the CAA (CAPLAW)

Authority: 42 USC 9910(a)(2)(B) & (b)(1), IM 82, and IM 138(5.2)

Monitoring Evaluation: Review written democratic selection process. Also, compare to election procedures of the most recent low-income member's selection to determine if the agency policy matches the actions taken.

Provide: Bylaws and/or the written policy along with the recent election documentation

Value: 1 point

Federal Standard 5.3 The organization's bylaws have been reviewed by an attorney within the past five (5) years.

Agency Guidance:

- 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. (NCAP)
- There is no requirement that the attorney be paid (OS)

Authority: IM 138(5.3)

Monitoring Evaluation: Review attorney is not an employee which would create a conflict of interest. Also, review invoice, email, meeting minutes, or other documentation supporting attorney review.

Provide: Evidence of practicing attorney review of the organization's bylaws

Value: 1 point

Federal Standard 5.4 The organization documents that each governing board member has received a copy of the bylaws within the past two (2) years.

Agency Guidance:

- This Standard is limited to receipt of the bylaws only
- The copy can be an electronic or hardcopy distribution (OS)
- Best Business Practice: The bylaws may be posted on the agency website which is accessible to the community or through a specific board portal.

Authority: IM 138(5.4)

Linkage: IM 82

Monitoring Evaluation: Review signed and dated acknowledgement of receipt, email confirmation for each member, or a dated signature list. Monitor will check bylaws receipt within two (2) years of the monitoring visit. Review meeting minutes of Bylaws receipt, discussion, and comments, if applicable.

Provide: Signed and dated acknowledgement of receipt, email confirmation for each member or dated signature list during the past two (2) years.

Value: 1 point

Federal 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.

Agency Guidance:

- Frequency:
 - The full governing board must meet at least 6 times per year (IHCDA)
 - The board may meet more frequently but not less than those established in the bylaws. Document all meetings regardless of method (i.e. in-person, teleconference, special meetings, and retreats)
- Quorum: A quorum of the governing board must be present at each meeting for any business to occur and actions taken.

- Vacancy: The governing board must fill vacant board positions within 90 days (IHCDA & NCAP Best practice)
 - Best Business Practice is to recruit board members on an ongoing basis through a governance board committee (CAPLAW)

Authority: IM 82, IM 138(5.5), and IHCDA & Agency Bylaws (Attendance & Vacancy)

Linkage: IM 138(5.1 & 5.4) and State Standard 5.10

Monitoring Evaluation Review governing board minutes and the governing board attendance matrix during the monitoring period to determine the number of meetings held within the year, the quorum for each meeting and the time to fill any vacancies to determine if the governing board is following the bylaws. State Standard 5.10 determines that the policy exists.

Provide: Board meeting minutes and the governing board attendance matrix for each year during the monitoring period.

Value: 6 points

Federal Standard 5.6 Each governing board member has signed a conflict of interest form within the past two (2) years.

Agency Guidance:

- As a fiduciary, a board member must put the interest of the CAA ahead of its own and avoid conflicts of interest (NCAP)
- There is no particular template to follow. However, it must allow for full written disclosure to be documented (e.g. places to list conflicts).
- Each form must be fully executed and signed by the governing board member to be valid
- Every active member must have a current conflict of interest form on file with the agency. Therefore, new board members should complete a conflict of interest form when appointed or by their first meeting.
- Report 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. (IRS Form 990 Part VI/Section A)
- Public agencies must have the advisory board fulfil this requirement.

Authority: IM 82 and IM 138(5.6)

Linkage: Board Bylaws, IRS Form 990, and 2 CFR 200.318 (c)(1)

Monitoring Evaluation: Review signed and dated statements against the governing board roster for the past two (2) years. Examine documents for places that list potential financial, loyalty or other conflicts of interest. Review the date signed versus the first meeting, if applicable.

Provide: Most recently signed conflict of interest statement from each board member over the past two (2) years.

Value: 2 points

Federal Standard 5.7 The organization has a process to provide a structured orientation for governing board members within six (6) months of being seated.

Agency Guidance:

- The first meeting the new member is seated or appointed is their “official” start date
- A well-organized board orientation program can ensure effective board and individual performance by creating a strong foundation. Community Action board service is challenging as most agencies have numerous funding streams, complex financial statements and intensive reporting requirements when compared to other nonprofits in the community.
- A verbal only process does not allow for information to be consistently conveyed to each new governing board member and is not considered structured.

- Documented orientation curricula may have organization specific elements including bylaws, fiduciary duties, role and responsibilities (IC), 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. However, there is no specific requirement.
- Training may be delivered at board meetings, in person, special sessions or through electronic media (OS)
- Best Business Practice: The potential board member receives orientation prior to their first official board meeting.
- Best Business Practice: Utilizing long standing governing board members to mentor new members

Authority: IM 82, IC 5-14-1.5-3.1(6) and IM 138(5.7)

Interview: Executive Director for the formal and non-formal process used by agency

Monitoring Evaluation: Review governing board members first meeting against a signed/dated orientation checklist or other executed proof of orientation.

Provide: Governing board matrix and signed orientation checklist or other documented proof of orientation for each new member during the monitoring period.

Value: 3 points

Federal Standard 5.8 Governing board members have been provided with training on their duties and responsibilities within the past two (2) years.

Agency Guidance:

- Board members are trained to carry out both the legal or fiduciary aspects of their service and their leadership responsibilities (IM)
- Organizations should conduct their own formalized and documented in-house, online (national partner webinars), or outside (community-based, presentations, certification, or conference) training and retreats.
- Board training topics may include:
 - CSBG Act requirements
 - Fiduciary responsibilities
 - Bylaw Enforcement
 - Duty of Care
 - Attendance and Engagement
 - Liability and Finance
 - Board Roles and Responsibilities
 - Assessments, Planning, Fundraising
 - Board Recruitment
 - Oversight of the ED
 - Duty of Transparency/Loyalty
 - Conflict of Interest
 - ROMA responsibilities
- Routine agency program reports/presentations or Introduction to ROMA must not be the only training board members receive during the monitoring period.

Authority: IM 103, IM 102, IM 82, and IM 138(5.8)

Linkage: Community Action Partnership 2018 Standards of Excellence 1.3 and CAPLAW Exemplary Legal Practices & Policies Guidebook (Board Training)

Interview: Executive Director and governing board members

Monitoring Evaluation: Review board training agendas and meeting minutes during the monitoring period to assure well rounded board development training is occurring

Provide: Training agendas/content, presenter(s) and documentation of board attendance or board minutes reflecting the training received during a meeting (for each year during the monitoring period).

Value: 2 point

Federal Standard 5.9 The organization's governing board receives programmatic reports at each regular board meeting.

Agency Guidance:

- Does not require a report on each program at every board meeting; however, it does call for some level of programmatic reporting at every board meeting. (OS)
- Board minutes that reflect programmatic reports have been received and reviewed by the full board (reporting may be in writing and/or verbal). (NCAP)
- Boards are encouraged to stay informed of programs & activities and receive periodic reports from staff that focus on progress towards achieving stated goals. (IM)
- A Program Committee of the governing board is not required but can be a good place to "house" thorough program reviews with summaries coming to the full board. (NCAP)
- Best Business Practice: 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 82 and IM 138(5.9)

Monitoring Evaluation: Review governing board minutes and pre-meeting board packets

Provide: Governing board pre-meeting packet for the month prior to monitoring and meeting minutes that reflect monthly discussion of program updates.

Value: 1 point

State Standard 5.10 The organization's bylaws establish, at a minimum, basic policies that govern aspects of board operations and the governing board enforces these policies:

1. Tri-partite requirements
2. Board membership levels (i.e. 18 members)
3. Voting Rights of Members (i.e. each member gets one vote)
4. Petition for Adequate Representation
5. Conflict of Interest
6. Quorum
7. Attendance
8. Supervision & Evaluation Responsibilities over the CEO/ED
9. Governing Board Terms and Term Limits
10. Time Limit to Fill Board Vacancies
11. Removal for Cause (termination)
12. New Board Representative Approvals

Agency Guidance:

- State law requires organization's to responsibly prepare meeting minutes, authenticate corporate records and a recall of officers, and this information should be included in the bylaws.
- Petition of Representation: Established procedures for low-income individuals to petition for adequate representation of low-income individuals on the board. (IM 102).
- Conflict of Interest:
 - 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.
- Assist governing board members recognize when they have a personal interest and should handle any transactions differently.
- Does the organization have a written conflict of interest policy? (IRS Form 990)
- **Quorum:** Consists of a majority of the directors in office immediately before a meeting begins, unless stated otherwise in the bylaws. However, the bylaws may not authorize a quorum of fewer than One-third (1/3) of the number of directors in office. (IC)
- **Attendance:** Establishes regular member attendance requirements and expectations.
 - Telecommunications and other technological devices have assisted board communication (IM) and allow board members to participate remotely. (IC 5-14-1.5-3.6)
 - The fiduciary responsibility of a board requires regular attendance at both board and committee meetings (IM).
- **Oversight & Evaluation of the CEO/ED:** Define the relationship between the board and the executive director (ED) such as the boards responsibility to appoint and employ the ED, annually evaluates the ED, set compensation, and if necessary remove the ED.
- **Term/Term Limits:** 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 (IC). A term limit is the standard length of time for a member's term, not the total number of terms a member can complete before going off of the board.
- **Vacancy:** An agency has up to 90 calendar days to fill board member vacancies (IHEDA & CAA)
- **New Member Board Approval:** Members of tripartite boards "shall be selected by the entity" (IM-82). Therefore, after each prospective member has been selected to serve through the appropriate selection process and meets the established qualifications for service; the full board shall vote to confirm as a board member. (CAPLAW)

Authority: 42 USC 9908 (b)(10) and IM 102 (Petition for Adequate Representation); IM 102 (Termination); IM 82 and IRS Form 990 (Conflict of Interest and Attendance); IM 138, IM 82, and IM 138 7.4 & 7.5 (Oversight); IC 23-17-12-5 (Term limits); IC 23-17-15-5 (Quorum)

Linkage: Community Action Partnership 2018 Standards of Excellence 1.3

Monitoring Evaluation: Review bylaws that the minimum provisions are included and that the governing board enforces these actions.

Provide: Organization's bylaws

Value: 9 points

State Standard 5.11 The tripartite governing board is "fully engaged" in the development, planning, implementation, and evaluation of the organization.

Agency Guidance:

- Governing board makes agency policy and management carries out that policy (IM 82 Summary)
- Examples:
 - Development: Needs assessment and clarifying agency mission, etc.
 - Planning: Strategic and Annual Planning, etc.
 - Implementation: Regular attendance at board and committee meetings, decision-making based on sufficient information, ensuring that proper fiscal systems and controls, and Knowledge of all major actions taken by the agency, etc.

- For Example, no board member should miss 100% of the meetings in a year and still be considered “active”.
 - Evaluation: Focus on results in all phases of agency program activity, review actual changes or improvements for clients and the community, and compare performance expectations or targets to outcomes, etc.
- Public CAA have more than just advisory boards and the board members should also be actively participating in the process.
- Meeting minutes are contemporaneous written record describing what transpired at a board or committee meeting and preserve institutional memory (CAPLAW). Minutes reflect that the board is making policy rather than just operational decisions.
 - Provides documentation which illustrate board questions, comments, concerns and involvement in the formal decision-making process.
 - A consent agenda does not need any discussion before a vote; However,
 - If using a consent agenda; Prior to or at least at the meeting, the board chair should first ask members if they wish to move any consent agenda items to the regular agenda. If a member disagrees with a consent agenda item or wants to discuss or comment on an item then it must be moved to the regular agenda, so the conversation is captured in the meeting minutes.
- Best Business Practice: Distributing board meeting packets several days before the meeting allows the board to meet its Duty of Care by providing time to formulate thoughtful questions and actively participate in the meeting.
- Best Business Practice: Dashboard is a method in which the agency can document board participation.

Authority: 42 USC 9910(a)(1), IM 116, IM 102, and IM 82

Linkage: Community Action Partnership 2018 Standards of Excellence 1.3, Community Action Partnership Code of Ethics (3) and IHCD A CSBG Strategic Planning Consultants Guide for Indiana Community Action Agencies

Interview: Executive Director and governing board members

Monitoring Evaluation: Governing board minutes during the monitoring period for full participation of the governing board by determining if the board voiced any comments, questions or concerns at meetings.

Provide: Governing board minutes

Value: 3 point

State Standard 5.12 The full governing board reviewed and discussed the most recent IHCD A issued CSBG CAR finalized monitoring report within ninety (90) days of receiving the report.

Agency Guidance:

- One of the most critical stakeholders in assuring adherence to established organizational standards is the governing board which oversees operations on behalf of the community. (IM-138)

Authority: IM 82 and IHCD A

Monitoring Evaluation: Review board meeting minutes for discussion, questions, action taken

Provide: Governing board meeting minutes of when last CAR visit monitoring report was presented

Value: 1 point

State Standard 5.13 Governing board members participate in the CSBG CAR on-site monitoring visit by meeting with the IHCD A monitor(s).

Agency Guidance:

- State CSBG officials should meet routinely with boards as part of their overall monitoring of the local agencies to determine the extent to which the boards are aware of, and are carrying out, their responsibilities (IM 82)
- The organization should schedule approximately one and a half hours for at least two (2) Board of Director's to meet with the IHCDCA monitor(s) preferably at the same time
- It is preferred that a representative from each tripartite sector is present with at least one being an executive committee member, if available
- The meeting is conducted independent of agency staff
- Preference is on the afternoon of day one or anytime during normal business hours of day two.
- Phone interviews or video conferencing are an option, but not preferred

Authority: IM 82 and IHCDCA

Linkage: State Standard 5.11

Interview: Governing board members

Provide: At least two (2) governing board members for the interview

Value: 2 points

Category Six: Strategic Planning

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. (IM-138)

Formulating a strategic plan is one of the most important endeavors an organization can undertake. Not only does it provide a sense of direction over a defined period of time but at a very basic level it clarifies why the organization exists, whom it exists to serve, how it differentiates itself, and what values will guide the actions of the people that make it all happen. (Sue Hodges-Moore, Chief Strategy Officer at Ball State University, 2018)

Federal 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.

