



WISCONSIN DEPARTMENT OF  
CHILDREN AND FAMILIES

**Division of Family and Economic Security**  
**Community Services Block Grant**  
**Policy and Procedures Manual**

Effective June 30, 2014

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## **INTRODUCTION**

The Community Services Block Grant (CSBG) provides federal dollars from the U.S. Department of Health and Human Services for the Community Action Program. The Community Action Program was founded in 1964 by the Economic Opportunity Act, part of President Lyndon B. Johnson's War on Poverty. Originally, federal Community Action Program funds flowed directly to local public and private Community Action Agencies (CAAs). In 1981 CSBG was created by the federal Omnibus Budget Reconciliation Act, and direct federal funding to local agencies was replaced with state-administered block grants.

The CSBG Act, which constitutes Section II of the federal Community Opportunities, Accountability, and Training and Educational Services Act of 1998, also known as the Coats Act, is the most recent federal reauthorization of the CSBG program. The CSBG Act is available online at: <https://www.govtrack.us/congress/bills/105/s2206/text>.

In accordance with Section 676(a) of the CSBG Act, the Governor of Wisconsin has designated the Wisconsin Department of Children and Families (DCF) as the lead agency for administering the state's CSBG funds.

Wis. Stat. ss. 49.265(1) - 49.265(6) define the state's regulations for the CSBG program. The statutes are available online at: <https://docs.legis.wisconsin.gov/statutes/statutes/49/III/265>.

In order to clarify the federal and state requirements for CSBG and encourage the efficient use and management of these funds, DCF issues policies and procedures which are applicable to all CSBG recipient agencies and their subcontractors funded through CSBG, if any. These policies and procedures may be amended and updated as necessary.

### **ACRONYM GUIDE FOR THIS MANUAL**

**CAA** = Community Action Agency

**CORe** = Central Office Reporting

**CRC** = Civil Rights Compliance

**CSBG** = Community Services Block Grant

**DCF** = Wisconsin Department of Children and Families

**LOA** = Letter of Assurance

**LPA** = Limited Purpose Agency

**NASCSP** = National Association for State Community Services Programs

**NPI** = National Performance Indicator, an outcome measure that demonstrates the impact of the CSBG network's programs and activities

**OCS** = Office of Community Services, the office within the U.S. Department of Health and Human Services that administers the CSBG program

**OMB** = Office of Management and Budget

**ROMA** = Results Oriented Management and Accountability, a complete management and accountability process focused on the results achieved by agencies that receive CSBG funds

**UMOS** = United Migrant Opportunity Services

**WISCAP** = Wisconsin Community Action Program Association

## SECTION 1

### CSBG Purpose and Funding Guidelines

#### 1.1 Purpose of Wisconsin's CSBG Program

The CSBG program has the following purposes:

1. Strengthening community capabilities to use available resources related to the elimination of poverty in response to local needs and conditions;
2. Organizing a range of services to impact the causes of poverty in the community to help families and individuals achieve self-sufficiency;
3. Supporting innovative community-based approaches that attack the causes and effects of poverty and community breakdown;
4. Ensuring the maximum feasible participation of low-income people in the process of identifying the problems and needs of low-income communities, as well as the design and evaluation of approaches to meet these needs; and
5. Mobilizing local private, religious, charitable, and neighborhood-based organizations, as well as private individuals in efforts to eliminate poverty.

#### 1.2 Eligibility Guidelines

**Income Eligibility:** Individuals and families receiving CSBG supported services must have incomes at or below 125% of the federal poverty level, as defined by the federal Office of Management and Budget (OMB). CSBG recipient and sub-recipient agencies are required to conduct eligibility screenings as part of their client intake process. Agencies must have written policies and procedures for each program they administer that uses CSBG funds to ensure that CSBG funds are only used to support individuals and families who meet the income eligibility requirement. Agencies may determine the types of documentation they require for income verification. If a household's income is at or below 125% of the federal poverty level upon intake into the program, the individual (or family) is eligible to continue receiving services until the agency conducts a formal reassessment.

*Reference: Section 673(2) of the [CSBG Act](#) and [Wis. Stat. s. 49.265\(1\)\(b\)](#)*

125% of Federal Poverty Guidelines (2014)			
Family Size	Annual	Monthly	Weekly
1	\$14,588	\$1,216	\$281
2	\$19,663	\$1,639	\$378
3	\$24,738	\$2,061	\$476
4	\$29,813	\$2,484	\$573
5	\$34,888	\$2,907	\$671
6	\$39,963	\$3,330	\$769
7	\$45,038	\$3,753	\$866
8	\$50,113	\$4,176	\$964
Each Add'l	\$5,075	\$423	\$98

CSBG eligibility is based on household income. A household is defined as all individuals living within the same household who are related to one another by birth or marriage. The gross (pre-tax) income of all individuals in the household must be counted in order to assess eligibility for CSBG services.

