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**DEPARTMENT OF HEALTH & HUMAN SERVICES**  
Administration for Children and Families  
Office of Community Services

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## **Community Services Block Grant**

*Missouri State Assessment*

*On-Site Review*

*Final*

March 26 - 30, 2012

# Missouri State Assessment

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# Missouri Community Services Block Grant

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## I. Executive Summary

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The Community Services Block Grant (CSBG) provides assistance to States and local communities working through a network of eligible entities<sup>1</sup> and other neighborhood-based organizations for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals to become fully self-sufficient. CSBG-funded activities create, coordinate, and deliver a broad array of services to low-income Americans. The grant's purpose is to fund initiatives to change conditions that perpetuate poverty, especially unemployment, inadequate housing, poor nutrition, and lack of educational opportunity.

The Governor of Missouri designated the Missouri Department of Social Services, Family Support Division (MDSSFSD) as the appropriate lead agency for the administration of CSBG. In Missouri, CSBG provides funding, technical assistance, and support to 19 eligible entities serving 114 counties. The eligible entities provide an array of services according to the Community Action Plan formulated to address local needs. Services may include housing, energy assistance, nutrition, employment and training as well as transportation, family development, child care, health care, emergency food and shelter, domestic violence prevention services, money management, and microbusiness development. The information contained in this report was compiled during a State Assessment (SA) of Missouri's CSBG and its eligible entities as evaluated by Federal staff of the Division of State Assistance (DSA) in the Office of Community Services (OCS), an office within the Administration for Children and Families (ACF), U.S. Department of Health and Human Services (HHS).

### State Assessment Authority

SAs are conducted to examine the implementation, performance, compliance, and outcomes of a State's CSBG and to certify that the State is adhering to the provisions set forth in Sections 678B and 676(b) of the Coats Human Services Reauthorization Act, Public Law 105-285. On August 25, 2010, OCS issued Information Memorandum (IM) 117, explaining that DSA would conduct on-site monitoring visits during Federal Fiscal Years (FFYs) 2011-2013. Federal staff conducted an on-site review of the Missouri CSBG and its eligible entities from March 26 – 30, 2011. The evaluation included interviews and analyses of the data collected. As per the CSBG statute, the SA examines the States and its eligible entities' assurances of program operations, including:

1. Activities designed to assist and coordinate services to low-income families and individuals, including those receiving assistance under the Temporary Assistance to Needy Families (TANF) program, the elderly, homeless, migrant and seasonal workers, and youth;
2. Coordination of service delivery to ensure linkages among services, such as to employment and training activities, with the Low-Income Home Energy Assistance Program (LIHEAP), faith-based and other community-based charitable organizations, and other social services programs;
3. Innovative approaches for community and neighborhood-based service provision;
4. Ability to provide emergency food and nutrition to populations served;

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<sup>1</sup> The term "eligible entities" is used throughout this report to refer to non-profit or public agencies that meet the requirements of Section 673(1)(A) and Section 676B of the CSBG Act. Eligible entities include Community Action Agencies (eligible entities) and other eligible nonprofit and public agencies designated by the State.

5. Adherence to statutory procedures governing the termination and reduction of funding for the local entity administering the program;
6. Adequate and appropriate composition of Tripartite Board (Board) and eligible entity rules;
7. Appropriate fiscal and programmatic procedures to include a Community Action Plan from each eligible entity that identifies how the needs of communities will be met with CSBG funds; and
8. Participation in the performance measurement system, the Results Oriented Management and Accountability (ROMA) initiative.<sup>2</sup>

The SA also examines the fiscal and governance issues of the eligible entities that provide CSBG funded services in local communities as well as the State's oversight procedures for the eligible entities. Fiscal and governance issues examined include:

1. Methodology for distribution and disbursement of CSBG funds to the eligible entities;
2. Fiscal controls and accounting procedures;
3. State administrative expenses;
4. Mandatory public hearings conducted by the State Legislature; and
5. General procedures for governing the administration of CSBG, including Board governance, non-discrimination provisions, and political activities prohibitions.

## **Methodology**

The SA consisted of two levels of evaluation by OCS reviewers:

1. OCS reviewers examined the State-level assurances, fiscal and administrative governance issues through data collection and interviews with State and eligible entity officials.
2. OCS reviewers assessed the State's monitoring procedures and results to determine eligible entities' compliance with assurances and governance requirements by gathering information and engaging in data collection and interviews.

State-level interviews included the following MDSSFSD officials: Alyson Campbell, Director; Sandra Nelson, Deputy Director; Valerie Howard, Unit/Program Manager; Melissa McCoin, Senior Auditor; Stacy Wright, Fiscal Manager; Nancy Forbis-Bonnot, Fiscal Liaison; Julie Sears, CSBG Program Development Specialist; and Janet McCubbin, Administrative Support.