Agency Guidance:

- Strategic planning is a key component and embodiment of the ROMA framework
- Strategic planning focuses on medium to long term goals, generally 3-5 years, and is distinct from the Community Action Plan which is a one (1) year CSBG operating plan.
- 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 (NCAP)
- Intended to be an organizational-wide document, not a list of individual program goals (OS)
- 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 (IHCDA)
- Must be approved by the full governing board and not a subcommittee planning committee

Authority: IM 49, IM 82, IC-12-14-23-9 (1), and IM 138 (6.1)

Linkage: IM 138(4.1, 4.3, 6.2, 6.3, 6.4, and 16.13), Community Action Partnership 2018 Standards of Excellence 2.1 and IHCDA CSBG Strategic Planning Consultants Guide for Indiana Community Action Agencies

Monitoring Evaluation: Review strategic plan effective dates to ensure the plan is current and the approved date by the governing board.

Provide: Current strategic plan and governing board meeting minutes reflecting approval by the full board.

Value: 4 points

Federal 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.

Agency Guidance:

- Ties strategic planning goals to the broader anti-poverty mission that all CAAs share (NCAP) and the review of the agency vision and mission.
- This standard does not explicitly require an agency to formally list the three stated objectives as one or more of the goals in the strategic plan.

- The strategic plan should address both internal and external type of goals and not just provide only internal agency operational specific goals:
 - External Goal Example: Increase low income homeownership in Waterloo County by fifteen percent
 - Internal Goal Example: Raise \$10,000 in unrestricted agency funds in 2014
- The use of logic models or similar method is encouraged when developing strategic goals (NASCS and ROMA)
- The plan must include a short section that clearly links one or more of the three objectives (identified in the standard) and explains how they are addressed (NCAP) or a Compliance Summary Page explaining how the plan meets the requirements (NASCS)

Authority: 42 USC 9901, and IM 138(6.2)

Linkage: IM 138(4.1 and 4.2), ROMA, Community Action Partnership 2018 Standards of Excellence 2.2 and IHEDA CSBG Strategic Planning Consultants Guide for Indiana Community Action Agencies

Monitoring Evaluation: Strategic plan demonstrates it addresses one or more of the stated objectives of reduction of poverty, revitalization of low-income communities, and/or empowerment of people.

Provide: Current Strategic Plan

Value: 3 point

Federal Standard 6.3 The approved strategic plan contains family, agency and/or community goals.

Agency Guidance:

- These goals are set out as part of ROMA and provide the framework for the National Performance Indicators (OS). Family, Agency and/or Community is associated with each strategic plan action step to show the connection between the goal and ROMA. (IHEDA)
- There is no requirement that all of these objectives must be addressed. Agency goals can be included in the plan, but it must also have some elements of the other objectives to meet the standard.
- Measurable goals indicate that stated outcomes can be tracked by the characteristics of frequency, duration, accuracy, speed or intensity. Tracked goals can be reported (IM 138)
- ROMA establishes a well written outcome indicator as SMART; **S**pecific, **M**easurable, **A**ttainable, **R**elevant and **T**ime specific; which assist in identifying Who, What, When and How
 - Generic Goal: Share agency success stories with the community
 - **SMART Goal:** Post 3 new success stories each month on the agency website for 2018 and 2019

Authority: PL 105-285.Section 676(b)(12), IM 49, and IM 138(6.3)

Linkage: IM 138(6.5 & 9.2) and IHEDA CSBG Strategic Planning Consultants Guide for Indiana Community Action Agencies

Monitoring Evaluation: Each objective is linked to the National Goals (family, agency or community). Each goal is SMART. All strategic plan goals demonstrate that progress is at least annually tracked and reported.

Provide: Strategic plan and/or strategic plan action steps with annual tracking sheets

Value: 2 point

Federal Standard 6.4 Customer satisfaction data and customer input, collected as part of the community needs assessment, is included in the strategic planning process.

Agency Guidance:

- “Knowing the customer” is critical to implementing the ROMA framework
- Links community assessment and the customer with the strategic planning process
- Customer satisfaction data refers to feedback collected from individuals and families the agency serves about how well its services met or exceeded their expectations
- Engaging customers during the needs assessment and strategic planning process builds key relationships and opportunities for participation in other activities (NCAP)

Authority: PL 105-285 Section 676 (b)(12), and IM 138(6.4)

Linkage: IM 138(1.2), IHCDA Program Guidance CSBG-019-01 and IHCDA CSBG Strategic Planning Consultants Guide for Indiana Community Action Agencies

Monitoring Evaluation: Documentation to confirm customer satisfaction data was included in the strategic planning process

Provide: Strategic plan appendices/reference list or strategic planning notes

Value: 1 point

Federal 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.

Agency Guidance:

- A performance scorecard or similar mechanism is strongly encouraged to aid the agency in annually tracking outcomes and reporting progress to the governing board.
- General scorecard information should include columns that demonstrate:
 - written objective, or overall goal with or sub-goals and action steps
 - which strategic planning years the sub-goals or actions steps will occur
 - how the objective is measured (percent change or number)
 - overall target or how success will be identified (percent change or number)
 - frequency of measurement (monthly/annually/etc.)
 - primary responsible party to achieve objective
 - year-to date progress as well as overall progress from when strategic plan started

Authority: IM 138(6.5) and IM 82

Linkage: Community Action Partnership 2018 Standards of Excellence 1.1, 2.1, & 7.1 and IHCDA CSBG Strategic Planning Consultants Guide for Indiana Community Action Agencies

Monitoring Evaluation: Review the strategic progress reporting documents and the meeting minutes for discussion by the governing board for each year during the monitoring period

Provide: Strategic plan scorecard or similar mechanism and the meeting minutes of annual presentation to the full board for each year during the monitoring period

Value: 3 points

Section 3: Operations and Accountability for Operational Performance Metric

Category Seven: Human Resource Management

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. (IM-138)

Federal 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.

Agency Guidance:

- Also called Employee handbook or manual
- A full review and approval by the governing board occurs every five (5) years outside of any necessarily updates, where only the update is approved.
- Policies need to be comprehensive to cover changing and diverse HR law and regulations. They are the foundation of strong HR management and reflect the values and expectations of the agency (NCAP).
- Attorney are encouraged to have expertise with Human Resource (OS)
- Best Business Practice: Agencies are encouraged to work with human resource professionals or attorneys on staff or the board prior to the legal review to minimize cost (OS)
- Not applicable to public agencies unless CSBG funds are used under an umbrella not-for-profit that employs staff (IHCDA)

Authority: IM 82 and IM 138(7.1)

Linkage: Community Action Partnership 2018 Standards of Excellence 5.1

Monitoring Evaluation: Review written personnel policies and date last approved by the governing board. Also, review evidence of attorney review within the last 5 years.

Provide: Invoice for services or email correspondence of attorney review and governing board meeting minutes of most recent approval

Value: 2 points

Federal 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.

Agency Guidance:

- May be made available electronically (intranet, shared server, or distributed via email) or print formats (OS)
- Best Business Practice: Staff should sign an "Acknowledgement of Receipt" or a signatory page in the employee handbook
- Best Business Practice: Agency should have an identified process for notifying staff of updates and a mechanism to track that staff acknowledged the update

Authority: IM 138(7.2)

Interview: Human Resources Manager

Monitoring Evaluation: Random sampling of employee files for a signed employee acknowledgement/receipt form of employee handbook. Review internal agency communication of policy change notification to staff

Value: 1 point

State Standard 7.2.1 The organizations Employee Handbook is approved by the governing Board and establishes, at a minimum, basic staff personnel policies:

1. Leave of Absence policy
2. Disciplinary and Termination policy
3. Non-Discrimination (equal opportunity employer) policy
4. Conflict of Interest policy
5. Code of Conduct/Code of Ethics policy
6. Nepotism policy
7. Workday (hours) and Week descriptions
8. Overtime policy
9. Classifications of Employees (exempt, non-exempt, etc.)
10. Vehicle policy/Valid Drivers' License policy while operating agency owned vehicle
11. Drug-free workplace statement
12. Smoke-free workplace statement
13. Information protection & confidentiality policy
14. Social Media Policy (Effective January 1, 2021)
15. Political Activity Policy (Effective January 1, 2021)

Agency Guidance:

- Conflict of Interest Policy: Defines conflicts of interest, identifies the classes of individuals within the organization covered by the policy, facilitates disclosure of information that can help identify conflicts of interest, and specifies procedures to be followed in managing conflicts of interest.
 - 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. (IRS Form 990 Part VI/ Section B)
 - These rules are put in place to deter employees from putting their personal interests/gains before those of the agency when competing interests or loyalties occur.
 - The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts (200.318)
 - Statements must be completed when hired and at least as needed upon changes
 - Linked to the Community Action Partnership Code of Ethics (9 & 10)
- Code of Conduct/Ethics Policy: Outlines rules, behaviors and responsibilities that employees are expected to follow.
 - Federal Sentencing Guidelines require all employers adopt formal and "effective" ethics and compliance programs and to train all employees on these programs (Federal Register 5/19/2004)
 - Linked to the Community Action Partnership Code of Ethics (8)
- Nepotism Policy: Exist to ensure that individuals can't supervise, discipline, work with, or have any influence over the recruitment, salary or promotion of a close relative.

- **Drug-Free Workplace Policy:** Informing employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and establishing the actions that will be taken against employees violating these provisions (PL)
- **Smoking Policy:** May not be permitted in any portion of any indoor facility owned or regularly used for the provision of health, day care, education, or library services to children under 18, if the services are funded by Federal programs wither directly or through State or Local governments (PL) or within (8) eight feet of a public entrance to a public place or a place of employment (Indiana Smoke free Air Law).
- **Information Protection/Confidentiality Policy:** Provides guidelines to users on the processing, storage and transmission of sensitive information.
 - Linked to the Community Action Partnership Code of Ethics (11)
- **Social Media Policy:** Provide detailed information and a definition about how the agency is approaching social media. Educates employees on using social media in the workplace and protects the agency from employee misuse.
- **Political Activity Policy:** Outline direct or indirect involvement in the political election process.
 - As a nonprofit 501(c) (3) tax-exempt organization and recipient of Community Services Block Grant, Head Start and other federal funds, the agency must follow certain rules concerning political activity. Refer to 42 U.S.C. §§ 9851 and 9918(b).
 - 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.
 - The policy should define both Allowable (off duty) and Prohibited (at all time) activities as described in federal and state statute.

Authority: IM 82, IM 138(7.7); United States Department of Labor; IHCD A CSBG Grant Award Agreement No. 18 (Non Discrimination), No. 19 (Political Activity), No. 20 (Drug Free Workplace), No. 24 (Conflict of Interest), No. 25 (Environmental Tobacco Smoke) and No. 33 (Equal Employment Opportunity); Indiana Smoke Free Air Act; 2 CFR Part 200 Subpart D; 2 CFR 200.303(e)(Information Protection)Hatch Act (Political Activity)

Linkage: Title V, Subtitle "D" of Public Law 100-690 (Drug-free Workplace Act of 1988); Title XII of Public Law 103-227 (Pro-Children's Act of 1994-20 USC 6081); Sarbanes-Oxley Act, IM 82 page 9, and IRS Form 990 Part VI/Section B (Conflict of interest); Community Action Partnership Code of Ethics (8-11); CAPLAW Exemplary Legal Practices & Policies Guidebook (Ethics)

Monitoring Evaluation: Review the agency employee handbook to determine that each topic is covered and that the current edition has been approved by the governing board. Review randomly selected employee files for Conflict of Interest statements.

Provide: Employee Handbook summary sheet identifying where each provision and page number are located and governing board minutes reflecting board approval.

Value: 8.5 points

Federal Standard 7.3 The organization has written job descriptions for all positions, which have been updated in within the past five (5) years.

Agency Guidance:

- Ensures job direction and accountability
- Job descriptions for each type of position, not each staff person (OS)
- Should include; job title, minimum qualifications, reporting relationship, summary/purpose, essential duties, additional duties, supervisory responsibilities, working conditions, and EEO/ADA conditions
- Best Business Practice: Review and update job descriptions annually in conjunction with performance evaluations.

Authority: IM 138(7.3)

Linkage: IM 138(4.5)

Interview: Human Resource Manager for process to update job descriptions

Monitoring Evaluation: On-Site review of job descriptions against the organizational chart. Ensure all job descriptions have been updated or reviewed within last 5 years.

Provide: Evidence that descriptions have been reviewed within last 5 years (i.e. date of last revision, signed acknowledgement by staff etc.) through governing board/ leadership staff meeting minutes or update posted on the job description cover page

Value: 1 point

Federal Standard 7.4 The governing board conducts a performance appraisal of the CEO/Executive Director within each calendar year and establishes annual written goals and/or expectations.

Agency Guidance:

- Clarifies an expectation of the governing board to provide HR oversight to its only employee; the CEO/ED
- May be accomplished through a board committee or by the full board
- Performance evaluations must be written and fully executed, but no specific appraisal tool is required
- Governing board demonstrates that the CEO/ED is supervised directly and that there is regular communication of their goals and expectations
- Public agencies; the Executive Director is considered the Department Head, where a policy exists for local government performance appraisal to be conducted
- Best Business Practice: Governing board should receive and accept the performance appraisal by vote and documented in the meeting minutes

Authority: ROMA, IM 82 and IM 138(7.4)

Interview: Executive Director, governing board members and Human Resource Manager

Monitoring Evaluation: Written performance evaluation of the CEO/Executive Director was completed for each year during the monitoring period (performance evaluation will be viewed on-site)

Provide: Executive committee or governing board minutes reflecting performance evaluation was conducted for each year during the monitoring period (**Do Not send completed Executive Director evaluations**) and a blank copy of the assessment tool for the executive

Value: 3 points

Federal Standard 7.5 The governing board reviews and approves the CEO/Executive Director compensation within every calendar year.