Often agencies support a single program by combining CSBG dollars with funds from other sources that have different income eligibility requirements from the CSBG program. In these cases, those served must be screened for CSBG eligibility and identified as CSBG-eligible or not CSBG-eligible. Agencies must use proportional ratios to demonstrate client eligibility tied to funding streams. For example, if CSBG supports 30% of a program's costs, then the agency must be able to demonstrate that at least 30% of the clients served have incomes at or below 125% of the federal poverty level.

**Other Eligibility Criteria:** Agencies may set other eligibility criteria for programs supported by CSBG funds, including non-income related eligibility criteria. For example, a program may only serve homeless families with minor children, or an agency may choose to set an income eligibility limit for a specific program at lower than 125% of the federal poverty level. However, agencies may not discriminate on the basis of race, color, national origin, sex, age, religion, or disability. In addition, agencies cannot ban non-citizens from CSBG programs solely on the basis of their immigration status unless such exclusion is authorized by another statute.

*Reference: [OCS Information Memorandum 30 \(September 30, 1998\)](#)*

### **1.3 Fundable Activities**

CSBG funds can be used for a wide variety of activities designated to assist low-income families and individuals, including homeless households, refugees, migrant or seasonal farmworkers, and elderly low-income individuals and families, with the following:

1. To secure and retain meaningful employment;
2. To attain an adequate education;
3. To make better use of available income;
4. To secure needed transportation;
5. To obtain and maintain adequate housing and a suitable living environment;
6. To obtain emergency assistance through loans, grants, or other means to meet immediate and urgent family and individual needs;
7. To remove obstacles and solve problems that block self-sufficiency;
8. To achieve greater participation in the affairs of the community, including the development of public and private grassroots partnerships with local law enforcement agencies, local housing authorities, private foundations, and other public and private partners; and
9. To make more effective use of other programs that can help them meet basic needs and achieve greater self-sufficiency.

Agencies may also use CSBG funds to:

1. Address the needs of youth in low-income communities through youth development programs and after-school child care programs;
2. Research the causes of and problems created by poverty in the community;

3. Determine if programs to reduce poverty are working effectively;
4. Coordinate and establish linkages between governmental and other social services programs to eliminate duplication of services and ensure the effective delivery of services to low-income individuals;
5. Create methods by which persons experiencing poverty can work with private groups to solve common problems;
6. Apply for funds from various sources to support a community action program; and
7. Encourage the use of private sector resources in efforts to alleviate poverty in the community.

Agencies will determine the specific assistance and programs they will provide, based on needs identified in local communities.

*Reference: Section 676(b)(1) of the [CSBG Act](#), [Wis. Stat. s. 49.265\(3\)\(b\)](#), and the Wisconsin State CSBG Plan for Federal Fiscal Years 2014 and 2015.*

#### **1.4 Direct Services**

[Wis. Stat. s. 49.265\(3\)\(b\)](#) and the Wisconsin State CSBG Plan for FFYs 2014 and 2015 allow contract agencies to provide direct services to low-income individuals through emergency assistance services, grants, loans, or emergency supplies to meet immediate and urgent needs. In addition, Section 678F of the [CSBG Act](#) allows low-cost residential weatherization and other energy-related home repairs.

If CSBG funds are used to provide weatherization services or direct services of any type, the households receiving the services must be at or below 125% of the federal poverty level. Such services must be included in the agency's CSBG application and approved by DCF.

#### **1.5 Limitations on the Use of Funds**

Per Section 678F of the [CSBG Act](#), the following uses are not allowable for CSBG funds:

1. Purchase or improvement of land or the purchase, construction or permanent improvement (other than low-cost residential weatherization or other energy-related home repairs) of any building or facility.

Note: Assistance with a delinquent mortgage or property tax payment is allowable. A permanent improvement to a home, such as installing a different furnace system or making a change to the inside or outside structure of a home, is not allowed. Agencies are encouraged to contact the CSBG contract manager if they are uncertain whether a specific service is allowable;

2. Leasing of space, buildings, and/or other assets not associated with a CSBG purpose or allowable activity; and
3. Political activity such as:
  - a. Any partisan or nonpartisan activity or any political activity associated with a candidate or contending faction or group, in an election for public or party office,
  - b. Any activities to provide voters and prospective voters with transportation to the poll or provide similar assistance in connection with an election, or
  - c. Any voter registration activity.

For further guidance on allowable uses for CSBG funds, public agencies should refer to [OMB Circular No. A-87, Cost Principles for State, Local, and Indian Tribal Governments](#), and private nonprofit agencies should refer to [OMB Circular No. A-122, Cost Principles for Non-Profit Organizations](#).

## **1.6 Administrative and Indirect Costs**

Direct program costs are those that can be specifically identified with the delivery of a particular program or service that serves low-income individuals and families. Activities related to efforts to coordinate and strengthen a range of local programs and services that combat poverty are also direct program costs. While these efforts often entail planning and management functions that are administrative in nature, OCS considers such functions to constitute a core CSBG program purpose.

Administrative costs are equivalent to the familiar concepts of indirect costs or "overhead." As distinguished from program administration or management expenditures that qualify as direct program costs, administrative costs refer to central executive functions that do not directly support a specific project or service. Administrative costs relate to the general management of the grantee organization, such as strategic direction, board development, executive director functions, accounting, budgeting, personnel, procurement, and legal services.