OCS reviewers assessed the following eligible entities: Community Action Agency of St. Louis, Inc. in St. Louis, Missouri; North East Community Action Corporation in Bowling Green, Missouri; and Central Missouri Community Action in Columbia, Missouri.

OCS reviewers included: Isaac Davis, Program Specialist and Team Leader; Michael Pope, Auditor; Emmanuel Djokou, Auditor; Renee Harris, Auditor; and Dr. James Gray, Program Specialist.

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<sup>2</sup> Some assurances have been combined where appropriate.

## II. Assessment and Findings

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The OCS reviewers collected information pertaining to the fiscal and programmatic procedures of the State agency, as well as other general information about the State's CSBG activities including:

- Administrative, program, and financial operations for the State and the eligible entities assessed;
- Brochures and literature on services provided;
- Most recent CSBG financial summary reports for both the State and eligible entities;
- Standard Form (SF) 269 Financial Status Report (FSR) for Fiscal year (FY) 2009 showing total funds authorized;<sup>3</sup>
- Audited Financial Statements for both the State and eligible entities;
- Missouri State CSBG Plan; and
- The State of Missouri's CSBG Operations Manual.

### Fiscal and Governance Operations

The CSBG statute requires each State to designate a lead agency to administer CSBG, and for the lead agency to provide oversight of the eligible entities that administer CSBG in the communities. In FY 2009, the State allocated 90 percent of CSBG funds to eligible entities.

In order to verify that fiscal controls and adequate accounting practices were in place, OCS reviewers examined various transactions and monthly financial reports within the accounting software utilized called Statewide Advantage for Missouri – SAM II. The State operates on a reimbursement system, and monthly reports are the primary tools for evaluating allowable expenditures and tracking budget line items. Monthly reports are reviewed by State Budget Office staff and subsequently reviewed by the Treasury Office before payments are processed. On-site OCS reviewers examined the monthly reports approval process and a sampling of the subsequent CSBG disbursement to entities. The OCS reviewers found the State to be in compliance and had no issues regarding technical assistance.

Table 1 illustrates the distribution of Federal funds allocated in Missouri.

**Table 1**

<b>Use of FY 2009 Funds: Missouri</b>		
<b>Uses of Funds</b>	<b>Amount Expended</b>	<b>Percentage of Expenditures</b>
Grants to Local Eligible Entities	\$17,393,318	90%
Administrative Costs	\$128,749	1%
Discretionary Projects	\$ 1,732,951	9%
<b>Total Used in FY 2008</b>	<b>\$19,255,018</b>	<b>100%</b>

According to the State, administrative expenditures were used for the management and monitoring of the program. Discretionary funds were disbursed to the Missouri Association for Community Action (MACA), local city and county governments and Native American Indian Centers.

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<sup>3</sup> The SF 269—Short Form is used to report the amount of program income earned and the amount expended.

OCS reviewers verified, through the State's General Ledger, the allocation, expenditures, and how the State used their discretionary funds. OCS reviewers determined the State's use of Discretionary Funds were in accordance with Section 675(b)(1) of the CSBG statute.

### **Administrative and Financial Monitoring and Accountability**

The CSBG statute requires States to monitor eligible entities to determine whether they meet performance goals, administrative standards, and financial management standards, as well as other State-defined criteria. The State has procedures in place to ensure eligible entities have a system of governance, financial and human resource management, program and service delivery, and community relations. The State requires the eligible entities to submit applications to receive their CSBG allotments annually. The process of approval is based on: 1) standard forms; 2) governing Board approval; and 3) information about how the entity will provide services in their communities.

Through a review of State policies and interviews with State officials, OCS determined that although the State has a monitoring tool it does not have policies & procedures in place for monitoring. OCS reviewed the monitoring reports provided by the State and observed that there were no policies (citations) identified, referenced or noted in the findings or recommendations. The State provided an eligible entity contract monitoring document with scheduled site visits for 2009, 2010 and 2011. The monitoring documents provided for individual eligible entities contained information on contract compliance with little reference to CSBG policies or compliance.

It is also noted that the State monitoring (for the majority of eligible entities) took place between 2009 and 2010. However, the corrective action letters from some agencies to the State were dated in March 2012. There is no documentation on policies regarding the timeliness of responding to State findings and recommendations. The State corrective action policy is located in the CSBG contract (Sec. 35.3-35.6) with its grantees. OCS reviewers determined that the State corrective action policy should be updated as the policy does not comply with Sec. 678C of the CSBG Act or guidance included in CSBG IM 116.