Agency Guidance:

- Promotes minimum uniform schedule for executive pay
- The compensation review and approval often happen in conjunction with the performance evaluation (OS), established in IM 138 (7.4)
- This includes salary, fringe, health and dental, expense/travel account, vehicle, etc. (OS)
- Public agencies; the compensation of the department head is made available according to local government procedure
- Best Business Practice: Develop a Board Checklist for establishing a Chief Executive Compensation Plan (BoardSource)

Authority: IM 82 and IM 138(7.5)

Monitor Evaluation: Governing board meeting minutes reflecting compensation approval within the calendar year for each year during the monitoring period.

Provide: Governing board minutes or official board communication to the executive regarding compensation approval for each year during the monitoring period.

Value: 1.5 point

Federal Standard 7.6 The organization has a policy in place for regular written evaluation of employees by their supervisors.

Agency Guidance:

- The agency must have a clear and definitive timeframe established for which evaluations will be conducted (i.e. after 90-day probation period, annually, prior to transfer to another department, etc.)
- Incorporating written and fully executed evaluations for employees protects employees, supervisors and the agency from risk associated with individual employee/supervisor issues and possible class action laws suits.
- Ensures agency accountability for staff supervision and improved performance over time
- Performance evaluations are written, but no specific appraisal tool is required.
- Evaluations must be securely located within each employees personnel file.

Authority: Agency Personnel Policy, ROMA, and IM 138(7.6)

Linkage: Standard 7.7 and Community Action Partnership 2018 Standards of Excellence 5.2

Monitoring Evaluation: Review employee handbook for the performance evaluation policy. Random sampling of employee personnel files to ensure policy enforcement.

Provide: Employee Handbook

Value: 2 point

Federal Standard 7.7 The organization has a whistleblower policy that has been approved by the governing board.

Agency Guidance:

- Encourages individuals to come forward with credible information on illegal practices or violations of adopted policies and specifies the agency will protect individuals from retaliation. (Sarbanes-Oxley)
- A staff person or volunteer who comes forward with credible information to exposes actions within the organization by co-workers, management or the governing board that are deemed illegal.
- The most common whistleblower action is reporting fraud or misconduct.
- Must include anti- retaliation language
- Must establish one or multiple reporting methods that a staff member or volunteer could use to notify the agency
 - Reporting mechanisms should include an option to make a report to someone who is not one's immediate supervisor.
- Public CAAs are to provide a copy of any existing local government whistleblower policy to board members at the time of board orientation. (CAPLAW)

Authority: IM 138 (7.7)

Linkage: IRS Form 990 (Part VI/Section B), Sarbanes-Oxley Act (whistleblower protection), Whistleblower Protection Act of 1989, IM 116, and State Standard 7.2.1 or State Standard 8.14

Monitoring Evaluation: Review agency whistle blower policy for required information and documentation of governing board approval.

Provide: Agency Employee Handbook of Fiscal Policy Manual with the whistle blower policy and evidence of governing board review.

Value: 2 points

Federal Standard 7.8 All staff participates in a new employee orientation within sixty (60) calendar days of hire.

Agency Guidance:

- Ensures smooth transition from hiring process to onboarding and training for all staff into the organization (NCAP)
- There is no curricula requirement. Content may include time and effort reporting, ROMA, data collection, mission, CSBG history and/or community action, job description and performance expectations, education and training, tools and resources, emergency action planning, and review of the employee handbook/personnel policies
- This may be met individually or in a group orientation (OS) but should be documented
- The date of hire is established on the employee I-9
- Best Business Practice: Agency utilizes a Human Resources Orientation Checklist signed by the employee to ensure all necessary forms and materials are covered and provide documentation of the training

Authority: IM 138(7.8)

Linkage: Community Action Partnership 2018 Standards of Excellence 5.4

Interview: Human Resource Manager

Monitoring Evaluation: On-Site review of employee orientation date versus the new hire date of randomly selected employees.

Provide: List of all employees hired during the monitoring period (since the last CAR onsite visit)

Value: 1 point

Federal Standard 7.9 The organization conducts or makes available staff development/training (including ROMA) on an ongoing basis.

Agency Guidance:

- There are no specific requirements for training topics (OS), but it is recommended to focus on areas within the organization that may need attention or further develop specific staff skills
- There is no specific requirement for a delivery method. Examples of training and/or development delivery methods via third party or the agency include in-house, community-based, conference, online, etc.
- Customize training opportunities to development areas identified in individual performance evaluations or to ensure knowledge is in place to successfully execute strategic plan goals
- This should be documented in the employee personnel file (OS)

Authority: IM 138(7.9)

Linkage: IM 138 (4.5 & 6.1) and Community Action Partnership Code of Ethics (12)

Interview: Human Resource Manager

Monitoring Evaluation: Random sampling of employee personnel files for employee training documentation or annual training plan, log, list or summary report for each year during the monitoring period

Provide: Annual training plan, log, list or summary report

Value: 1 point

State Standard 7.10 Potential employees are subject to the organization's contingent assessment methods (accountability standards) prior to hiring.

Agency Guidance:

- Professional references are completed prior to employment. Responses by staff are documented, including signed and dated by staff who completed the reference check

- All United States employers must complete Form I-9 for each individual employee, whether citizen or noncitizen, who is hired in the United States after November 7, 1986. (USCIS)
 - The employer must verify the individual's identity and employment authorization then record the document information on Form I-9, and keep the form available for inspection
 - An electronic employment confirmation system called E-Verify help employers confirm that an employee is authorized to work. Even where E-Verify is used, employers must still submit Form I-9 for each newly hired employee.
- Indiana limited criminal history check (Indiana sheriff registry, local law enforcement check and fingerprint-based background check).
- National Sex & Violent offender registry checked as required by agency-wide or specific program
- Drug testing as required by agency or specific program
- Agency hiring and non-discriminatory recruitment policies and practices are posted (IM)
- Employee personnel files are separate from employee medical files (HIPAA of 1996)
- Best Business Practice: Agency utilizes a Human Resources New Hire Checklist signed or initialed by staff to ensure all accountability are met prior to hiring
- Best Business Practice: Doxpop.com allows for six (6) free public record searches a month

Authority: Immigration Reform Act of 1986 (U.S. Citizenship and Immigration) and IHCDCA CSBG Grant Award Agreement No. 44 (I-9).

Linkage: HIPAA of 1996 and IM 102 (non-discrimination)

Monitoring Evaluation: Random sampling of new employee personnel files and I-9s. Audit employee I-9 compliance, and review professional reference check, sex & violent offender, and criminal history check documentation.

Value: 5 point

State Standard 7.11 The organization provides non-discrimination provisions training to all staff to prevent discriminatory practices.

Agency Guidance:

- Non-discrimination provisions training is current (IM). IHCDCA considers "current" as at least during the monitoring period.
- Head Start and Early Head Start programs offer specific staff training for non-discrimination. However, the agency must provide support that all staff receive such training.
- Federal Sentencing Guidelines require all employers adopt formal and "effective" ethics and compliance programs and to train all employees on these programs. (Federal Register 5/19/2004)

Authority: IM 102

Linkage: 42 USC 9918 (c)(1)

Monitor Evaluation: Review training records or program syllabus during the monitoring period

Provide: Training records, agenda or other supporting documentation that training was provided for all staff members.

Value: 1 point

Category Eight: Financial Operations and Oversight

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. (IM-138)

Federal 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.

Agency Guidance:

- Financial statements are the responsibility of management. The independent audit firm's responsibility is to express an opinion on the provided financial statements (GAAP)
- 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
- The Federal requirements mandate the submission (filed with the Federal and State) of the audit report within nine months (6 months with and automatic three-month extension) of the entity's fiscal yearend to be considered complete. Otherwise, it is considered out of compliance unless an additional extension is granted.
- Do Not use the auditing firm for non-auditing services except tax form preparation

Authority: IM 82, 2 CFR 200.501, IHEDA CSBG Grant Award Agreement No. 7(A), Sarbanes-Oxley Act, non-profit provision and IM 138 (8.1)

Linkage: 2 CFR 200.331 & .508 (a)(d), Community Action Partnership 2018 Standards of Excellence 7.6 and WIPFLI OMB Uniform Guidance Training

Interview: Chief Financial Officer and/or Fiscal Manager

Monitoring Evaluation: Annual audit was completed on time and by a Certified Public Accountant. Conduct an evaluation of the audit report for the type of opinion the financial statements received, were there findings noted in the internal controls and compliance reports, does the information provided in the audit report reflect the information presented to the governing board and other relevant information.

Provide: Physical or electronic copy of the audit report or audited financial statement and an electronic "receipt" from the Federal Clearinghouse showing the date the audit report was submitted was within the nine-month deadline for most recent years in the monitoring period.

Value: 6 Points or Not Applicable (N/A)

Under the Federal \$750,000 limit:

Agency Guidance:

- Annually establish separate audit (or finance) committee with at least one "financial expert" to do a general review of the agency's finances.
- Audit agrees with IRS Form 990

Monitoring Evaluation: Review committee financial report to the governing board

Above the Federal \$750,000 limit:

Agency Guidance:

- Audit committee with at least one "financial expert" should oversee the audit company and review the audit (S-OA)

- Management and governing board members should always inquire what type of independent audit report is being issued (unmodified, qualified, disclaimer, adverse)

Federal 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.

Agency Guidance:

- Prompt action was taken to address instances of noncompliance identified in audit findings
- When the audit is complete, the board should receive the audit report and management should provide any plans necessary to address any findings noted in the audit
- 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.
- Findings are those noted in the report, not the Management Decision Letter (OS). However, the MDL is generally based upon the audit report and should be used as a reference.

Authority: 2 CFR Part 200.508(c) and CSBG Annual Report (H.7), IM 138(8.2)

Linkage: 2 CFR 200.331 & 516(a) and Community Action Partnership 2018 Standards of Excellence 7.6

Monitoring Evaluation: Review governing board minutes for discussion, decisions and resolutions noted in the minutes or the organizations response letter. In addition, review all Management Decision Letters during the monitoring period for unresolved findings.

Provide: Agency response to the audit, corrective action plans, and/or governing board minutes and Management Decision Letters.

Value: 3 points

Federal Standard 8.3 The organization’s auditor presents the audit to the governing board.

Agency Guidance:

- The process of reviewing the audit report and ensuring the appropriateness of the response indicates a high level of functionality of the board
- This standard requires presentation to the full governing board, but this does not require that the full board receive the same level of detail that was discussed with a **board committee**
- Auditor may make presentation in person, webinar or conference call, etc.
- Public tripartite advisory boards are notified of the availability of the audit

Authority: Single Audit, IM 82, and IM 138(8.3)

Linkage: 2 CFR 200.516

Monitoring Evaluation: Review governing board meeting minutes reflecting audit presentation for each year during the monitoring period

Provide: Governing board meeting minutes reflecting auditor presentation of the audit report for each year during the monitoring period.

Value: 1.5 points

Federal Standard 8.4 The governing board formally receives and accepts the audit.

Agency Guidance:

- The governing board must take formal action receiving and accepting (board vote) the audit. This action demonstrates the governing board has committed itself to correct any issues noted in the report established in IM 138 (8.2).

- Public tripartite advisory boards are notified of any findings related to CSBG funding

Authority: Single Audit, IM 82, and IM 138(8.4)

Linkage: IM 138(8.2)

Monitoring Evaluation: Review governing board minutes reflecting a motion by the board to accept the audit for each year during the monitoring period

Provide: Governing board meeting minutes reflecting acceptance of the audit report for each year during the monitoring period.

Value: 3 points

Federal Standard 8.5 The organization has solicited bids for its audit within the past five (5) years.

Agency Guidance:

- Agency is not required to switch auditors or partners, only that the audit is put out for bid and the bid is approved by the governing board. This procurement helps solidify the independent role of the auditor.
- The procurement process should follow the agency's procurement policy. Solicitation is the act of procuring a good or service.
- The agency must enter into a contract within a reasonable amount of time (prior to the bid pricing expiration date) after the bid is approved by the board so the established pricing is still valid
- Not applicable to public agencies unless CSBG funds are used under an umbrella not-for-profit (IHCDCA)
- Best Business Practice: 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 (2 CFR 200.509)

Authority: IM 138(8.5)

Linkage: 2 CFR 200.509, State Standard 12.1 and WIPFLI OMB Uniform Guidance Training

Monitoring Evaluation: Review agency procurement policy against the most recent Request for Proposals (RFP) for auditing services with scoring grid/ evaluation sheet and meeting minutes. Compare bid award date to the signed contract date.

Provide: Most recent Request for Proposal & bids selection documentation. The governing board meeting minutes showing a vote on the awarded auditor.

Value: 1 point

Federal Standard 8.6 The IRS Form 990 is completed annually and made available to the governing board for review.

Agency Guidance:

- 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.
- The filing deadline for the form is the 15th of the fifth month following the end of the agency's fiscal year.
- A complete copy of the organization's final Form 990 (including all required schedules) was provided to each person who was a voting member of the governing body at the time the Form 990 was provided, whether in paper or electronic form, before its filing with the IRS (IRS Form 990)
- The IRS must notify an organization that has not filed a required Form 990 for two consecutive years, with a warning that the IRS will automatically revoke the organization's tax-exempt status if it fails to file for a third consecutive year. (Taxpayer First Act- H.R. 3151)

- Best Business Practice: Post agency tax return on the webpage to ensure the public inspection provision is met.
- Not applicable to public agencies unless CSBG funds are used under an umbrella not-for-profit (IHCD)

Authority: IM 82, IM 138(8.6), and IRS Form 990 (Part VI/Section B)

Monitoring Evaluation: The IRS Form 990 was submitted on time. Also, the governing board has received the document for each year during the monitoring period.