Each grantee's administrative costs are reviewed and approved on a case-by-case basis as part of the renewal application and budget modification process. All administrative costs charged to CSBG must be necessary to accomplish the goals of CSBG. Although the CSBG Act does not establish a maximum percent of agency administration that can be charged to CSBG, OCS and OMB have established a national goal of limiting CSBG administrative expenses to no more than 16%. DCF will work with contract agencies that are not meeting the 16% goal on strategies for reducing administrative costs.

*Reference: [OCS Information Memorandum 37](#)*

## **SECTION 2**

### **Eligibility to Receive CSBG Funding**

#### **2.1 Eligible Entities**

The federal [CSBG Act](#) designates the following types of agencies as eligible to receive CSBG funds:

1. Community Action Agencies (CAAs): CAAs are local, private and public nonprofit organizations that carry out the Community Action Program. There are over 1,000 CAAs in the United States and its territories. Wisconsin has 16 CAAs, each of which serves a specific geographic area of one to ten counties.
2. Organizations Serving Migrant Farmworkers: In Wisconsin, United Migrant Opportunity Services (UMOS) has been designated as an eligible entity to receive CSBG funds to serve migrant farmworkers.



A major defining characteristic of eligible entities is that persons affected by poverty have meaningful roles in guiding the agencies' programs and approach to improving the lives of low-income individuals and families.

[Wis. Stat. s. 49.265](#) stipulates that along with the Secretary of the department serving as the CSBG lead agency, the legislative body of the county (i.e., county board of supervisors) if the agency serves an entire county, or if the agency serves a city, village, or town, the legislative body of the city, village, or town, must also grant approval in order for the agency to be eligible to receive CSBG funds.

The [list of eligible entities](#) within the state is generally consistent from year to year. States may only add or remove organizations from the list of eligible entities according to procedures outlined by the [CSBG Act](#), as described in Sections 2.3 and 4.11.

## **2.2 Board Composition Requirements for Eligible Entities**

An essential characteristic of an eligible entity is its tripartite board. Each eligible entity must be governed by a board of directors with 15 to 51 members in the following categories:

1. One-third must be elected public officials or their representatives.
2. At least one-third must represent low-income persons from the populations served by the agency. They must be chosen in accordance with democratic selection procedures adequate to ensure that they are selected by, and represent, low-income persons. They may be chosen directly by election or public forum, or through a similar democratic process such as an election to a position of responsibility in another significant service or community organization. The low-income representatives must reside in the area or neighborhood they represent and they must be able to participate actively in the development, planning, implementation, and evaluation of CSBG-funded programs.
3. The remaining board members must represent major groups or interests within the communities served by the agency. They may represent private industry, labor, religious, human services, law enforcement, education, or other major groups or interests.

*Reference: Section 676B of the [CSBG Act](#), [Wis. Stat. s. 49.625\(2\)\(a\)](#) and [OCS Information Memorandum 82](#)*

## **2.3 Designation and Redesignation of Eligible Entities in Unserved Areas**

In accordance with the CSBG Act, if a county in Wisconsin is not covered or ceases to be covered by an eligible entity, and the State decides to serve that county, the State will first request an existing CAA that is located and provides services in a contiguous county to serve the unserved county. If no existing CAA is located in a contiguous county, a request will be made to the CAA located within the closest proximity, or another existing CAA within reasonable proximity to the unserved county. If existing CAAs decline to serve the unserved county, the State may create a new CAA. Such an entity would be a private nonprofit organization that is geographically located in the area or in an area contiguous to, or within reasonable proximity to, the unserved area and is capable of meeting all requirements of the CSBG program. Regardless of whether the agency is an

existing CAA, or a newly designated CAA, the board of supervisors for the unserved county would need to approve a resolution to designate the agency as the CAA for that county.

*Reference: Section 676A of the [CSBG Act](#) and Wisconsin State CSBG Plan for Federal Fiscal Years 2014 and 2015*

#### **2.4 Limited Purpose Agencies**

[Wis. Stat. s. 49.265](#) also allows Limited Purpose Agencies (LPAs) to receive CSBG funds. Wisconsin's two LPAs are the Coalition of Wisconsin Aging Groups (CWAG) and the Foundation for Rural Housing, both of which are statewide nonprofit organizations serving specific populations. The LPAs are governed by boards of directors that must be comprised of at least 50% low-income individuals or persons who can effectively represent the needs and interests of low-income citizens.

*Reference: Wisconsin State CSBG Plan for Federal Fiscal Years 2014 and 2015*

### **SECTION 3**

#### **State CSBG Grant Distribution and Plan**

##### **3.1 Grant Formula and Distribution to Contract Agencies**

Federal law requires that DCF pass through 90% of Wisconsin's CSBG allocation in grants to eligible entities. The State may use no more than 5% of the allocation for the State's administrative expenses. The remaining 5% is used at the State's discretion to support other activities consistent with the purposes of the CSBG legislation.