States are required by Federal statute to perform monitoring duties in a full on-site review at least once every three years for each eligible entity. In Missouri, a draft monitoring report is developed and issued within 30 days of the on-site visit. Reviews may be conducted as desk reviews or field reviews. Reviews may be specialized or general in nature. Further, reviews may be conducted by programmatic, audit or compliance staff. Agencies will be notified in writing by means of a letter to the Board Chairman with a copy to the Executive Director. The timing of the notification and areas to be reviewed will be in accordance with the policies of funds and/or Division involved.

Section 678B(a)(1) requires that the State shall conduct the following reviews of eligible entities:

- (1) A full on-site review of each such entity at least once during each three-year period.
- (2) An on-site review of each newly-designated entity immediately after the completion of the first year in which such entity receives funds through CSBG.

OCS verified whether on-site monitoring reviews were conducted to meet the following objectives: 1) ensure programmatic and contractual compliance through the review of agency records and interviews with agency personnel, Board members and clients; 2) clarify discrepancies that cannot be resolved from the program report review; 3) follow-up on

program and personnel complaints, made directly or indirectly; and 4) comply with an agency’s request for an on-site visit. A comprehensive CSBG monitoring tool is required to be used in eligible entity monitoring visits. Each applicable area of this document is designed to be completed with all supporting documentation retained in the State office files. Table 2 illustrates the State’s monitoring schedule indicating the eligible entities visited.

**Table 2**

<b>Missouri Monitoring Schedule</b>		
<b>Agency Name</b>	<b>On-site Visits</b>	<b>Counties Served</b>
Central Missouri Community Action	9/20 - 24/2011	Audrain, Boone, Callaway, Cole, Cooper, Howard, Moniteau
Community Action Agency of St. Louis County	10/27 - 30/2009	St. Louis
Community Action Partnership of Greater St. Joseph	8/30 - 9/3/2010	Andrew, DeKalb, Buchanan, Clinton
Community Services Inc. of Northwest Missouri	10/5 - 9/2009	Atchison, Nodaway, Worth, Gentry, Holt
Delta Area Economic Opportunity Corporation	8/15 - 19/2011	Stoddard, Scott, Mississippi, New Madrid, Dunklin, Pemisico
East Missouri Action Agency		Bollinger, Cape Girardeau, Iron, Madison, Perry, St Francois, Ste Genevieve, Washington
Economic Security Corporation of Southwest Area	12/7 - 12/2009	Barton, Jasper, Newton, McDonald
Green Hills Community Action Agency	10/17 - 21/2011	Caldwell, Daviess, Grundy, Harrison, Linn, Livingston, Mercer, Putnam, Sullivan, Carroll, Chariton & Ray
Human Development Corp. of Metropolitan St. Louis		City of St Louis
Jefferson-Franklin Community Action Corporation	11/9 - 13/2009	Franklin & Jefferson
Missouri Ozarks Community Action Incorporated	4/13 - 17/2009	Camden, Miller, Laclede, Pulaski, Phelps, Crawford, Gasconade , Maries
Missouri Valley Community Action Agency	9/28 - 30/2011	Ray, Carroll, Chariton, Saline, Pettis, Johnson, Lafayette
North East Community Action Corporation	2/1 - 5/2010	Ralls & Pike
Northeast Missouri Community Action Agency		Adair, Clark, Knox, Schuyler, Scotland
Ozark Action, Incorporated	7/27 - 30/2010	Wright, Texas, Oregon, Howell, Ozark, Douglas
Ozarks Area Community Action Corporation	12/14 - 18/2009	Barry, Christian, Dade, Dallas, Greene, Lawrence, Polk, Stone, Taney, Webster
South Central Missouri Community Action Agency	2/16-19/2010	Butler, Carter, Dent, Reynolds, Ripley, Shannon, Wayne
United Services Community Action Agency	11/16 - 20/2009	Clay, Jackson, Platte
West Central Missouri Community Action Agency	10/19 - 23/2009	Bates, Benton, Cass, Cedar, Henry, Hickory, Morgan, St Clair, Vernon

OCS reviewers examined the State’s monitoring procedures and a representative sample of completed monitoring tools, reports, backup documentation, and corrective action letters. Through documentation reviews and interviews with State staff responsible for monitoring and eligible entity staff, OCS reviewers determined that the State performed a full onsite review of each eligible entity, however, the State did not have policies and procedures in place to ensure that eligible entity deficiencies identified during on-site reviews are corrected and properly closed in a timely manner.