Provide: A physical or electronic copy of the IRS Form 990 submission date for each year during the monitoring period. Also, the governing board agenda, board packet or other documentation that the information was received by the board (i.e. posted on agency website).

Value: 3 points

Federal 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

Agency Guidance:

- The governing board should be involved in monitoring the financial stability and use of financial resources on an on-going basis
- Frequent reports to the board by agency staff on overall agency fiscal status, procedures, practices and transactions (IM)
- At a minimum, the governing board should receive two reports – budget versus actual for revenues and expenditures and the balance sheet or statement of financial position. However, this standard does not require for reports to be provided to the board each and every month, just at regularly scheduled meetings.
 - **Budget versus actual for revenues and expenditures** (2 CFR 200.302 (b)): 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. (NCAP)
 - **Balance sheet or statement of financial position** (2 CFR 200.510). 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. The balance sheet is a financial ‘snapshot’ of the net financial position of an agency at a specific point in time. (NCAP)
- Head Start agencies report credit card expenditures to the governing board at each meeting (Head Start Act and PL 110-134)
- Public tripartite advisory boards receive them for those programs the body advises
- The governing board must be sufficiently trained to interpret the financial reports and provide appropriate guidance according to the information it receives

Authority: IM 82, and IM 138(8.7)

Linkage: 2 CFR 200.302 &.510, PL 110-134 (Head Start Agencies) and National Community Action Partnership Category 8 Toolkit

Interview: Governing board members and Chief Operating Officer or Fiscal Manager

Monitoring Evaluation: Review governing board minutes for financial reporting that reports are received at each regular meeting and review of reports is included in the minutes. Also, randomly review financial reports to assure they contain the required information

Provide: Governing board packet with financial reports and board meeting minutes for each year during the monitoring period.

Value: 4 points

Federal Standard 8.8 All required filings and payments related to payroll withholdings are completed on time.

Agency Guidance:

- 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.
- Includes Federal, State and local taxes, as well as insurance and retirement (OS)
- Form 941, Employer's Quarterly Federal Tax Return, is used by employers who withhold income taxes, social security tax, or Medicare tax from employee's paychecks or who must pay the employer's portion of social security or Medicare tax to report those taxes.
- Insurance documentation includes health, disability, and flex accounts
- Failure to make these required payments in a timely manner can subject the agency to fines and other forfeitures.
- Not applicable to public agencies unless CSBG funds are used under an umbrella not-for-profit that employs staff (IHCDA)

Authority: IRS Form 941 and IM 138(8.8)

Monitoring Evaluation: On-site review of payroll tax returns, retirement plan documentation, health plan documentation, etc. and the submitted date against the required due date

Provide: Payroll tax documentation/filings (Form 941), Insurance documentation including amounts due (liability), retirement account documentation, including amounts due (liability) and record of payment to State, Federal, Insurance and Retirement accounts.

Value: 1.5 points

Federal Standard 8.9 The governing board annually approves an organization-wide budget.

Agency Guidance:

- A budget is the financial plan for an organization for the upcoming fiscal year. It includes all programs and agency/organization activity. It is recognized that each grant or program will likely have an annual budget that may cross two agency fiscal years. (NASCS)
- 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. (NASCS)
- There is no requirement for the agency to pass a modified organization-wide budget during the course of a year as things change (NASCS)
- The budget is formally approved or adopted (voted on) prior to the start of the agency fiscal year
- Public tripartite advisory boards have input into the CSBG budget process

Authority: IM 82 and IM 138(8.9)

Linkage: 2 CFR 200.308 and Community Action Partnership 2018 Standards of Excellence 6.1

Monitoring Evaluation: Review governing board meeting minutes and the agency-wide budget for each year during the monitoring period

Provide: Minutes of the governing board meeting with the actual approval action indicated from the governing board for each year during the monitoring period.

Value: 6 points

Federal 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.

Agency Guidance:

- Approved changes indicate an action of the governing board

Authority: IM 138(8.10)

Linkage: Community Action Partnership 2018 Standards of Excellence 6.1

Monitoring Evaluation: Review staff leadership and/ or governing board or board committee minutes for documented review of the policies. Review board meeting minutes for appropriate actions, if changes were adopted.

Provide: Documentation of staff review of Fiscal Policies within past 2 years or governing board meeting minutes of approval, if changes occurred.

Value: 1 point

Federal Standard 8.11 A written procurement policy is in place and has been reviewed by the governing board within the past five (5) years.

Agency Guidance:

- 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.
- The procurement policy may be part of the fiscal policies manual, it does not need to be a separate document.
- The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local and tribal laws and regulations (200.318)
 - It must include at least methods for micro purchase, small purchase, sealed bid, competitive proposal and non-competitive proposal (200.320)
 - Documented Solicitation of a number of qualified sources in the procurement process (200.320)
 - Best Business Practice: A section in the Procurement Policy for an Agency Solicitation Advertising Plan (WIPFLI)
- All procurement transactions must be conducted in a manner providing “full” and “open” competition (200.319)
- Provide affirmative steps to assure that small and minority businesses, women's business enterprises, and labor surplus area firms are used when possible (200.321)
 - Best Business Practice: Include Veteran Owned Business (WIPFLI)
- Not applicable to public agencies unless CSBG funds are used under an umbrella not-for-profit that purchase goods and services (IHCDA)

Authority: 2 CFR Part 200 Subpart D, IM 82, and IM 138(8.11)

Linkage: Community Action Partnership 2018 Standards of Excellence 6.3 and WIPFLI OMB Uniform Guidance Training

Monitoring Evaluation: Review procurement policy and procedures and governing board meeting minutes, board packet or agenda that indicate it was reviewed within the last 5 years

Provide: Agency procurement policy and procedures. Governing board minutes where procurement policy is reviewed.

Value: 2 points

Federal Standard 8.12 The organization documents how it allocates shared costs through an indirect cost rate or through a written cost allocation plan.

Agency Guidance:

- Cost allocation and indirect cost rates are not the same thing
- The plan is approximated as “reasonable” (2 CFR 200.405) and “defensible”.
 - Best Business Practice: Include explanations or footnotes supporting the methodology that was used to allocate indirect costs.
- Document must specify indirect versus direct cost and the cost drivers
- Examples allocation bases: clients served, facility rent- square footage per program, Full Time Equivalents (FTE’s) per program, labor hours, labor dollars, number of phones, number of computers, computer key-strokes utility costs – square footage used by each program, etc.
- 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 (2 CFR 200.405)
- Costs cannot be allocated on a budget
- Unallowable cost cannot be allocated
- ALERT: Indirect costs can be a home for fraud because cost get pooled together and lose their original identity which make them easy to cover up.
- Best Business Practice: Program Managers should be included in cost allocation decisions to provide insight and information related to their specific program and grant requirements
- Not applicable to public agencies

Authority: 2 CFR Part 200 Subpart E, IHCD CSBG Grant Award Agreement No. 5, IM 37, and IM 138(8.12)

Linkage: 2 CFR 200.405 and WIPFLI OMB Uniform Guidance Training

Monitoring Evaluation: Review the cost allocation policy documenting the methodology used for account for indirect cost against reimbursement claims

Provide: Current Cost Allocation Plan

Value: 2 points

State Standard 8.12.1 The Indirect Cost Rate or written Cost Allocation Plan is governing board approved.

Agency Guidance:

- The plan should be updated regularly to adjust to changes within the agency and with new program requirements.
- The governing board should know how costs are allocated for the agency and across programs. Since this is financial in nature it should be board approved as part of their fiduciary responsibility.
- The current plan should be reviewed or approved during the monitoring period and prior to implementation.

Authority: IM 82

Linkage: IM 138 (8.12)

Monitoring Evaluation: Review governing board meeting minutes of approval of current cost allocation plan during the monitoring period

Provide: Governing board meeting minutes of approval of the Coast allocation Plan

Value: 2 points

Federal Standard 8.13 The organization has written policy in place for record retention and destruction.

Agency Guidance:

- An effective record retention policy helps staff, board members, and volunteers manage a CAA's records to ensure that documents are stored and maintained properly prior to their destruction.
- Policy should be for both electronic and physical documents (OS)
- Policy may be stand-alone or part of other agency policies (OS) but must be governing board approved.
- 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.
- Three (3) years from date of submission of the final expenditure report (2 CFR 200.333)
- 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
- "Did the organization have a written document retention and destruction policy?" (IRS Form 990 Part VI Section B, #14)

Authority: Sarbanes-Oxley Act, non-profit provision, IRS Form 990, 2 CFR 200.333, and IM 138(8.13)

Monitoring Evaluation: Review Record Retention and Destruction policy and governing board approval.

Provide: Current Record Retention and Destruction Policy

Value: 1 point

State Standard 8.14 The organizations Fiscal Policy and Procedures Manual establish, at a minimum, basic guidelines for fiscal operations:

1. Disposition for items \$5,000 or greater
2. Separation of Duties/Internal Controls- Fiscal
3. Separation of Duties/Internal Controls- Inventory
4. Travel Requirements & Reimbursements
5. Fraud Prevention, Deterrent & Investigation
6. Allowable Costs
7. Payment
8. Payroll
9. Match and in-kind accounting
10. Staff Receiving Benefits of agency provided programs/services

Agency Guidance:

- Policies are in place to provide effective controls over and accountability for all funds, property and other assets and to adequately safeguard all such assets and assure they are used solely for authorized purposes (OMB).
- States must ensure "costs and accounting standards" of the Federal Office of Management and Budget apply to community Action Agencies (42 USC 9916 (a)(1)(b))
- Minimum written procedures should include records retention requirements, payment, allowable cost, conflict of interest, property record, travel reimbursement, fringe benefits, information technology, general journal control, financial statement preparation, accounting and financial estimates, cash control and reconciliation, grant administration and reimbursement request process, cost sharing, and match and in-kind accounting (NCAP)

- Not applicable to public agencies unless CSBG funds are used under an umbrella not-for-profit (IHCDA)
- Disposition of Items:
 - Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency (200.313)
 - Proceeds from the sale of items valued less than \$5,000 need to be reinvested into the originating program (IHCDA)
- Separation of Duties:
 - Safeguard agency assets with procedures (checks and balances) to ensure that all assets are accounted for and protected from fraud.
 - An element of internal control is to segregate incompatible functions to prevent one person from having both access to assets and responsibility for maintaining the accountability of those assets. Examples:
 - The staff person acquiring inventory is also the individual who inspects inventory
 - No pre-signed checks
 - No signature stamps
 - No employee or group of employees should be in a position both to perpetrate and to 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
 - Recording or reporting of related transactions
 - Management selects and develops alternative control activities where segregation of duties is not practical
 - Best Business Practice: Agency uses a fiscal separation of duty flow chart
- Fraud Prevention, Deterrent, and Investigation:
 - The agency has a policy in place to mitigate fraud (2 CFR 200.303)
 - 35% of all fraud is because the agency has a lack of internal controls. 43% of those cases are uncovered due to a whistle blower (NASCS 2017 Spring Pre-Conference Monitoring Training).
 - This is an overarching agency policy and not specific to a particular program.
 - IHCDA is responsible for notifying the Office of Inspector General (OIG) or Office of Community Services (OCS) of any agency suspected fraud with federal funds provided through the State agency. The agency must include steps of notifying IHCDA, when applicable. Sub-grantees must notify Community Programs staff directly.
 - Grantees must establish appropriate systems and procedures to prevent, detect, and correct waste, fraud, and abuse in activities funded under the low-income home energy assistance program. The systems and procedures are to address possible waste, fraud, and abuse by clients, vendors, and administering agencies (45 CFR 96.84)
- Staff Receiving Benefits:
 - Includes governing board members, employees or relatives
 - Must be a defined agency-wide process
 - Best Business Practice: use a developed sign-off sheet

Authority: Fiscal policy (2 CFR Part 200 subpart D, IM 82 and linked to IM 138(8.10)), Disposition of Equipment (2 CFR 200.313), Separation of Duties (2 CFR Part 200 subpart D and by reference in the IHCDA CSBG Grant Award Agreement) Fraud (2 CFR Part 200 subpart D (200-328), IM 82, and IHCDA and linked to Standard 12.3).

Linkage: 2 CFR 200.303 (Internal Controls), Community Action Partnership 2018 Standards of Excellence 6.3 (Disposition), Community Action Partnership Code of Ethics (9 & 10), Community Action Partnership Risk Assessment Toolkit (Waste/Fraud/Abuse), and WIPFLI OMB Uniform Guidance Training

Interview: Executive Director and Fiscal Director

Monitoring Evaluation: Review Fiscal Policy and Procedures for required policies. Review linkages to other supporting documents such as internal controls, procurement, etc..

Provide: Current Fiscal Policy and Procedures Manual

Value: 5 points

State Standard 8.15 The organization has registered in the System for Award Management (SAM) with information updated annually.

Agency Guidance:

- The System for Award Management (SAM) is an official website of the U.S. government. SAM consolidated the capabilities of CCR/Fed Reg, ORCA, and EPLS. There is NO cost to use SAM at www.sam.gov.
- A SAM registration is required for any business, organization, or agency that is eligible to, or plans to, receive payments from the federal government. In order to qualify for federal contracts or grants, a fully accurate, and compliant System for Award Management registration is required.
- Enter any information required by the FFATA

Authority: System for Award Management, 2 CFR 200 Appendix II, and IHEDA Grant Award Agreement No. 39(B)

Monitoring Evaluation: Review agency's current status on the SAM website

Provide: Proof of award submission for each year during the monitoring period.

Value: 1.5 point

Category Nine: Data and Analysis

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. (IM-138)

Federal Standard 9.1 The organization has a system or systems in place to track and report client demographics and services customers receive.