*Reference: Section 675C(a)(1) of the [CSBG Act](#)*

Wisconsin currently distributes its CSBG allocation in the following way:

1. 86.7% is passed through to the 16 CAAs. The specific grant amounts to the agencies are determined by the formula: the ratio of the number of persons at or below 100% of poverty in the counties within the CAA's service area (from U.S. Census data) multiplied by 86.7% of Wisconsin's total CSBG allocation;
2. 4% is passed through to UMOS for services for migrant and seasonal farmworkers;
3. 4% is allocated to Wisconsin's 11 federally recognized Indian tribes;
4. 2% is distributed to the two LPAs, statewide agencies with specific constituencies that provide direct services to individuals, families, and communities; and
5. 3.3% is used as administrative dollars within DCF for the purposes of administering the program statewide, and to support the work of the Wisconsin Community Action Program Association (WISCAP).

*Reference: Wisconsin State CSBG Plan for Federal Fiscal Years 2014 and 2015*

##### **3.2 CSBG State Plan and Application**

The [CSBG Act](#) requires that states submit a CSBG State Plan and Application to OCS for each contract period to describe the states' proposed use of CSBG funds and include assurances that CSBG will be used in accordance with legislative intent. DCF develops and submits a CSBG State Plan and Application every two years. The CSBG State Plan and Application is due September 1 preceding the start of the federal fiscal year.

The State must also submit a letter from the Governor with each CSBG State Plan and Application that designates DCF as the lead agency for administering Wisconsin's CSBG program.

DCF is required to solicit public comments during the process of developing the CSBG State Plan and Application. Once DCF has prepared a new draft of the CSBG State Plan and Application, DCF posts it on the DCF website and provides an electronic copy to each agency in the state that receives CSBG funds. DCF holds a public hearing, with notice sent to contract agencies, other pertinent stakeholders, and the public at least 30 days in advance. The state also holds a legislative hearing every three years to gain public input and provide a review of CSBG programming and plans. Revisions to the CSBG State Plan and Application may be made in response to written and verbal public comments.

## **SECTION 4**

### **Contract Process and Procedures**

#### **4.1 CSBG Funding Cycle and Contract Year**

The federal funding cycle for CSBG state allocations follows the federal fiscal year (October 1 through September 30). The contract year for Wisconsin's CSBG program is January 1 through December 31.

If federal allocations are delayed, DCF's policy is to issue contracts with estimated grant amounts, and amend contracts after the start of the program year when Wisconsin's federal CSBG allocation is determined.

#### **4.2 CSBG Application**

All contract agencies must submit an annual application to DCF that outlines their plans for use of the CSBG funds and includes signed certifications that the agencies will comply with all federal and state requirements for CSBG grantees. DCF will send CSBG application forms to eligible entities and limited purpose agencies on or before August 1 and completed applications will be due back to DCF by October 1 in the year preceding the contract year, which begins on January 1. DCF will review and approve the applications prior to issuing contracts.

The applications must include the following information:

1. The contract agency's annual Community Action Plan as described in Section 4.4;
2. A proposed CSBG budget that details planned programmatic and administrative expenditures for the upcoming year;
3. A roster of board members that includes their names, city/town of residence, original date of appointment, length of service, tripartite sector, and as applicable, the organization, community, or business they represent;
4. The agency's total projected revenue for the upcoming year with a list of the other anticipated sources of funding;
5. An explanation of significant changes in funding from the previous year;
6. Documentation that the board reviewed and approved the CSBG application; and

7. Signatures from the agency's executive director and board chair.

As stated in Section III of the Contract Agreement, an agency's annual CSBG application as submitted is part of that agency's agreement with DCF.

### **4.3 Community Needs Assessment**

Every three years, all contract agencies are required to conduct and submit a Community Needs Assessment. The purpose is to identify the greatest unmet poverty-related needs and the gaps in services for low-income individuals and families in the community, and to ensure that the agency is directing and adjusting its services regularly in response to the changing needs in the community.

The Community Needs Assessment must contain the following components:

1. An analysis of information gathered directly from low-income individuals through methods such as surveys, focus groups, interviews, and/or community forums;
2. Information gathered from community partners including community based organizations, faith based organizations, public sector partners, law enforcement, and educational institutions; and
3. An analysis of the most recent U.S. Census Bureau data showing the incidence of poverty in the contract agency's service area and how poverty affects different demographic groups in the community.

*Reference: Section 676(b)(11) of the [CSBG Act](#) and [OCS Information Memorandum 82](#)*

### **4.4 Community Action Plan**

Each contract agency must have an annual Community Action Plan developed under the guidance of the agency's board of directors, which provides a basis for directing and monitoring the agency's efforts in addressing poverty-related problems in the community. This plan outlines the services and activities the agency will implement, based on the findings of the Community Needs Assessment. The board of directors' involvement and participation in the Community Action Plan is a vital component of compliance with the CSBG Act. The board of directors' record should clearly document their ongoing involvement and leadership in the development, implementation, and evaluation of the Community Action Plan. Board ratification of a staff-prepared plan does not demonstrate adequate involvement and leadership in compliance with the CSBG Act.