## **Office of Management and Budget (OMB) Circular A-133, Single Audit Act of 1997**

According to 45 CFR §96.31, grantees and subgrantees are responsible for obtaining audits in accordance with OMB Circular A-133, “*Audits of State, Local Governments, and Non-Profit Organizations.*” Agencies expending \$500,000 or more of Federal funds in any year must contract with an independent auditor to review their financial statements and Federal expenditures. In regards to the State of Missouri’s audit the State Auditor is responsible for completing the audit issuing the audit report, and submitting the required reporting forms to the Federal Audit Clearinghouse (FAC) with reportable findings. The State CSBG Plan submitted to OCS requires that an audit report is prepared annually.

State audits are performed to determine whether: 1) costs and program income activities were properly summarized and reported; 2) internal controls meet the State’s standards; 3) costs charged to the grant were allowable; and 4) the State is in full financial compliance. The State audits are conducted under the standards of the Institute of Internal Auditors. In the performance of their duties, the State’s auditing firm also considers the government auditing standards promulgated by the Comptroller General, U.S. Government Accountability Office. OCS reviewers noted no findings in the State’s A-133 audit reports pertaining to CSBG. OCS reviewers examined the FAC Data Collection Form for reporting on Audits of States, local governments, and non-profit organizations found on the FAC website. OCS reviewers found the State forms were written and submitted in accordance with the Federal requirements. OCS reviewers also recognized that the State adheres to the accounting principles and financial reporting standards established by the Governmental Accounting Standards Board.<sup>4</sup> .

The OCS reviewers noted the State did not follow up with the sub-recipients’ Single Audit findings in FY 2009. Therefore, the State did not monitor the activities of sub-recipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws.

### **Recapture and Redistribution**

Language in Section 675(C)(3) of the CSBG Act permits States the discretion to recapture and redistribute unobligated funds in excess of 20 percent of the amount distributed to an eligible entity to another eligible entity or to a private nonprofit organization. However, since 2001, Congressional Appropriation language has provided instruction that supersedes the language in Section 675(C)(3) of the enabling legislation. States are required to continue recapture and/or redistribute to eligible entities in accordance with annual appropriation instructions requiring that, “to the extent Community Services Block Grant funds are distributed as grants by a State to eligible entities provided under the Act, and have not been expended by such entity, the funds shall remain with such entity for carryover into the next fiscal year for expenditure by such entity for program purposes.” After review of the Missouri State Plan & interview of State staff, it was determined that there are no policies or procedures in place for recapture & redistribution. The State should update its policies to assure compliance to Consolidated Appropriations Act of 2005.

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<sup>4</sup> The authoritative bodies of establishing accounting principles and financial reporting standards are the Governmental Accounting Standards Board (State and local governments) and the Financial Accounting Standards Board (nongovernmental entities).

## **Carryover Balance**

In accordance with 45 C.F.R. §92.40, §92.41, and §96.30(b)(4), respectively, the grantee shall submit annual program progress and financial status reports using OMB Standard Form 269A FSR. The FSRs are due within 90 days of the close of the applicable statutory grant periods. Failure to submit reports on time may be the basis for withholding financial assistance payments, suspension, or termination of funding. During our assessment, OCS reviewers noted the State submitted its FSR in accordance with 45 CFR §92.40, §92.41, and §96.30(b)(4).

Grantees are required to adhere to a provision of the law under the Consolidated Appropriations Act of 2005, which requires that to the extent FY 2008 CSBG funds are distributed by a State to an eligible entity and have not been expended by such eligible entity, they shall remain with such eligible entity for carryover and expenditure into the next fiscal year.

The State reported no carryover balance for FY 2009. No carryover balance was reported for FY 2010. Missouri has no policy on carryover funds.

## **Public Hearings**

According to Section 676(a)(2)(B), at the beginning of each fiscal year, a State must prepare and submit an application and State Plan covering a period of one year and no more than two fiscal years. Each year the State's CSBG Plan is sent to the State General Assembly, and all eligible entities. In conjunction with the development of the State Plan, the State holds at least one public hearing. According to the State Plan, the CSBG Public Hearing was held at the Governor's Office Building in Jefferson City, Missouri on July 27, 2007. A Statewide notice was distributed through newspaper public hearing notices, the Missouri government website and other methods. OCS reviewers assessed the State Public Hearing procedures and determined that the State was in compliance with CSBG statute.

## **Tripartite Boards**

Eligible entities must comply with Section 676B of the CSBG Statute, which requires that members are chosen in accordance with democratic selection procedures to assure that not less than one-third of its members are representatives of low-income individuals and families who reside in the neighborhoods served. One-third of its members are public officials and the remainder of its members represent business, industry, labor, religious, law enforcement, education, or other major groups interested in the community serviced. Members must actively participate in the planning, implementation, and evaluation of the program that services their low-income communities.