Agency Guidance:

- A tracking system is a well-defined method of gathering data and storing it for future retrieval, analysis and reporting. 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.
- Ensures the agency has the ability to identify the number of people being served by the agency as a whole, to collect demographic information about these customers and also to identify the services that are provided (NCAP)
- Establishes that the agency can identify the nature of the service (frequency, intensity, duration) (NCAP)

Authority: CSBG Annual (I.1 and Module 4, Section C) Report, and, IM 138(9.1)

Linkage: Community Action Partnership 2018 Standards of Excellence 3.1 & 4.1 and IHCD CSBG Strategic Planning Consultants Guide for Indiana Community Action Agencies

Interview: Agency staff responsible for CSBG reporting

Monitoring Evaluation: On-site review that a comprehensive data collection/tracking system is in place (and in use) which can at least demonstrate the numbers being served, their demographic information, services utilized, and timeframe being served.

Provide: Data collection policies and tracking reports of customer services received, screen shots of data collection, and electronic or hardcopy of forms used to collect data.

Value: 2 points

Federal Standard 9.2 The organization has a system or systems in place to track family, agency, and/or community outcomes.

Agency Guidance:

- The purpose is that the agency is reporting on all of the National Performance Indicators related to the National ROMA Goals for which it provides services, programs or activities
- Establishes that the agency is able to track the individuals and families receiving services, from agency intake until they have achieved outcomes (NCAP).
- ROMA helps determine if community action is effective (2017 INCAA Conference Presenter)
- Establishes that the agency is assisting in the production of outcomes for communities as well as for individuals and families, and can track its contribution to these outcomes (NCAP)
- Best Business Practice: Provide participants who have completed a program/activity with a post survey.

Authority: 42 U.S.C. 9908(b)(12) and 9917(a)(1), CSBG Annual (I.1 and Module 4, Section C) Report, and IM 138(9.2)

Linkage: IM 138(9.4) and Community Action Partnership 2018 Standards of Excellence 6.4 & 7.1

Interview: Agency staff responsible for CSBG reporting

Monitoring Evaluation: Review the agency comprehensive data collection/tracking system in place (and in use) for capturing family and/or community outcomes.

Provide: Tracking reports of family and/or community outcomes

Value: 2 point

Federal 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.

Agency Guidance:

- The report should identify suggestions for adjustments and improvements needed to improve the outcomes achieved by individuals, families and communities, and for the agency
- An agency is likely to have multiple programs with varying program years, this should address an annual review of organizational outcomes
- The information provided to the governing board allows them to make meaningful decisions about agency performance based upon accurate and well analyzed data
- Actions by the governing board or adjustments by the agency are not required

Authority: IM 138(9.3)

Linkage: IM 138 (9.1 & 9.2), State Standard 5.11, and Community Action Partnership 2018 Standards of Excellence 4.2 & 4.3

Interview: Executive Director and governing board members

Monitoring Evaluation: Governing board meeting minutes from each year during the monitoring period to confirm agency outcome analysis reports are submitted to the board/committee. This may be a single all-inclusive report or multiple agency reports and notes. Board is presented other data for review.

Provide: Governing board meeting minutes, strategic plan update report, Annual report, program reports, notes of analysis or other outcome reports reflecting outcome analysis report provided to the governing board

Value: 1.5 points

Federal Standard 9.4 The organization submits its annual CSBG Information Survey data report and it reflects client demographics and organization-wide outcomes.

Agency Guidance:

- CSBG IS report is now the CSBG Annual Report
- It is important that each agency has submitted accurate and appropriate data that will become a part of the overall State submission of the CSBG Annual Data Report, which is the recognized format for reporting various activities and outcomes across the country
- Establishes that the agency has a system and capacity for collecting information for all of the sections of the CSBG Annual Report (NCAP)
- Assist the agency generate robust results and tell their story to the community

Authority: IM 103 and IM 138(9.4)

Linkage: ROMA and CSBG Annual Report (I.3)

Interview: Agency staff responsible for CSBG reporting to describe the methodology used for validating the completeness and accuracy of the data submitted as part of the CSBG Annual Report

Monitoring Evaluation: Review CSBG Annual Report data submitted by the agency for content and outcomes. Also, review IHEDA provided feedback and required corrections from the submitted data

Provide: Most recently submitted CSBG IS report

Value: 1.5 points

State Standard 9.5 The organization has an accurate and unduplicated count method or system for individuals served for all programs.

Agency Guidance:

- Organization should have a documented system or methodology (written or software) to show how the unduplicated count is achieved

Authority: IM 102 and CSBG Annual Report (I.3)

Linkage: Community Action Partnership 2018 Standards of Excellence 4.1

Interview: Agency staff responsible for CSBG reporting to describe the methodology used in creating an unduplicated count for all programs served

Monitoring Evaluation: Review unduplicated count procedures or system

Provide: Unduplicated count procedures or the system used to generate the information

Value: 1 point

PART TWO- ORGANIZATIONAL ANALYSIS

Section 4- Allocation for Fiscal Performance Metrics Category Ten: Internal Controls Analysis

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. (2 CFR 200.61)&(COSO)

State Standard 10.1 The organization complies with its policy for governing board members, employees or relatives of employee's receiving benefits from agency programs during the monitoring period.

Agency Guidance:

- The application must be approved by the Executive Director or their designee prior to services being rendered (IHCDA)
- The application or other internal approval document must be properly executed (signed or initialed & dated) by all applicable staff to be valid.

Authority: Linked to State Standard 8.14

Evaluate: Randomly test governing board, employee and/or relatives receiving program benefits for completed applications and appropriate approvals.

Provide: List all staff, relatives or governing board members receiving benefits from agency operated programs; including the amount of the benefit received and the program in which the benefit it is associated for each year during the monitoring period.

Value: 3 points

State Standard 10.2 Any relatives of current governing board members or leadership staff employed by the organization are documented.

Agency Guidance:

- If there are no relatives employed during the monitoring period, this standard will not be included in the monitoring.
- Determining if any staff is directly supervised by a relative
- If employee is related to human resources, their employee personnel file is placed with the Executive Director

Authority: 2009 IHCDA/CSBG Program Administration Manual 3.1(c)

Interview: Human Resource Manager

Monitoring: Review organizational chart against identified related employees

Provide: list related staff member(s), relationship to each other, and assigned departments for everyone employed by the agency during the monitoring period. In addition, Include an organizational chart.

Value: 1 point

State Standard 10.3 Organization provides a bond or insurance coverage for all persons who will be handling funds or property received or disbursed in the amount equal to one-half of the total funds provided or \$250,000, whichever is less. In addition, has a minimum of \$500,000 general liability insurance coverage for bodily injury and property damage.

Agency Guidance:

- Should be effective for the period of the grant agreement plus three years for purpose of discovery regarding individuals handling funds.
- Must provide protection against losses resulting from criminal acts and wrongful and negligent performance of duties.
- IHEDA must be specified as an obligee or additional insured

Authority: IHEDA CSBG Grant Award Agreement No. 13(A & E)

Monitoring Evaluation: Review Certificate of Insurance, bond or general coverage binder to ensure organizational coverage and protection during each year of the monitoring period

Provide: Certificate of Insurance for each year during the monitoring period or a bond for each employee during the same time period.

Value: 3 points

State Standard 10.4 The organization reconciles employee payroll records and process employee payroll accurately.

Agency Guidance:

- Employee payroll records are reconciled on 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
- The number of checks distributed matches the payroll register and the number of employees to be paid
- Agency accounts for employee leave time when earned or when taken

Authority: 2 CFR Part 200 and Generally Accepted Accounting Principles

Linkage: IM 138(8.8)

Monitoring Evaluation: Timesheets of two at least (2) exempt and one (1) non-exempt employee (whose pay is allocated) for each selected period. In addition, the CEO/Executive Director and Fiscal Director. Randomly select four quarters during the monitoring period.

Provide: Payroll Register and Time Sheets for selected employees during the monitoring period.

Value: 3.5 points

State Standard 10.5 The organization complies with its written fraud investigating procedures.

Agency Guidance:

- If fraud did not occur during the monitoring period, this standard will not be included in the monitoring.
- All fraud investigations must be documented
- During IHEDAs limited review of randomly sampled items no fraudulent activity was uncovered.

Authority: Linked to State Standard 8.14

Linkage: IM 116

Interview: Executive Director and Chief Financial Officer

Monitoring Evaluation: Review any agency investigated fraud cases during the monitoring period against the agency fraud procedures.

Provide: list any agency fraud investigations where action (opened or closed an investigation) occurred during the monitoring period. Detailed fraud documentation and process information leading to a resolution, if applicable.

Value: 1 point

State Standard 10.6 The organization has a comprehensive Information Resource/Security Policy approved by the governing board.

Agency Guidance:

- This policy may be a supplement to another board approved policy (e.g. Personnel or Fiscal Policy)
- 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)
- 52% of incursions are from hacking, 28% from infected malware installation and 33% from social engineering obtained information (Verizon)
- Conduct at least annual staff training on such things as phishing (unsolicited emails & attachments), surfing safely, lockout, password protection, and physical onsite attacks.
- 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 (knowledge, inherence, location, possession, and time)
 - Website lockout protocols/internet restrictions
 - Unauthorized software
 - Keyboard Lockout
 - Access Control Chart
 - Storage of information on non-company devices
 - Unauthorized devices
 - Loss of Equipment
 - Back-up system process
- The policy must be reviewed by leadership staff at least during the monitoring period

Authority: IHCDCA

Linkage: Agency Fiscal Policy & Procedure Manual, WIPFLI Managing Cyber Security Risk Training and Verizon 2019 Data Breach Investigation Report

Monitoring Evaluation: Review information system policy, Incident Response Plan, and annual staff training documentation including governing board approval.

Provide: Information/Security Policy including the Incident Response Plan and documentation of annual staff trainings. Governing board meeting minutes of policy approval.

Value: 5 point

Category Eleven: Inventory Management Analysis

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. An Inventory Management system provides the agency with the necessary information to efficiently document and manage the organizations capital equipment and physical inventory.

State Standard 11.1 Organization can document how its equipment with a current per unit fair market value of \$5,000 or greater is dispositioned.

Agency Guidance:

- If a disposition did not occur during the monitoring period, this standard will not be included in the monitoring.
- If the agency sells the property, proper sales procedures must be established to ensure the highest possible return, and proceeds must go back into the program.
- Must request & receive disposal procedures from the funding source. (2 CFR 200)
- 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. (2 CFR 200)
- When an item with a value of less than \$5,000 is dispositioned, proceeds must be re-invested into the originating grant program (State requirement).

Authority: 2 CFR 200.313(e) and IHEDA CSBG Grant Award Agreement No. 7(g)

Monitoring Evaluation: Review that any disposed of equipment followed the agency procedures.

Linkage: 200 CFR 200.307 & .311 and WIPFLI OMB Uniform Guidance Training

Provide: List of all equipment of \$5,000 or greater disposed of during the monitoring period and documentation detailing the disposition process, if applicable.

Value: 1 point

State Standard 11.2 The organization utilizes an agency-wide Schedule of Inventory, which is compiled on an annual basis and includes at least the following categories:

1. Brief description of the property or equipment
2. Manufacturer's serial number or other identification number (i.e. model number, VIN, etc.)
3. Source of funding (program: CSBG, WAP, LIHEAP, etc.)
4. Award number (grant number and year)
5. Title holder name
6. Acquisition date (purchase date)
7. Federal Percentage or portion of the cost
8. Location and condition
9. Unit acquisition cost
10. Disposal date, if applicable
11. Sales price or fair market value determination, if applicable
12. Accumulated depreciation and balance

Agency Guidance:

- Schedule of Inventory must be updated annually
- Schedule of Inventory is for at least capital equipment and usable property purchased with federal or state funds.
- The Schedule of Inventory must be a single agency-wide document. While individual programs may contain their own inventory list, this is the master list for the agency.

Authority: 2 CFR Part 200.313 and IHEDA CSBG Grant Award Agreement No. 7(L)

Linkage: State Standard 11.3 and WIPFLI OMB Uniform Guidance Training

Monitoring Evaluation: Review the Schedule of Inventory for a record of capital equipment annually being updated.

Provide: Most current agency-wide Schedule of Inventory and documentation that the inventory was annually updated during the monitoring period.

Value: 7.5 points

State Standard 11.3 The organization's Schedule of Inventory is appropriately reported.

Agency Guidance:

- Provide for all assets valued at \$5,000 or greater with a useable life of greater than one (1) year (twelve (12) months)
- The agency may have an internal policy establishing a lesser dollar amount than \$5,000 to catalog its inventory, but not greater than \$5,000.

Authority: 2 CFR 200.313 & .429

Linkage: State Standard 11.2

Monitoring Evaluation: Test the schedule of Inventory against purchases of equipment within the appropriate dollar threshold. In addition, review sale or disposition of items removed from the Schedule of Inventory.

Provide: Most current agency-wide annual Schedule of Inventory

Value: 1 point

State Standard 11.4 The organization conducts a physical inspection of all inventory at least once every two years.

Agency Guidance:

- A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years (200.313)
- 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 (200.313)

Authority: 2 CFR 200.313 (d)(2)

Linkage: Agency Fraud Procedures and WIPFLI OMB Uniform Guidance Training

Monitoring Evaluation: Physical inspection schedule, staff assigned duties/roles, and the physical inspection notes documenting dates inspected within the last two years.

Provide: Physical inspection documentation and previous inspection notes

Value: 1 point

Category Twelve: Procurement Analysis

Procurement Analysis is responsible in determining if the organization adhered to the purchasing guidelines established by the agency and more specifically the finance department.

Monitoring Category Evaluation

Review agency procurement policy against randomly selected purchases and procurement documentation during the monitoring period. The sampling will be done while reviewing the IHEDA CSBG Claims from multiple grant agreements.

State Standard 12.1 The organization follows all established written procurement procedures in the acquisition of material or services.