The board should establish processes to ensure ongoing involvement and participation in the development, implementation, and evaluation of the plan that is responsive to the major needs of the low-income population in the community served by the contract agency. The board must also ensure that Results Oriented Management and Accountability (ROMA) goals and National Performance Indicators (NPIs) are incorporated in the formulation of the plan. For this reason, contract agencies' board members must receive ROMA training on an annual basis as described in Section 7.6.

The board must receive an update on the progress made on the Community Action Plan at least once every 12 months.

The Community Action Plans must include the following components:

1. A description of the major poverty-related problems identified by the agency's most recent Community Needs Assessment;
2. Prioritization of the identified problems by magnitude and severity;
3. Identification of current levels of anti-poverty efforts, including an inventory of current local initiatives that exist to address the identified poverty-related problems and any major service gaps at the local level;
4. Selection of problems that the agency will target for direct intervention and the specific programmatic approaches the agency will take;
5. Goals, based on ROMA goals and NPIs, that state in precise terms what the agency proposes to accomplish through its activities during the period of the plan; and
6. A plan for ongoing evaluation of the agency's activities.

*Reference: Section 676(b)(11) of the [CSBG Act](#) and [OCS Information Memorandum 82 \(March 23, 2005\)](#)*

#### **4.5 Contract Approval Process**

The contract process begins once DCF approves an agency's annual CSBG application.

DCF sends contracts to agencies for signatures 30 days before the start of the contract period. The agencies then have 60 days to sign and return their contracts. DCF uses the DocuSign system, which allows contracts to be routed and signed electronically. Full instructions on using DocuSign are available at:

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#### **4.6 Affirmative Action Plan**

All contract agencies must submit an Affirmative Action Plan within 15 working days of returning their signed contract. Exceptions exist, and are noted in the Instructions for Vendors. An electronic version of the Instructions for Vendors and all forms required are available at: <http://vendornet.State.wi.us/vendornet/Contract/contcom.asp>.

#### **4.7 Civil Rights Compliance**

Every four years, contract agencies must provide assurance that they comply with DCF civil rights requirements, which are listed in their contracts.

All contract agencies must submit a Letter of Assurance (LOA) stating their agency complies with all DCF civil rights requirements. If contract agencies receive funding from more than one state agency, they submit the LOA to the state agency from which the contract agency receives the most funding.

In addition, agencies that have 50 or more employees or receive \$50,000 or more in funding must have a Civil Rights Compliance (CRC) plan that meets the requirements of DCF. The \$50,000 threshold applies to the total funding received from DCF and two other state departments: the Department of Health Services and the Department of Workforce Development. The CRC plan requirement applies to both direct recipients of DCF contracts and subcontractors of those agencies. Agencies do not have to submit their

CRC plan for state approval, but they must submit an LOA stating their agency complies with federal and state CRC requirements and the agency's CRC plan meets the state's requirements. DCF can request agencies to submit their full CRC plan and will conduct CRC reviews of agencies as necessary.

The LOA and CRC plan instructions and templates are available on the DCF website: <http://def.wisconsin.gov/civilrights>

#### **4.8 Expenditure Reports and Payment Process**

Contract agencies must submit claims for reimbursement electronically using the Department's cost reporting system, known as Central Office Reporting (CORe). The electronic expenditure report form is available at <http://dwd.wisconsin.gov/core/forms.htm>. Agencies report direct program and administrative costs on separate lines in the CORe report for each month. Direct program and administrative costs are defined in Section 1.6 of this manual.

The CORe Monthly Expenditure Reports for January through November must be submitted to DCF by close of business (4:30 pm Central Standard Time) on or before the 20<sup>th</sup> day of the month for the previous month's activity. Late reports will be processed in the next month's payment cycle. The schedule for submitting CORe Monthly Expenditure Reports is left to the discretion of each contract agency; reports may be submitted monthly or less frequently, depending on the agency's wish for reimbursement. It is not imperative that expenditures for a specific month be claimed within that month; they may be claimed on a subsequent month's expenditure report. The final expenditure report (for December of each contract year) is due within 90 days after the end of the grant period, which is March 31<sup>st</sup> of the year following the contract year.

DCF requires all grants to be paid by direct deposit into grantees' accounts. After an expenditure report is submitted, DCF will issue the reimbursement using direct deposit on the last day of the same month, subject to reduction, recovery, and reimbursement as provided in the contract. To begin receiving payments, the Automatic Clearing House Set-Up form at [http://dwd.wisconsin.gov/dwd/forms/adm/fis\\_14393\\_e.htm](http://dwd.wisconsin.gov/dwd/forms/adm/fis_14393_e.htm) must be completed.

Total net reimbursement to the agency for allowable expenses will not exceed the contracted amounts specified in the contract. Net reimbursements under this contract may be adjusted for other amounts owed DCF.