Through a review of State documentation and interviews with State staff, OCS reviewers determined that State policies for compliance with CSBG Tripartite Board requirements appear in three (3) documents: the State Plan; the MO Revised Statutes – Department of Social Services (Sec. 610); and the CSBG contract agreement with the eligible entity (item 22). The State Plan requires adherence to Sec. 678B and is included in the contractual agreement, but the contractual agreement only covers the Governing Board Meetings and providing public access, and not the composition of the board of director.

In accordance with Federal and State laws, each CSBG grantee, in order to be in full compliance, is required to adhere to the composition, documentation, by-laws, Board manual, and Board meeting minutes as detailed in the CSBG Act of 1998, Section 676B. The State CSBG office is required to

monitor board composition and follow-up with the eligible entities when representation needs to be adjusted.

### **Administrative or Fiscal Operations Findings**

The State is required to maintain current financial procedures in order to meet fiscal standards set forth by Federal regulations. In accordance with the Terms and Conditions, financial reports are required monthly, and quarterly financial reports are due within 30 days of the end of each quarter and annual fiscal reports are required at the end of the State's fiscal year. The annual on-site compliance review conducted by the State should determine compliance to specific areas including financial compliance. Failure to comply with State and Federal reporting requirements may result in corrective action including suspension of grant awards.

According to 45 C.F.R. § 96.30(a) fiscal and administrative operations require: (a) Fiscal control and accounting procedures. Except where otherwise required by Federal law or regulation, a State shall obligate and expend block grant funds in accordance with the laws and procedures applicable to the obligation and expenditure of its own funds. Fiscal control and accounting procedures must be sufficient to; (b) permit the tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of the statute authorizing the block grant.

According to the CSBG statute, the State is required to have processes in place to provide oversight of CSBG funds. OCS reviewers conducted an analysis of the State's records and procedures, which included administrative, financial, and programmatic operations and determined that the State does not have formal written policies and procedures to assure compliance with all aspects of the CSBG Act. OCS reviewers were able to adequately review and validate the following: (1) all requested documents; (2) financial statements or accounting reports; and (3) sampling of general ledger transactions and source documents, when requested.

### **Program Operations**

The State reported demographic information on individuals who received services using CSBG funds in FY 2009. During this SA, agency records were reviewed to assess actual services provided. The assessment instrument addressed the following areas: client services received, expenditures, staff responsibility, Board governance, by-laws, Board meeting minutes, Board manual, personnel, planning and operations, CSBG assurances, fiscal operations, T/TA grants, T/TA grant reviews, and agency postings (i.e., worker's compensation, client appeals).

The eligible entities operate numerous programs designed to meet the needs identified in their respective service areas. Since the demographic data shows different local needs, not all eligible entities can provide extensive services in all priority areas.

The State and eligible entities categorize their expenditures of CSBG funds according to the statutory list of program purposes. The categories are as follows:

- Securing and maintaining employment;
- Securing adequate education;
- Improving income management;
- Securing adequate housing;

- Providing emergency services;
- Improving nutrition;
- Creating linkages among anti-poverty initiatives;
- Achieving self-sufficiency;
- Obtaining health care; and
- Program for Youth and Seniors

The State requires agencies receiving CSBG funds to prepare and submit an application referred to as a Community Action Plan to the State. The process requires eligible entities to submit an application to the State for approval based on: 1) standard forms; 2) governing board approval; 3) information based on priority needs; and 4) information about how the entities will provide services in their communities. Table 3 (refer to **Appendix 1** on page 19) shows the reported characteristics of individuals and families served throughout the State.

Based on the CSBG statute, the grant agreement outlines the following requirements for the State's eligible entities:

- A community needs assessment;
- A description of the service delivery system for low-income individuals and families in the service area;
- A description of linkages that will be developed to fill gaps in service through information, referral, case management, and follow-up consultations;
- A description of how funding will be coordinated with other public and private resources; and
- A description of outcome measures for providing services and promoting self-sufficiency and Missouri community revitalization.

The CSBG Client Characteristics and Statistics reported by the State using the CSBG Information Survey (IS) report is found in Table 3 (refer to **Appendix 1, page 19**).

The program activities associated with CSBG funds as used by the eligible entities in FY 2009 are detailed below:

### **Employment Programs<sup>5</sup>**

The State reported spending \$3,691,444 in CSBG funds to support a range of services designed to assist low-income individuals in obtaining and maintaining employment. These services may include:

- Support for TANF recipients who are preparing to transition to self-sufficiency or for former TANF recipients who need additional support to find or maintain employment;
- Support for job retention, including counseling, training, and supportive services, such as transportation, child care, and the purchase of uniforms or work clothing;
- Skills training, job application assistance, resume writing, and job placement;
- On-the-job training and opportunities for work;

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<sup>5</sup> Program funding information is extracted from the CSBG-IS Report

- Job development, including finding employers willing to recruit through the agency, facilitating interviews, creating job banks, providing counseling to employees, and developing new employment opportunities in the community;
- Vocational training for high school students and the creation of internships and summer jobs; and
- Other specialized adult employment training.