Agency Guidance:

- Applies to both agency and Federal procedures
- The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations. (200.318)
- All procurement transactions must be conducted in a manner providing “full” and “open” competition (200.319)
 - Most agency purchases fall under micro purchase. Micro-purchase means a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold (\$10,000). (200.67)
 - Award contracts to reasonable contractors. Consider integrity, compliance with public policy, records of past performance, financial and technical resources (200.318)
- Competitive bidding procedures should be used for large financial transaction situations in which board members or agency staff members have an interest (IM)
- The appropriate procurement method should be used depending on the transaction size and type

Authority: 2 CFR 200.317-326

Linkage: 2 CFR 200.67, IM 138 (8.11), agency procurement policy, Community Action Partnership Code of Ethics (2) and WIPFLI OMB Uniform Guidance Training

Provide: Agency Procurement Policy & Procedures and list of procurement actions during the monitoring period.

Value: 6 points

State Standard 12.2 Purchase Orders or a similar system is used and follow established criteria:

Agency Guidance:

- The system must be:
 - Dated prior to purchase
 - Approved by the correct authority
 - Pre-numbered
 - Attached to the vendors invoice
- 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: 45 CFR 75.327

Linkage: IM 138 (8.11)

Provide: Purchase Order schedule, ledger and/or listing

Value: 1 point

State Standard 12.3 The organization obtains all correct and necessary approvals prior to completing procurement.

Agency Guidance:

- The organization requested and received approval from IHEDA for any subcontracts greater than \$25,000 and capital expenditures of equipment that has a per unit cost greater than \$5,000. (IHEDA)
- The organization requested and received approval from the Board of Directors and/or Executive Director, when applicable.
- All signatures are dated appropriately
- The approval process is correctly followed:
 - Board approval and voting should be noted in the Board Minutes
 - Budgets are not approvals
 - The act of splitting purchases to avoid approval thresholds is prohibited

Authority: 2 CFR 200.407 and IHEDA CSBG Grant Award Agreement No. 2 (H & I)

Linkage: 2 CFR 200.439(2)

Monitoring Evaluation: Review the procurement approval process for appropriate signatures and authorization.

Provide: Agency Procurement Policy & Procedures and list of procurement actions during the monitoring period.

Value: 2 point

State Standard 12.4 The organization retains and maintains all documentation supporting the procurement process for each purchase made.

Agency Guidance:

- The non-Federal entity must maintain records sufficient to detail the history of procurement. (200.318)
 - Examples: Proposals received, scoring grid, individuals who participated in the decision making, rationale for procurement method, contractor selected or rejected, basis for contract price, and contract with the contractor.
- Proper documentation is on file for any equipment, vehicle or professional services procurement illustrating the proper procedures were followed.
- A written sales contract between a buyer and seller detailing the exact merchandise or service(s) rendered from a single vendor.

Authority: 2 CFR 200.318 and IHEDA CSBG Grant Award Agreement No. 7(f)

Linkage: WIPFLI OMB Uniform Guidance Training

Provide: Agency Procurement Policy & Procedures and list of procurement actions/ supporting documentation during the monitoring period.

Value: 1 point

Section 5: Accounting for Fiscal Performance Metric Category Thirteen: Payment and Reimbursement Process Analysis

The purpose of claims processing is to ensure that requests for reimbursement made to IHCDA 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 IHCDA. Additionally, any program guidance/regulations on cost eligibility will be used when reviewing expenses for reimbursement (IHCDA).

Monitoring Category Evaluation

For some of the State Standards in this Category, the monitor will randomly select a total of six (6) paid IHCDA CSBG claims, from multiple grant agreements, during the monitoring period against the following criteria:

State Standard 13.1 The organization follows established IHCDA claim procedures.

Agency Guidance:

- Funding shall be paid as a reimbursement for authorized expenses incurred (IHCDA)
- All payments shall be made in arrears (IHCDA)
- Every claim processed through IHCDA Online must have the proper attached documentation:
 - General Ledger, Trial Balances or Other Accounting Software Generated Reports
 - Contain only costs incurred by specific program during specific time frame
 - Indirect costs are supported by proper documentation
 - Each cost documented with vendor name, date paid, date of transaction and description of expense
 - Easily distinguishable payroll costs
 - Copies of Invoices/Receipts provided for all claims equal to or exceeds \$1,000
 - Pre-approval documentation for items over \$5,000, subcontracts over \$25,000
- Claims and necessary supporting documentation must be fully executed by the authorized signatory's
- Submitted claims do not conflict with any agency fiscal policies or procedures

Authority: IHCDA CSBG Grant Award Agreement No. 4 (A & E)

Linkage: 2 CFR 200.302(b) and IHCDA Partners Guide to IHCDA Online

Provide: Current agency claims procedures and supporting claims documentation, as requested for each selected claim.

Value: 3 points

State Standard 13.2 All expenses included within the reimbursement claims are allowable costs.

Agency Guidance:

- Agency does not use CSBG funds to offset other programs admin costs, where applicable
 - Example: CSBG Funds may not be used to pay for LIHEAP Administration over 8.5% (LIHEAP IM 2000-12)
- Agency follows the approved cost allocation methodology (200.400)
- Common examples of unallowable costs:

- Purchase or improvement of land
- Purchase, construction, or permanent improvement of building or facilities
- Political activity
- 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)
- CSBG dollars may only be used as match under HUD's McKinney-Vento Homeless Assistance Act programs, if used for purposes and in accordance with CSBG law (IM). These activities require prior IHCD A approval.
- CSBG dollars may be used for cost sharing in the AmeriCorps program (IM 139)
- Fringe benefits are allowable, if proper criteria are met
- Only certain advertising and public relations costs are allowable (reference 2 CFR 200.421)
- Costs are reasonable (200.404)

Authority: 2 CFR 200 Subpart E, IM 37, CS-014-01, LIHEAP IM 2000-12, and IHCD A CSBG Grant Award Agreement No. 2(C) and 3(C)

Linkage: 2 CFR 200.302(b), IHCD A Budget Line Item Narrative, IHCD A CSBG Grant Award Agreement No. 4(L), agency cost allocation plan, Hatch Act, and WIPFLI OMB Uniform Guidance Training

Monitoring Evaluation: Review randomly selected reimbursable expenses for allowability

Provide: Supporting claims documentation, as requested for each selected claim

Value: 3 points

State Standard 13.3 CSBG reimbursement claims are submitted on a monthly basis.

Agency Guidance:

- Claims may be submitted more than one time per month. However, each month of the year must have a claim submitted (January through December)

Authority: IHCD A CSBG Grant Award Agreement No. 4(I)

Linkage: State Standard 13.1

Monitoring Evaluation: Review IHCD A CSBG claims submission dates for each grant agreement during the monitoring period.

Provide: Claims submission schedule during the monitoring period

Value: 3 points

State Standard 13.4 CSBG eligible invoices are paid within forty-five (45) calendar days of receipt.

Agency Guidance:

- Supporting documentation is provided for any delay outside of the time period

Authority: IHCD A CSBG Grant Award Agreement No. 4(K)

Linkage: State Standard 13.1

Monitoring Evaluation: Spot check claims supporting documentation invoice dates during the monitoring period against the paid dates.

Provide: Supporting claims documentation, as requested for each selected claim

Value: 1.5 points

State Standard 13.5 CSBG expenses are submitted for reimbursement claims within forty-five (45) calendar days after the costs are incurred.

Agency Guidance:

- Claims are not requesting reimbursement for aged expenses
- Expenses greater than 45 days old should have been claimed on a prior submission based on claims being submitted at least monthly.

Authority: IHCDA CSBG Grant Award Agreement No. 4(J)

Linkage: State Standard 13.1

Monitoring Evaluation: Spot check against the supporting documentations invoice dates.

Provide: Supporting claims documentation, as requested for each selected claim

Value: 1.5 points

State Standard 13.6 Credit Card Statements are supplemented by source documents.

Agency Guidance:

- Credit card statements reflect no unusual charges
- Head Start agencies are required to review monthly credit card statements at board meetings and should be reflected in the meeting minutes.

Authority: 2 CFR Part 200

Linkage: Head Start Act, Public Law 110-134 and State Standard 13.1

Monitoring Evaluation: Spot check credit card purchases for eligibility and supporting documentation against the credit card statements.

Provide: Supporting claims documentation, as requested for each selected claim. Credit card statements for each year during the monitoring period.

Value: 1 point

Category Fourteen: Fiscal Process Analysis

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.

State Standard 14.1 Organization's financial statements are reconciled and are current.

Agency Guidance:

- Year-end adjusting journal entries should be completed by the following month after the fiscal year ends
- Cash on bank statement matches balance sheet
- Interest on bank statement matches organizations report
- Outstanding deposits match general ledger
- Growth or decline of net assets can be explained

Authority: Generally Accepted Accounting Principles

Linkage: 2 CFR 200. 302(b), State Standard 14.4 and WIPFLI OMB Uniform Guidance Training

Monitoring Evaluation: Compare organization financial statements to organizations reports, balance sheets, general ledger, etc. Compare independent audit report to the financial statement to determine accuracy

Provide: Bank statements for each year during the monitoring period, Bank Reconciliations including signatures for each year during the monitoring period and CSBG General Ledger histories during the monitoring period.

Value: 6 points

State Standard 14.2 Third-party in-kind contributions are listed as revenue on the income statements.

Agency Guidance:

- Third-party in-kind contributions means the value of non-cash contributions (i.e. property or services) (200.96)

If No,

Agency Guidance:

- List should include amount or item received, time, donor, value determination if an item and program is associated

Provide: In-kind contributions list

If Yes, is there an off-setting expense amount?

Agency Guidance:

- Some agencies show contributions of time by volunteers as a source of revenue. However, this does not consist of dollars and therefore inflates the true dollar Value of revenues and must be offset on the expenses.
- Statements are not credible if there are no off-setting expenses
- Best Business Practice: preferred that this method is not used

Authority: 2 CFR Part 200

Linkage: 2 CFR 200.306 and CSBG Annual Report (Module 2, Section C (F.1d))

Monitor Evaluation: Compare third-party in-kind contribution list against the balance sheets

Provide: Third-Party In-Kind Contributions List and the most recently Reconciled statement of Financial Position.

Value: 1 point

State Standard 14.3 The organization's Aging Reports reconcile to the Balance Sheets.

Agency Guidance:

- Accounts Receivable ledger (A/R) match interim accounts receivable balance sheet
- Accounts Payable (A/P) ledger matches interim accounts payable balance sheet

Authority: Generally Accepted Accounting Principles

Monitoring Evaluation: Compare month end A/R and A/P to determine that they match interim A/R and A/P balance sheet of same month.

Provide: Accounts Payable Ledger with Matching Report Dates for Most Recently Reconciled Statement of Financial Position and the Accounts Receivable Ledger with Matching Report Dates for Most Recently Reconciled Statement of Financial Position.

Value: 2 points

State Standard 14.4 The organization's financials are structured, operated and reported by program.

Agency Guidance:

- Funds are tracked separately by contract and by program
- Each program has its own budget
- Agency has a chart of accounts organized by program

Authority: 2 CFR Part 200 and Generally Accepted Accounting Principles

Monitoring Evaluation: Review financial record keeping posting dates and compare to monitoring date, individual program budgets for CSBG programs.

Provide: Current Chart of Accounts, Current Year Approved Budget, and the Most Recently Reconciled Statement of Activities.

Value: 1.5 points

State Standard 14.5 Account balances do not exceed the Federal Deposit Insurance Corporation (FDIC) insured limit (\$250,000) at a single bank or a Collateral Security Agreement is in place to cover any access amounts.

Agency Guidance:

- FDIC policy: deposits owned by a corporation are insured up to \$250,000 in a single bank
- Agency Fiscal Policies and Procedures manual should have policy's in place to ensure ongoing protected coverage.
- Discuss options with the bank to ensure the organization's funds are fully FDIC ensured, if at a single bank.
 - Certificate of Deposit (CDARS) may make it possible to work directly with just one financial institution but receive FDIC protection.

Authority: IHCDCA

Linkage: Federal Deposit Insurance Corporation (FDIC)

Monitoring Evaluation: Review bank statements (prior month to monitoring)

Provide: Bank Statements during the monitoring period and Collateral Security Agreement, if applicable

Value: 1 point

Category Fifteen: Financial Ratio Analysis

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.

Monitoring Category Evaluation:

Analysis will be conducted for each year during the monitoring period. An end of the year analysis will be completed using the audited financial statement or the end of year financial statement. A year-to-date analysis will be completed at the time of monitoring for the month prior to the month of the on-site monitoring visit.

State Standard 15.1 Liquidity ratios are within the established guidelines.

Agency Guidance:

- Shows the ability of the organization to meet short-term financial obligations in the event agencies experiences funding loss or unallowable expenses that must be reimbursed
- Adequate cash reserve is available to cover organizational-wide leave time for earned time off
- 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.

Provide: Submitted audit reports during the monitoring period, Most Recently Reconciled Statement of Financial Position, Most Recently Reconciled Statement of Activities, and other documentation upon request.

1. Current Ratio

Authority: IHCDA

Standard: 20% (1.2) or greater

Formula: current assets ÷ current liabilities

Value: 1.5 points

2. Cash Ratio

Authority: IHCDA

Standard: .5 (50%) or greater

Formula: cash & cash equivalents ÷ current liabilities

Value: 1.5 points

3. Day's Cash on Hand

Authority: IHCDA

Standard: 10 days or greater

Formula: cash & cash equivalents x 365 days ÷ total expenses-depreciation

Value: 1.5 points

4. Working Capital

Authority: IHCDA

Standard: positive value

Formula: current assets- current liabilities

Value: 1.5 points

State Standard 15.2 Efficiency ratios are within the established guidelines.

Agency Guidance:

- Expenses are managed to provide programs with adequate support
- Organization utilizes and maintains unrestricted assets appropriately
 1. Administrative Expense as a percentage (%) of Total Expenses

Authority: IHCDA

Linkage: Community Action Partnership 2018 Standards of Excellence 7.6

Standard: 15% or less

Formula: administrative expenses ÷ total expenses

Provide: Provide: Submitted audit reports during the monitoring period, Most Recently Reconciled Statement of Financial Position, Most Recently Reconciled Statement of Activities, and other documentation upon request.