#### **4.9 Carry Over Funds**

Unspent funds may be carried over by an agency into the following year, however, Section 675C of the [CSBG Act](#) provides that a state may recapture or redistribute unobligated funds that exceed 20% of the agency's annual CSBG allocation. Therefore, DCF encourages agencies to spend at least 80% of their CSBG grant within the grant period. If an agency does not spend at least 80% of their award for two consecutive years, DCF may redistribute its unspent funds. A written explanation is required from any agency that fails to spend at least 80% of its award for any single year.

Contract agencies that did not spend 100% of their CSBG grants must contact the CSBG contract manager by email after the contract closes out on March 31 of the year following the contract year to:

1. Confirm the balance of their unspent funds;
2. Provide a brief explanation of why the funds were not utilized during the contract year;
3. Explain how and when the carry over funds will be utilized during the carry over year; and
4. Indicate if the agency spent 100% of any carry over funds that it had from the previous contract year.

The CSBG contract manager will review the agency's contract balance in the DCF CORE system, and verify the figure with the agency prior to issuing a contract amendment in May of the carry over year.

Unexpended funds that are carried over must be used within the carry over year and are not included in the total CSBG allocation for that year.

#### **4.10 Contract Modification Process**

Agencies' CSBG contracts are modified as needed. The contract agreement may be amended by mutual agreement. The revision is effective when a contract amendment is signed by authorized representatives of both DCF and the contract agency. Only a DCF signature is required for contract amendments that simply increase the agency's CSBG allocation.

#### **4.11 Funding Termination and Reduction**

DCF cannot reduce or terminate CSBG funding for an eligible entity unless, after providing notice and an opportunity for a hearing on the record, DCF determines that cause exists for such termination or reduction.

*Reference: Section 676(b)(8) of the [CSBG Act](#)*

Per Section 676(c) of the CSBG Act, the only "cause" that can necessitate a reduction in funding would be:

1. A statewide redistribution of funds in response to new census data;
2. The designation of a new eligible entity;
3. Severe economic dislocation; or
4. The failure of the eligible entity to comply with the terms of an agreement or a state plan, or to meet a state requirement.

The approval of a contract agency may be rescinded only if there is good cause and the decision to rescind is made by both the legislative body of the county, city, village, or town that granted the approval and the DCF Secretary. At least 90 days before rescinding approval, the legislative body or DCF Secretary must notify the agency of its reasons for the action and hold a public hearing in the community concerning the action.

*Reference: Section 678C(b) of the [CSBG Act](#) and [Wis. Stat. s. 49.625\(2\)\(c\)](#)*



## **SECTION 5**

### **Grant Administration and Monitoring**

#### **5.1 Monitoring**

Section 678B(a)(1) of the [CSBG Act](#) requires that the State shall conduct a full onsite review of each CSBG recipient agency at least once every three years. Newly designated eligible entities will be monitored immediately after the completion of the first year in which the agency receives CSBG funds. DCF may monitor an agency more frequently if the agency has special issues or problems; has failed to meet goals, standards, or requirements established by the State; has experienced turnover in its executive director and/or chief financial officer positions; or has had other federal, state, or local grants other than CSBG terminated for cause. In particular, DCF is required to review the cause of termination for other federal grant programs to assure that comparable issues do not exist for CSBG funds.

DCF's monitoring process for CSBG agencies includes a desk review of agency records, a survey of the agency's board of directors, and an onsite monitoring visit. The onsite visit includes interviews with agency leadership and reviews of fiscal records, participant case files, and other records related to the agency's programs and management. The purpose of the monitoring process is to verify compliance with federal CSBG requirements, state statutes, the agency's annual CSBG application, and DCF policies.

After the CSBG contract manager conducts an onsite review of a contract agency, DCF will issue a monitoring report outlining the results of the review within 30 days.

DCF is also required to thoroughly investigate any instances of "whistleblower" complaints or allegations of fraud or abuse of CSBG funds or funds from closely-related programs such as Head Start, the Low Income Home Energy Assistance Program, or the Weatherization Program. In any instances in which complaints or allegations of fraud are considered credible, DCF will inform OCS of findings and OCS may assist with additional compliance review or referral to appropriate investigative authorities.

*Reference: [OCS Information Memorandum 116](#)*

#### **5.2 Corrective Action**

If DCF determines through a monitoring review that an agency is not in compliance with state and/or federal CSBG requirements, DCF will identify the specific deficiencies in a monitoring report issued to the agency within 30 days of the onsite monitoring review. The monitoring report will document the basis for DCF's determination and the agency will be asked to develop and propose a Corrective Action Plan and timeline within 60 days to address the issues identified in the monitoring report. This plan must identify the actions that the agency will take to correct the deficiency within a reasonable period. Alternately, the agency may provide documentation that corrections have already been made, and therefore a Corrective Action Plan is not needed for the issue(s) in question. DCF will have 30 days to approve the agency's proposed Corrective Action Plan or specify the reasons why the proposed plan cannot be approved. DCF must offer training and assistance (as required by Section 678C(A) of the CSBG Act) if appropriate to help



the agency correct deficiencies. If an agency fails to make progress on a Corrective Action Plan, DCF will follow the process outlined in Section 678C of the CSBG Act and the guidelines provided in [OCS Information Memorandum 116](#). As required, DCF will communicate with OCS regarding the situation.