### **Education Programs**

The State reported spending \$5,181,103 in CSBG funds to provide education services. These services may include:

- Adult education, including courses in English Second Language (ESL) and General Equivalency Diploma (GED) preparation with flexible scheduling for working students;
- Supplemental support to improve the educational quality of Head Start programs;
- Child care classes, providing both child development instruction and support for working parents or for home child care providers;
- Alternative opportunities for school dropouts and those at risk of dropping out;
- Scholarships for college or technical school;
- Guidance regarding adult education opportunities in the community;
- Programs to enhance academic achievement of students in grades K–12, while combating drug or alcohol use and preventing violence; and
- Computer-based courses to help train participants for the modern day workforce.

### **Housing Programs**

The State reported spending \$574,877 for CSBG funds to provide housing programs to improve the living environment of low-income individuals and families. These services may include:

- Homeownership counseling and loan assistance;
- Affordable housing development and construction;
- Counseling and advocacy about landlord/tenant relations and fair housing concerns;
- Assistance in locating affordable housing and applying for rent subsidies and other housing assistance;
- Transitional shelters and services for the homeless;
- Home repair and rehabilitation services;
- Support for management of group homes; and
- Rural housing and infrastructure development.

### **Emergency Services Programs**

The State reported spending \$917,482 in CSBG funds for emergency services and crisis intervention. These services may include:

- Emergency temporary housing;
- Rental or mortgage assistance and intervention with landlords;
- Cash assistance/short-term loans;
- Energy crisis assistance and utility shut-off prevention;

- Emergency food, clothing, and furniture;
- Crisis intervention in response to child or spousal abuse;
- Emergency heating system repair;
- Crisis intervention telephone hotlines;
- Linkages with other services and organizations to assemble a combination of short-term resources and long-term support; and
- Natural disaster response and assistance.

### **Nutrition Programs**

The State reported spending \$111,116 in CSBG funds to support nutrition programs. These services may include:

- Organizing and operating food banks;
- Supporting food banks of faith-based and civic organization partners with food supplies and/or management support;
- Counseling families on children's nutrition and food preparation;
- Distributing surplus United States Department of Agriculture commodities and other food supplies;
- Administering the Women, Infants, and Children (WIC) nutrition program;
- Preparing and delivering meals, especially to the homebound elderly;
- Providing meals in group settings;
- Initiating self-help projects, such as community gardens, community canneries, and food buying groups to help families and individuals preserve fruit and vegetables;
- Nutrition information/referral/counseling;
- Hot meals, such as breakfasts, lunches, or dinners for congregate or home delivery meals; and
- Nutritional training in home economics, child and baby nutrition, diets, and available Federal or State programs.

### **Self-Sufficiency Programs**

The State reported spending \$886,613 in CSBG funds on self-sufficiency programs to offer a continuum of services to assist families in becoming more financially independent. These services may include:

- An assessment of the issues facing the family or family members, and the resources the family brings to address these issues;
- A written plan for becoming more financially independent and self-supporting; and
- Services that are selected to help the participant implement the plan (i.e. clothing, bus passes, emergency food assistance, career counseling, family guidance counseling, referrals to the Social Security Administration for disability benefits, assistance with locating possible jobs, assistance in finding long-term housing, etc.).

### **Health Programs**

The State reported spending \$140,000 in CSBG funds on health initiatives to address gaps in the care and coverage available in the community. These services may include:

- Recruitment of uninsured children to a State insurance group or State Children’s Health Insurance Program (SCHIP);
- Recruitment of volunteer medical personnel to assist uninsured low-income families;
- Prenatal care, maternal health, and infant health screening;
- Assistance with pharmaceutical donation programs;
- Health-related information for all ages, including Medicare/Medicaid enrollment and claims filing;
- Immunization;
- Periodic screening for serious health problems, such as tuberculosis, breast cancer, HIV infection(s), and mental health disorders;
- Health screening of all children;
- Treatment for substance abuse;
- Other health services including dental care, health insurance advocacy, CPR training, education about wellness, obesity, and first-aid; and
- Transportation to health care facilities and medical appointments.

### **Income Management Programs**

The State reported spending \$947,092 in CSBG grant funds on income management programs. These services may include:

- Development of household assets, including savings;
- Assistance with budgeting techniques;
- Consumer credit counseling;
- Business development support;
- Homeownership assistance;
- Energy conservation and energy consumer education programs, including weatherization;
- Tax counseling and tax preparation assistance; and
- Assistance for the elderly with claims for medical and other benefits.