Value: 1.5 points

State Standard 15.3 Leverage ratios are within the established guidelines.

Agency Guidance:

- Demonstrates that the organization's long-term debt is manageable
- Organization has ability to cover expenses with revenue

Provide: Submitted audit reports during the monitoring period, Most Recently Reconciled Statement of Financial Position, Most Recently Reconciled Statement of Activities, and other documentation upon request.

1. Long Term Debt to Net Assets Ratio

Authority: IHCDA

Standard: Not to exceed five (5) to one (1) = 5 or under

Formula: long term debt ÷ net assets

Value: 1.5 points

2. Operating Ratio

Authority: IHCDA

Standard: 1.0 (Annual)/ 1.15 (Mid-Year) or less

Formula: total operating expenses ÷ total revenue

Value: 1.5 points

PART THREE- BEYOND COMPLIANCE

Section 6: Road to Excellence Category Sixteen: Bonus Opportunities

Effectively operating a community action agency requires many different management techniques and strategies. Bonus opportunities are to reward agencies for going beyond compliance. It may also become an incentive for agencies as a call to action which will raise their level of success. It will be up to each agency during the on-site monitoring visit to demonstrate, through documentation, that they are eligible to receive bonus points.

Organizational Management (OM)

Bonus Standard 16.1 The full governing board, at least biennial (2 years), conducts a comprehensive self-assessment about their responsibility and overall board performance.

Agency Guidance:

- Self-evaluation information is analyzed and used
- Opportunity to reflect on board responsibilities both individual and shared (CAPLAW)
- Identify varying perception and opinions by the board as a whole (CAPLAW)
- Provides feedback on potential issues that may affect a member from continuing to serve
- Allows the Executive Director to clarify and manage expectations
- Acts as a platform for setting and obtaining board priorities and goals
- Provides the Executive Director potential board training topics or board action list
- 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 required resources (NCAP)

Associated Category: 1

Authority: IM 102

Linkage: IM 138 (5.8), ROMA, and Community Action Partnership 2018 Standards of Excellence 7.3

Interview: Executive Director and governing board members

Monitoring Evaluation: Review sampling of board completed surveys, self-assessments or results for the two years prior to the monitoring.

Provide: Blank board survey or self-evaluation and board survey results

Value: 1 point

Bonus Standard 16.2 Employees are annually surveyed about program operations, work environment and benefits.

Agency Guidance:

- Demonstrate that employees provide valuable insight on how the agency operates
- Employee surveys provide the opportunity to create a stronger and more efficient organization and a better work experience

Associated Category: 1

Authority: None

Linkage: ROMA

Linkage: Community Action Partnership 2018 Standards of Excellence 3.3 & 7.3

Interview: Executive Director and Human Resource Manager

Monitoring Evaluation: Review sampling of employee's completed surveys or survey results for each year during the monitoring period. Review leadership staff analysis of results

Provide: Blank employee survey and employee survey results for each year during the monitoring period

Value: 1 point

Bonus Standard 16.3 The organization utilizes a Governing Board Calendar of Events/Actions to meet necessary deadlines across all programs with the agency.

Agency Guidance:

- 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
 - Head Start self-assessment, employee satisfaction results, client satisfaction results, board self- assessment results, succession plan, organizational chart, employee pay scale, selection of officers, annual budget, audit, IRS Form 990, Board trainings, strategic plan scorecard, fund development plan, Community Action Plan, annual report, conflict of Interest statements, Community Needs Assessment, etc..
- Annual meeting is an opportunity to report out to the governing board the many results (e.g. strategic plan, programs, etc..) (2018 CAPLAW Conference)

Associated Category: 4

Authority: None

Linkage: National Community Action Partnership Board Calendar Resource

Provide: Governing Board Calendar of Events/Actions

Value: 1 point

Bonus Standard 16.4 Each agency governing board member has signed an annual conflict of interest policy statement.

Agency Guidance:

- A conflict of interest policy defines conflicts of interest, identifies the classes of individuals within the organization covered by the policy, facilitates disclosure of information that can help identify conflicts of interest, and specifies procedures to be followed in managing conflicts of interest.
- Having and maintaining a written conflict of interest policy and requiring annual disclosure will help protect the organization from any possible hidden motives that board members may have while making decisions on behalf of the organization. It will also help board members recognize when they have a personal interest and should handle any transactions differently.
- There is no mandated template. However, it must allow for full written disclosure to be documented. (e.g. places to list conflicts).
- Each form must be fully executed and signed by the board member to be valid
- 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 (IRS Form 990 Part VI/Section B)

Associated Category: 5

Authority: IRS Form 990

Linkage: WIPFLI OMB Uniform Guidance Training Best Practice

Value: 1 point

Bonus Standard 16.5 The organization has not been terminated, placed on restrictions, or required to have additional oversight from any Federal, State or local grants or programs during the monitoring period.

Agency Guidance:

- The agency has not been removed from a grant/program for “Cause” which is a failure by the agency to adequately administering or adhere to the program guidelines
- The agency is not on a Quality Improvement Plan (QIP) by any IHCDCA program
- The agency or any of its programs have not been placed on the IHCDCA watch list
- The agency does not or did not have any funding being withheld from IHCDCA during the monitoring period
- 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 (IM 116)

Associated Category: 4

Authority: IM 116, IM 102 and IHCDCA

Linkage: Community Action Partnership 2018 Standards of Excellence 7.6

Interview: Executive Director

Monitoring Evaluation: Agency has not been terminated from any programs, is on an IHCDCA QIP or listed on the IHCDCA watch list dashboard

Value: 1 point

Bonus Standard 16.6 The organization has documented that annual staff training is provided in executing conditions of the emergency action & disaster plan(s).

Agency Guidance:

- An emergency action plan is unique to each facility and is designed to define emergency procedures and staff roles and responsibilities 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 10 employees
- Head Start and Early Head Start programs may be using the Indiana Emergency Response Planning Guide for Childcare Providers for their locations.
- Minimum elements of an emergency action plan (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

Associated Category: 7

Authority: OSHA 29 CFR 1910.38 (b)(c) and IHCDCA

Linkage: Community Action Partnership 2018 Standards of Excellence 6.2

Monitoring Evaluation: Review posted emergency evacuation routes and Emergency Action Plan or safety training documents during the monitoring period

Provide: Training documentation

Value: 1 point

Bonus Standard 16.7 The organization completes, at least annually, fiscal analysis ratios that are reported to the governing board.

Agency Guidance:

- Ratio analysis compares values within the agency from year to year. It is used to evaluate various aspects of an agency's operating and financial performance such as its efficiency, liquidity, and solvency.
- The trend of these ratios over time is studied to check whether they are improving or deteriorating
- 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 (CAPLAW)
- Ratio analysis is a cornerstone of fundamental fiscal analysis

Associated Category: 8

Authority: None

Linkage: 2011 Top Notch Tool Kit/Topic 3 Financial Matters

Monitoring Evaluation: Review Fiscal Analysis Ratios. Review board packet, agenda or meeting minutes where the information was reported to the board for each year during the monitoring period

Provide: Fiscal Analysis Ratios and documentation of review by the governing board for each year during the monitoring period

Value: 1 point

Bonus Standard 16.8 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 correctly. When new employees are trained, standard operating procedures help keep their training fresh and serve as important reference tools.
- Standard operating procedures are also useful to communicate important organizational policies, government regulations, and best practices

Associated Category: 4

Authority: None

Linkage: IM 138(4.5)

Monitoring Evaluation: Organizational chart against SOPs for each agency department

Provide: Standard Operating Procedures

Value: 1 point

Category Seventeen: Best Business Practice Recommendations

A best business practice recommendation is for the agency's consideration, there is no violation of any policy or procedures but may aid in stronger operations, if enacted. This suggestion or proposal is designed to provide a best course of action that will enhance the agencies performance.

Organizational Management (OM)

Recommendation 17.1 The organization conveys its message to the community utilizing a written public relations plan or guide.

Agency Guidance:

- Also called a Communications Plan or Policy
- Public Relations includes community relations and means those activities dedicated to maintaining the image of the non-profit organization or maintaining or promoting understanding and favorable relations within the community or public at large or any segment of the public (OMNI)
- The agency should have a thoughtful, intentional system for communicating, marketing and media relations in order to promote and advance mission achievements to the general public, donors, volunteers and policymakers
- Provides a written plan for staff to refer to, which defines what methods will be used to manage crisis situation and who speaks for the agency, media request, public information requests, brand recognition, social media methods, etc... It will also provide detailed media contact information
- The plan should detail both internal and external communications

Associated Category: 2

Authority: None

Linkage: IM 138(2.3) and Community Action Partnership 2018 Standards of Excellence 6.4

Provide: Public Relations/Communication Plan or similar instrument

Value: Recommendation

Recommendation 17.2 The organization demonstrates that agency staff are trained to address common customer service issues.

Agency Guidance:

- Serves as invaluable tool for instructing employees how to best provide top-quality service to the agency's clients or customers
- In order to improve the service of your company, you will need to evaluate your current service, investigate your customer's needs, and develop a flexible customer service policy that addresses those needs or other specialized customer service training
- Including training on how to serve persons with Limited English Proficiency (LEP)
- Best Business Practice: A customer service policy is a written document that employees follow when dealing with customer. It also lists how the employee should behave so as to improve the overall customer experience

Associated Category: 2

Authority: IM 50

Linkage: CSBG Annual Report (I.5) and IHEDA CSBG Grant Award Agreement No. 41(Limited English Proficiency)

Interview: Executive Director and Human Resource Manager

Monitoring Evaluation: Employee training records

Provide: Customer Service Manual

Value: Recommendation

Recommendation 17.3 The organization has a Nationally Certified ROMA Trainer, Implementer or equivalent on staff.

Agency Guidance:

- 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 (National ROMA Peer-to-Peer Training Program)

Associated Category: 4

Authority: None

Linkage: IM 138(4.3)

Provide: Staff member ROMA trainer certification documentation

Value: Recommendation

Recommendation 17.4 The organization utilizes an annual Technical Assistance Plan (TAP) to identify training, technical assistance for capacity building at the local level.

Agency Guidance:

- The tool documents planned technical assistance activities, identifies intended audience or specific individuals, progress over time in meeting standards, person responsible for assuring completion, and timeframe for completion
- Supports program staff in their delivery of quality services through identified annual training needs and documenting progress
- Assist the agency in identifying CSBG Organizational Standards and CAR Tool requirements that do not meet or partially meet the standard and develop or seek out appropriate staff development in those areas to ensure compliance
- This tool would be an internal supplemental document to the Required Action Plan (RAP) which is submitted as the official agency CAR monitoring response

Associated Category: 2 and 4

Authority: None

Linkage: Community Action Partnership 2018 Standards of Excellence 5.4

Monitoring Evaluation: Review annual Technical Assistance Plan tracking form or spreadsheet

Provide: Technical Assistance Plan and/or tracking form

Value: Recommendation

Recommendation 17.5 The organization's lease(s) is/are current and properly executed for all its properties.

Agency Guidance:

- IHEDA will not provide CSBG funding to an agency as a cost allocation for facility space if there is not a current and fully executed lease in place
- An agency must have long term stability in order to meet the needs of its community which a current lease provides

Associated Category: 4

Authority: IHEDA

Monitoring Evaluation: Review current agency lease(s) term and expiration date(s) for all properties

Provide: Current agency Lease(s)

Value: Recommendation

Recommendation 17.6 The governing board approves or is made aware of all grant applications at the time of or before they are submitted.

Agency Guidance:

- When appropriate, these should be reviewed and/or approved prior to the submission date so the board is aware of activities that have a direct impact on the finances of the agency and are also directly related to advancing the mission of the organization.

Associated Category: 5

Authority: IM 82

Interview: Executive Director and governing board members

Evaluate: Review board meeting minutes for each year during the monitoring period

Provide: Board meeting minutes

Value: Recommendation

Recommendation 17.7 The agency maintains documentation to support the selection and appointment of governing board members.

Associated Category: 5

Authority: CSBG Act Section 676B

Monitor Evaluation: Review governing board selection paperwork, while onsite, and governing board meeting minutes

Provide: Board meeting minutes

Value: Recommendation

Recommendation 17.8 In preparation for the strategic planning process, the organization performed a Strength, Weakness, Opportunity and Threats (SWOT) analysis of the agency and its current programs.

Agency Guidance:

- A SWOT analysis can be carried out for a company, product, place, industry, or person. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieve that objective.
- Strengths: characteristics of the business or project that give it an advantage over others
- Weaknesses: characteristics of the business that place the business or project at a disadvantage relative to others
- Opportunities: elements in the environment that the business or project could exploit to its advantage
- Threats: elements in the environment that could cause trouble for the business or project

Associated Category: 6

Authority: None

Linkage: IHEDA CSBG Strategic Planning Consultants Guide for Indiana Community Action Agencies

Monitoring Evaluation: Review SWOT analysis and strategic planning notes

Provide: SWOT analysis

Value: Recommendation

Recommendation 17.9 The organization maintains current Safety Data Sheets (SDS) in accessible locations.

Agency Guidance:

- Formerly called Material Safety Data Sheets (MSDS)
- Review the OSHA website (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)

Associated Category: 7

Authority: OSHA 29 CFR 1910.1200

Monitoring Evaluate: SDS binder location(s) on site are in an accessible location for all staff

Value: Recommendation

Recommendation 17.10 The organization takes the necessary preventative action steps to reduce workplace accidents and educate its employees to potential dangers.

Agency Guidance:

- This agency should 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).
- The agency provides Workers Compensation and Unemployment Compensation as required by law (IHCDA) and is posted in a common area
- OSHA Form 300A is posted (February 1 to April 30) and placed in the agency file for 5 years
 - Employer must record all work-related injuries and illnesses that result in days away from work, restrict work or transfer to another job, loss of consciousness or medical treatment beyond first aid (OSHA)
 - Injuries include cases such as, but not limited to, a cut, fracture, sprain, or amputation (OSHA)
- All employers must post the OSHA Job Safety and Health: It's the Law poster which informs workers of their rights.