### **5.3 Training, Technical Assistance, and Other Activities**

As the lead agency for Wisconsin's CSBG program, DCF is responsible for providing entities receiving CSBG funds with a range of technical assistance and training in order to establish and maintain sound grant management and program practices. Technical assistance is available throughout the term of the grant. DCF also contracts with WISCAP to provide training and technical assistance to contract agencies throughout the state.

*Reference: Section 678A of the [CSBG Act](#)*

## **SECTION 6 Reporting Requirements**

### **6.1 CSBG Information System (IS) Survey**

The CSBG IS Survey is a mandatory, annual federal report for every contract agency that receives CSBG grants and all state offices that administer CSBG funds.

Part I of the CSBG IS Survey is comprised of the following sections:

1. Sections A through C, which contain state-specific information and are completed by DCF;
2. Section D, which is a report on agencies' accomplishments and coordination of funds;
3. Section E, which is a report on agencies' CSBG expenditures by service area;
4. Section F, which identifies agencies' revenue by source from the previous year; and
5. Section G, which is a report on the numbers and demographic characteristics of individuals served by the agencies.

Part II of the CSBG IS Survey contains the NPIs, outcome measures that demonstrate the impact of the CSBG network's programs and activities on low-income individuals, families, and communities.

The NPIs correspond to the six broad, anti-poverty goals of the ROMA system:

1. Low-income people become more self-sufficient;
2. The conditions in which low-income people live are improved;
3. Low-income people own a stake in their community;
4. Partnerships among supporters and providers of service to low-income people are achieved;
5. Agencies increase their capacity to achieve results; and
6. Low-income people, especially vulnerable populations, achieve their potential by strengthening family and other supportive systems.

*Reference: [OCS Information Memorandum 49](#)*

DCF's Responsibilities for the CSBG IS Survey: DCF completes Sections A through C of the CSBG IS Survey. DCF is responsible for aggregating the data from all contract agencies for all other sections, and submitting a final report to the National Association for State Community Services Programs (NASCSPP). DCF currently contracts with WISCAP for aggregating the CSBG IS Survey data and providing technical assistance to contract agencies.

Contract Agencies' Responsibilities for the CSBG IS Survey: Each contract agency must complete Sections D through G of the CSBG IS Survey and demonstrate their program outcomes on Part II, the NPI report. Contract agencies are also responsible for maintaining back-up documentation to support the data reported in their CSBG IS Surveys. It is important to note that the CSBG IS Survey relates to all of the agency's activities, not just services directly funded by CSBG.

Wisconsin's Process for Completing the CSBG IS Survey:

1. NASCSPP makes the CSBG IS Survey reporting forms available during the fourth quarter of the calendar year;
2. Contract agencies and DCF complete their sections of the report and submit them to WISCAP by a designated due date, typically in mid-February;
3. WISCAP aggregates the data from the contract agencies and DCF and follows up with individual agencies for any needed clarification. WISCAP submits a final draft report to DCF in mid-March;
4. DCF finalizes, approves, and submits the final aggregated CSBG IS report to NASCSPP by March 31;
5. DCF responds to any inquiries from NASCSPP regarding the aggregated data. NASCSPP sends these inquiries in a "clean-up memo" that DCF generally receives in June, and DCF and WISCAP work with contract agencies as needed to prepare a response to this memo; and
6. Once all inquiries have been answered, NASCSPP aggregates the data from all the states and submits a final report to OCS.

## **6.2 Progress Reports**

DCF requires all contract agencies to submit semi-annual progress reports with a comparison of their actual and projected CSBG expenditures, the number of people or households they have served compared to pre-grant period projections, and a description of the progress of each program that is supported by CSBG funds.

## **6.3 State Annual Reports**

Wisconsin State Statute requires DCF to provide an annual report on the activities and effectiveness of Wisconsin's CSBG program to the state legislature.

*Reference:* [Wis. Stat. s. 49.265\(6\)](#)

## **SECTION 7**

### **Other Requirements for Contract Agencies**

#### **7.1 The Role of the Board of Directors**

Boards are responsible for oversight and governance of the contract agencies. They provide direct supervision of the agency's executive director only. The governing board of each private, nonprofit contract agency shall undertake an annual performance evaluation of the agency's executive director. Dated evidence of the evaluation must be contained within the executive director's personnel file.

The boards must fully participate in the development, planning, implementation, and evaluation of programs supported by CSBG funds.

Board members, especially those who represent low-income communities, are not excluded from receiving services from the agency as long as they do not receive preferential treatment in the nature or timing of such services.

*Reference: Section 676B of the [CSBG Act](#), [OCS Information Memorandum 82](#)*

#### **7.2 Bylaws**

All contract agencies must have written bylaws that are reviewed and approved by the agency's board of directors at least once every five years. The bylaws of eligible entities must define the tripartite composition of the board and procedures for democratic selection of low-income representatives. The bylaws of the LPAs must stipulate that at least 50% of board seats will be held by low-income individuals or persons who can effectively represent the needs and interests of low-income citizens.