### **Linkages**

The State reported spending \$4,962,548 in CSBG funds on linkage initiatives that involve a variety of local activities because of the CSBG statutory mandate to mobilize and coordinate community responses to poverty. These services may include:

- Coordination among programs, facilities, and shared resources through information systems, communications systems, and shared procedures;
- Community needs assessments, followed by community planning, organization, and advocacy to meet these needs;
- Creation of coalitions for community changes, such as reducing crime or partnering businesses with low-income neighborhoods in order to plan long-term development;
- Efforts to establish links between resources, such as transportation and medical care or other needed services and programs that bring services to the participants, for example, mobile clinics or recreational programs, and management of continuum-of-care initiatives;
- The removal of the barriers such as transportation problems, that keep the low-income population from jobs or from vital everyday activities; and

- Support for other groups of low-income community residents who are working for the same goals as the eligible entities.

At the local level, the eligible entities coordinate CSBG with labor programs, transportation programs, educational programs, elderly programs, energy programs, community organizations, private businesses, churches, the United Way, and various youth organizations and programs. A State’s eligible entity will coordinate with other service providers and act as a focal point for information on services in their local area. The eligible entity identifies gaps in services and works with other providers to fill those gaps. The entity has organized meetings and participates in task forces with local service provider groups.

### **Programs for Youth and Seniors<sup>6</sup>**

The State reported spending \$2,915,347 in CSBG funds on the programs serving youth and spending \$278,518 on programs serving seniors. Services noted under these categories were targeted exclusively to children and youth from ages 6–17 or persons over 55 years of age. Seniors’ programs help seniors to avoid or address illness, incapacity, absence of a caretaker or relative, prevent abuse and neglect, and promote wellness. These services may include:

Youth services may include:

- Recreational facilities and programs;
- Educational services;
- Health services and prevention of risky behavior;
- Delinquency prevention; and
- Employment and mentoring projects.

Senior services may include:

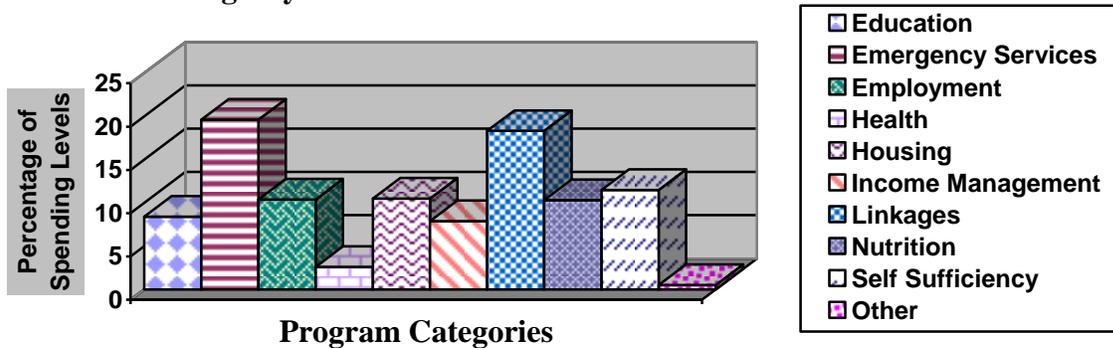
- Home-based services, including household or personal care activities that improve or maintain well-being;
- Assistance in locating or obtaining alternative living arrangements;
- In-home emergency services or day care;
- Group meals and recreational activities;
- Special arrangements for transportation and coordination with other resources;
- Case management and family support coordination; and
- Home delivery of meals to insure adequate nutrition.

The chart below also illustrates the proportion of CSBG local expenditures reported by the State.

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<sup>6</sup> Programs for Youth and Seniors are recorded separately in the ROMA and therefore not listed on the local agency use of funds chart.

**Local Agency Uses of FY 2009 CSBG Funds**



### **ROMA System**

Beginning in FY 2001, States were required to participate in a system to measure the extent to which programs are implemented in a manner that achieves positive results for the communities served. States may participate in the model evaluation system designed by the OCS in consultation with the CSBG network called ROMA. Alternatively, States may design their own similar system. States are to report to OCS their progress on the implementation of performance measurement practices.

During the interview with CSBG staff, it was revealed to the OCS reviewer that there was no standard system utilized by the eligible entities to track and report ROMA data to the State during 2009. Each eligible entity established their own system in order to track ROMA data and submitted the information to State as needed.