Associated Category: 7

Authority: Occupational Safety and Health Act and OSHA 1903.2

Linkage: IHCDA CSBG Grant Award Agreement No. 13(C)

Interview: Human Resource Manager

Monitoring Evaluation: Review the posted OSHA Form 300A and Job safety and Health poster, review workers compensation Insurance certificates, and in-service training records for each year during the monitoring period

Value: Recommendation

Recommendation 17.11 The governing board approves all purchases of \$5,000 or greater.

Agency Guidance:

- The agency should have an established monetary purchase threshold that required the board to approve purchases.
- Based upon the \$5,000 purchase threshold limit

Associated Category: 8

Authority: None

Linkage: IM 82, 2 CFR 200.439(2) & IHCDA CSBG Grant Award Agreement (Approved Purchase Threshold)

Monitoring Evaluation: Review all agency purchases over \$5,000 during the monitoring period

Provide: List of all purchase over \$5,000

Value: Recommendation

Recommendation 17.12 The governing board has determined that the Chief Executive Officer/Executive Director and the Chief Financial Officer has not filed for bankruptcy during the monitoring period.

Agency Guidance:

- Pull a Credit Report
- Public Court Bankruptcy Records database search provides a more comprehensive check.
- Other methods may be determined based upon the knowledge and experience of the governing board in obtaining such information.

Associated Category: 8

Authority: None

Linkage: State Standard (8.14 & 10.6)

Monitor Evaluation: Review onsite documentation that the agency researched bankruptcy filings for the Chief Executive Officer/Executive Director and the Chief Financial Offer/ Fiscal Manager.

Value: Recommendation

Recommendation 17.13 Final comprehensive reports are annually generated for each program.

Agency Guidance- This is a snapshot of each program and should contain:

- Program statistical information
- Program successes and weaknesses based upon overall agency goals and strategies
- Customer and staff survey/comments
- Program improvements or changes to be implemented
- The comprehensive report documents the ROMA cycle for each program

Associated Category: 9

Authority: ROMA

Monitoring Evaluation: Each annual program report for the previous program year for each year during the monitoring period.

Provide: End of year program reports for each year during the monitoring period

Value: Recommendation

Recommendation 17.14 Each agency employee has signed an annual conflict of interest policy statement.

Agency Guidance:

- It is in the best interest of the agency if management is aware of and can minimize the appearance of impropriety by removing potential conflicts of interest for the staff
- There is no particular template. However, there should be a clear written policy to define actual and potential conflicts and allows for full written disclosure to be documented. (e.g. places to list conflicts).
- Each form must be fully executed and signed by the staff member to be valid
- These should be kept in the employee personnel file or other secured location

Associated Category: 7

Authority: None

Monitoring Evaluation: Review random sampling of signed conflict of interest statements for different years during the monitoring period. Examine document for places that list potential financial, loyalty or other conflicts of interest.

Value: Recommendation

Organizational Analysis (OA)

Recommendation 17.15 For accrual-based accounting, the Total Cash is equal to or greater than greater the Total Accruals.

Agency Guidance:

- Total Accruals at any point in time should be less than Total Cash, minus any accruals

Associated Category: 14

Authority: None

Interview: Fiscal Director

Monitoring Evaluation: Review financial statement for Total Cash and Total Accruals

Provide: Financial Statements showing Total Cash and Total Accruals

Value: Recommendation

Recommendation 17.16 The organization utilizes a procurement checklist for the acquisition of material or services.

Agency Guidance:

- The document is designed to provide a basic checklist covering the steps in a normal procurement cycle, from identifying and specifying a need to awarding a contract
- While the specifics of each procurement are different, this checklist aims to provide a general reminder list to those required to undertake a procurement process

Associated Category: 11

Authority: None

Linkage: WIPFLI OMB Uniform Guidance Training

Interview: Finance Manager

Monitoring Evaluation: Review random procurement files for a completed procurement checklist

Provide: Procurement checklist

Value: Recommendation

Recommendation 17.17 The organization performs a time study evaluation to determine the proper employee payroll allocation and apply the correct percentages.

Agency Guidance:

- Assist in developing an effective cost allocation plan
- Agency should have performed a time study evaluation within the last monitoring period

Associated Category: 12

Authority: 2 CFR Part 200 Subpart D

Monitoring Evaluation: Review time study and compare to payroll allocation

Provide: Time study evaluation

Value: Recommendation

Recommendation 17.18 Organizations Reliance Ratios

1. Government Funding Ratio

Associated Category: 15

Authority: IHADA

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

Provide: Most recently closed interim consolidated Statement of Activities (Income Statement) reflecting total grants/contracts OR a complete list of each.

Value: Recommendation

2. Earned Income Ratio

Agency Guidance:

- Private Sector Resources

Associated Category: 15

Authority: IHCDA and linked to CSBG Annual Report (Module 2, Section C (F.1))

Purpose: Earned income is a percentage of total income and allows for more agency autonomy and flexibility including fundraising activities

Formula: total earned income ÷ total income

Provide: Most recently closed interim consolidated Statement of Activities (Income Statement) reflecting earned income from non-grant/contracts OR a complete list of each.

Value: Recommendation

3. Unrestricted Ratio

Associated Category: 15

Purpose:

- 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.

Authority: IHCDA

Standard: Positive

Formula: Change in Unrestricted Net Assets ÷ Total Unrestricted Revenue

Provide: Most recently closed interim consolidated Statement of Financial Position (Balance Sheet) reflecting Unrestricted Net Assets and the most recently closed interim consolidated Statement of Activities (Income Statement) reflecting Total Unrestricted Revenue

Value: Recommendation

APPENDIX “A”- Acronyms

A/P	Accounts Payable
A/R	Accounts Receivable
ADA	Americans with Disabilities Act
Balance Sheet	Statement of Financial Condition
BBP	Best Business Practice
CAA	Community Action Agency (also called Local Service Provider)
CAP	Community Action Program (also called Local Service Provider)
CAPP	Community Action Program Plan (also known as Community Action Plan)
CAPLAW	Community Action Program Legal Service Inc.
CAR	Comprehensive Administrative Review
CCAP	Certified Community Action Professional
CD	Certificate of Deposit
CEO	Chief Executive Officer (also called ED)
CFR	Code of Federal Regulations
CFP	Certified Public Accountant
COI	Conflict of Interest
COSO	Committee of Sponsoring Organizations (of the Treadway Commission)
CSBG	Community Service Block Grant
DOE	U.S. Department of Energy
DOL	U.S. Department of Labor
EAP	Energy Assistance Program (also called LIHEAP)
ED	Executive Director (also called CEO)
EOA	Economic Opportunity Act of 1964
FAIN	Federal Award Identification Number
FFATA	Federal Funding Accountability and Transparency Act of 2006
FLSA	Fair Labor Standards Act (Department of Labor)
FMV	Fair Market Value
FPG	Federal Poverty Guidelines
FPL	Federal Poverty Level
FR	Federal Register
FTE	Full-time equivalent
FY	Fiscal Year
GAAP	General Accepted Account Practices
GAGAS	Generally Accepted Government Auditing Standards
GL	General Ledger
HHS	U.S. Department of Health and Human Services
HNA	Housing Needs Assessment
HOPWA	Housing Opportunities for Persons with Aids
HUD	U.S. Department of Housing and Urban Development
IC	Indiana Code
IDA	Individual Development Account
IHCDA	Indiana Housing and Community Development Authority
INCAA	Indiana Community Action Association

Income Statement	Statement of Activities
IM	Information Memorandum
IRS	Internal Revenue Service (federal)
IS	Information Systems (formerly CSBG IS Report)
LIHEAP	Low Income Home Energy Assistance Program (also called EAP)
LSP	Local Service Provider
MBE	Minority Business Enterprise
MDL	Management Decision Letter
MOA	Memorandum of Agreement
MQIP	Modified Quality Improvement Plan
NAP	Neighborhood Assistance Program
NCRI	National Certified ROMA Implementer
NCRT	National Certified ROMA Trainer
NFP	Not-for-profit (also called non-profit)
NPI	National Performance Indicator
NM	Not Met (expectation)
OA	Organizational Analysis (CAR Fiscal)
OCS	Office of Community Services
OHS	Office of Head Start
OM	Organizational Management (CAR Programmatic)
OMB	Office of Management and Budget
OS	Organizational Standards for CSBG
OSHA	Occupational Safety and Health Administration
PII	Personally Identifiable Information
PL	Public Law
PL 105-285	CSBG Reauthorization Act of 1998
PM	Partially Met (expectation)
PMS	Payment Management System
PPII	Protected Personally Identifiable Information
PR	Public Relations
PTE	Pass-through Entity
PY	Program Year
QIP	Quality Improvement Plan
RAP	Required Action Plan
RFP	Request for Proposal
RFQ	Request for Qualifications
RIAA	Roeing Initial Application for Assistance
ROF	Release of Funds
ROMA	Results Oriented Management and Accountability
SAM	System for Award Management
SDS	Safety Data Sheets (formerly MSDS-Material Safety Data Sheets)
SNAP	Supplemental Nutrition Assistance Program
SOA or SO/A	Sarbanes-Oxley Act
SSN	Social Security Number
TANF	Temporary Assistance for Needy Families
T/TA	Training and Technical Assistance
TOC	Theory of Change
UG	Uniform Guidance
WAP	Weatherization Assistance Program

WIC

Special Supplemental Nutrition Program for Women, Infants & Children

WIOA

Workforce Innovation and Opportunity Act

Wx

Weatherization

APPENDIX “B”- Definitions

1. **Analysis**- Examination and evaluation of data by breaking the information down into parts. The purpose is for problem solving and decision making.
2. **Annual Report**- A organization published report for the stakeholders and community.
3. **Audit**- Independent examination of the organizations finances to determine if the financial statements are accurate.
4. **Auditor**- The independent company of certified public accountants who is responsible for conducting the audit. This individual or company writes the audit report.
5. **Auditors’ Opinion**- A summary of the findings of the audit report by the auditor
6. **Claim**- The submission to IHCD for reimbursement of expenses towards a specific program.
7. **Community Action Plan**- An integral part of the CSBG Application that CAAs submit to the State Office as a condition to receive funding.
8. **Community-Level Initiative**- Any project, program, coalition, group, committed entities, or other group or activity that has a clearly defined purpose or goal to create measurable community-level change in a specific community (e.g. neighborhood, school district, service area) over many years.
9. **Community Needs Assessment**- Establishes a profile of a community, noting both needs as well as community resources.
10. **Community Service Block Grant Award Agreement**- The annual contract between the State lead Agency and the Community Action Agency.
11. **Conflict of Interest**- A situation in which the personal benefit of an individual is incompatible with that of the organization.
12. **Cyber Email Phishing**- A generic email that targets many individuals by attempting to get someone to click a link or download something. The goal is to harvest credentials or get malware installed on a machine or in your system
13. **Cyber Incident Response Plan**- The framework to address cyber-attack incidents
14. **Cyber Physical Intrusion**- Attempting to gain unauthorized physical access to a facility via social engineering
15. **Cyber Social Engineering**- Non-technical method of intrusion hackers use that relies heavily on human interaction. It involves tricking people into breaking normal agency protocols.
16. **Depreciation**- An allowance for wear or age made to the value of a fixed asset, allocating its cost over its estimated useful life.
17. **Financial Ratio**- Key indicators that offer an organization a way to evaluate financial performance and track trends.
18. **Fraud**- Intentional deception by someone to gain something of value.
19. **Governing Board Bylaws**- The rules adopted by the organization which provide a framework for how the governing board will operate.
20. **Governing Board**- the agency Board of Directors or the tripartite board/advisory body, who is tasked with establishing agency policy and decisions pertaining to the organizations long term objectives.
21. **Governing Board Member**- An elected individual to the governing board who represents a particular sector of the tripartite board.
 - a. **Absent Member**- A member who has provided notification that they will not attend a board meeting.
 - b. **Seated Member**- An individual who has been voted onto the governing board by a majority of the full board membership.
 - c. **Unexcused Member**- A member who has not provided any notification that they will not attend a board meeting.
22. **Governing Board Minutes**- The official and legal record of the board meeting.
23. **Governing Board Motion**- Considered “actions” of the governing board.

24. **Job Description**- A formal and clear account of a specific employee's duties and responsibilities within the organization.
25. **Monitoring**- The act of determining if an agency is meeting the compliance expectations associated with program requirements.
26. **Performance Evaluation**- A formal procedure to measure the productivity of an employee's work/ results based upon their job responsibilities and to then provide feedback.
27. **Procurement**- The process of finding and agreeing to terms for acquired goods and services via a competitive bidding process.
28. **Quorum**- The minimum number of members needed at a governing board meeting before business can be conducted.
29. **Risk Assessment**- A process or method of evaluating potential risks or hazards that may cause harm for the organization, its employees, customers, volunteers, and stakeholders.
30. Schedule of Inventory-
31. **Strategic Plan**- An organizational wide process that is used to set priorities, focus energy and resources, strengthen operations, and ensure everyone is working towards common goals.
32. **Strategic Planning Scorecard**- A method used to measure achievement or progress towards established goals.
33. **Unrestricted Funds**- Money within a non-profit organization that is not tied to specific program operations. Allows the agency to use for any purpose.



A billboard on the left side of the road. It has a white background with a dark border and is supported by a grey post. At the top, there are four small icons of houses. The text on the billboard reads "SUCCESS" in large green letters and "10 MILES" in smaller green letters below it.

SUCCESS
10 MILES



A billboard on the right side of the road. It has a white background with a dark border and is supported by a grey post. At the top, there are four small icons of houses. The text on the billboard reads "COMPLIANCE" in large black letters and "20 MILES" in smaller black letters below it.

COMPLIANCE
20 MILES



CSBG/CAR TOOL