The bylaws of all contract agencies must define the following:

- Responsibilities of the board;
- Board committees, which must include separate finance and personnel committees, and the authority of the committees;
- Officers and their duties;
- Procedures for recruiting and seating new board members;
- Meeting frequency;
- Board quorum;
- Number of board members;
- Procedures for removing board members for nonattendance; and
- Procedures for filling vacancies on the board.

#### **7.3 Procedure to Petition for Representation**

Contract agencies must have a procedure in their board bylaws, policy, or procedure manual through which low-income individuals or any community and religious organization can petition for representation on the agency's board of directors.

*Reference: Section 676(b)(10) of the [CSBG Act](#)*

#### **7.4 Board Term Limits**

Federal and state CSBG statutes do not stipulate term limits for contract agencies' board members; therefore, agencies are free to choose whether or not their bylaws impose term limits for board members.

#### **7.5 Board Meetings and Minutes**

Board meetings must be scheduled and held in accordance with the agency's bylaws. Likewise, board attendance requirements must be outlined and followed in accordance with the agency's bylaws.

All contract agencies must send all board meeting minutes, whether the minutes have been formally approved or not, to [DCF.CSBG@Wisconsin.gov](mailto:DCF.CSBG@Wisconsin.gov) within 45 days of the meeting date.

#### **7.6 Board Training Requirements**

Board members must receive training about the legal aspects of their service and their leadership responsibilities. New board members must receive orientation training.

Boards must also receive annual training on ROMA. All board members must be familiar with ROMA concepts and participate in periodic updates and review of the agency's Community Action Plan, as described in Section 4.4, which uses ROMA as the basis of setting and tracking performance goals for the agency's programs and services.

*Reference: [OCS Information Memorandum 82](#)*

#### **7.7 Privacy of Program Participants**

Contract agencies must establish internal policies to protect the privacy of program participants. Electronic and paper records must be secured, with access to records limited to appropriate staff. Contract agencies providing health care services must maintain client privacy and records in compliance with the Health Insurance Portability Accountability Act (HIPAA), Public Law 104-191.

#### **7.8 Personnel Policy**

The board of directors of each contract agency must develop and approve written personnel policies that are reviewed not less than every five years and updated as needed. The policies must include standard provisions including:

- Equal employment;
- Discipline and termination policies;
- Grievance procedures,
- Job classifications,
- Explanation of fringe benefits, including leave and holidays,;
- Whistleblower/anti-retaliation policy;
- Travel policy;
- Non-discrimination statement;
- Conflict of interest policy;
- Nepotism statement;
- Definition of work day, work week, and hours;

- Rules governing the use of overtime; and
- A policy requiring all staff driving on company business to have a current driver's license.

Either within the personnel policies or in a separate document, the board of directors must also establish rates of compensation for each staff position.

### **7.9 Conflict of Interest Policy**

All contract agencies must have a written conflict of interest policy that applies to all staff, board members, and volunteers. This policy should focus on the prevention of self-dealing where individuals take advantage of their position within the organization to enrich themselves or gain other advantage.

### **7.10 Referrals to Drug Treatment Services**

Per Section 678G(a) of the [CSBG Act](#), if a contract agency tests participants in its programs, activities, or services for controlled substances, the contract agency must inform any participants who test positive for controlled substances about the availability of treatment and rehabilitation services and refer them for appropriate treatment and rehabilitation. Any CSBG funds used for such testing will be considered to be expended for administrative expenses.

### **7.11 Child Support Services and Referrals**

Per Section 678G(b) of the [CSBG Act](#), contract agencies are required to inform custodial parents in single-parent families that they serve about the availability of child support services by referring eligible parents to the local child support agency. A list of Wisconsin's local child support agencies is available online at: <http://dcf.wisconsin.gov/cs/agencylist>. Contract agencies can find informational materials about Wisconsin's Child Support Program for distribution to eligible parents at <http://dcf.wisconsin.gov/cs/publications-topics>

### **7.12 Collaboration with Other Service Providers**

Contract agencies must develop collaborative relationships with other providers of services to low-income individuals and families in their area. Specifically, there must be coordination, cooperation, and referral relationships between contract agencies and agencies that provide Wisconsin Works, Job Access Loans, Emergency Assistance, Refugee Services, FoodShare, and Medical Assistance.

### **7.13 Political Activity Policy**

To ensure compliance with Section 678F(b) of the [CSBG Act](#), contract agencies must have a written political activity policy that prohibits partisan political activity, voter registration activities, and transporting voters to polls.

### **7.14 Audit Requirements**

All contract agencies must have an annual Single Audit conducted by an independent accounting firm, and submit a copy electronically to [DCFauditors@wisconsin.gov](mailto:DCFauditors@wisconsin.gov) in accordance with the process outlined in their contracts. If an agency has a finding or

recommendation in its audit report, DCF's Fiscal Integrity and Audit Section will review and monitor the agency's corrective action activities and require evidence that all identified deficiencies have been resolved.