Through a review of ROMA data submitted by the State and a comparison of data reviewed at the eligible entities, OCS determined there were issues with consistency of ROMA data submitted. During the interview with CSBG staff as well as Staff from eligible entities visited, it was revealed to the OCS reviewer that there was no standard system utilized by the eligible entities to track & report ROMA data. ROMA data collection processes from the State as well as the eligible entities were also reviewed by OCS. The system utilized by the eligible entities in 2009 does not seem to reflect the number of clients served or the amount of CSBG funding spent in FY 2009 by Service Category. The numbers documented by the eligible entity while on-site did not match the numbers the State submitted to the National Association for Community Services Programs (NASCS) on the CSBG-IS Report.

It was also noted that the Community Support Unit stated that there were no funds available to send State staff to the conferences for ROMA training.

### **III. Eligible Entity On-site Review Summaries**

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#### **Community Action Agency of St. Louis County, Inc. (CAASLC)**

Community Action Agency of St. Louis County (CAASLC) is a non-profit organization founded in 1978. CAASLC has multiple satellite offices across the area with the administrative office being located in St. Louis, Missouri. CAASLC’s focus has always been “to serve as an empowerment service, designated not as an assistance program, but rather a source of direction toward success for

low income county residents.” Through its funding, CAASLC provides services such as housing services, employment and training programs, weatherization, family services, as well as other community services including veteran services, food and utility assistance. In 2009, CAASLC employed 44 staff of which 16 positions were funded through CSBG. They also provided assistance to over 25,000 residents and had an annual budget of \$6,760,014 of which \$1,430,308 were CSBG funds.

### **North East Community Action Corporation (NECAC)**

The North East Community Action Corporation (NECAC) is a non-profit community action organization established in 1965. NECAC’s administrative office is located in Bowling Green, Missouri, with 12 satellite locations. NECAC’s mission is “to assist the disadvantaged within our 12 county service area in their efforts to rise above poverty by providing needed services to enable each individual to function at his or her own improved financial, physical, mental and social level.” In FY 2009; NECAC’s service area included Macon, Randolph, Shelby, Monroe, Lewis, Marion, Ralls, Pike, Lincoln, Montgomery, Warren, and St. Charles counties. The total operating budget for FY 2009 was \$28,493,694 that included \$760,103 in CSBG funding. NECAC employed 121 total employees that included 27 positions funded through CSBG. NECAC reported serving a total of 11,314 clients in various programs offered including employment, education, self-sufficiency, income management, life skills, and youth and senior services.

### **Central Missouri Community Action (CMCA)**

Central Missouri Community Action (CMCA) is a non-profit organization established in 1965. Since the inception, CMCA’s goal has been to help income eligible individuals and families achieve self-reliance through partnership with the community. It has evolved into a community development agency that takes a comprehensive approach to individual, family, and neighborhood development. CMCA offers a range of services for men, women, & families that cover eight counties. Those central Missouri counties include Audrain, Boone, Callaway, Cole, Cooper, Howard, Moniteau & Osage. In FY 2009, CMCA had an annual budget of \$14,669,797 of which \$771,595 were CSBG funds. The total CSBG clients served in FY 2009 was 14,870.

## **IV. Assessment Findings and Recommendations**

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Through a review of State documentation, OCS reviewers determined that, with the exceptions identified below, the State was in compliance with the CSBG statute, the Terms and Conditions of CSBG, and other applicable policies. The State utilizes a comprehensive monitoring tool and maintains a monitoring schedule that assures all eligible entities are monitored for compliance with State and Federal statutes. Through a review of the accounting procedures, OCS reviewers determined that the State adheres to the accounting principles and financial reporting standards established by the Governmental Accounting Standards Board (GASB). However, OCS reviewers determined that there were findings of noncompliance and have some recommendations for the State.

### **Finding 1**

The State conducted financial and programmatic monitoring and oversight during FY 2009, however the State did not have policies and procedures in place to ensure that eligible entities

deficiencies identified during onsite reviews are corrected and properly closed in accordance with Section 678C and 45 CFR§96.30(a).

**Recommendation:**

OCS recommends the State:

- 1.1 Strengthen internal controls for programmatic and financial monitoring and implement policies and procedures to ensure eligible entities' deficiencies are addressed in accordance with required Federal laws and regulations on monitoring.

**Finding 2**

The State is not in compliance with Circular No. A-133. According to the Office of Management and Budget (OMB) Circular No. A-133 Subpart C Sec. 300, auditors must follow up and take corrective action on audit findings, including preparation of a summary schedule of prior audit findings and a corrective action plan.

**Recommendation:**

OCS recommends the State:

- 2.1 Develop and implement written policies and procedures for corrective actions to ensure that audit findings, deficiencies, and/or weaknesses are properly addressed and considered during the decision making process.

**Finding 3**

The State Plan requires adherence to Sec. 678B and is included in the contractual agreement, but the contractual agreement doesn't cover the composition of the board of directors.

**Recommendation:**

- 3.1 Develop and implement written policies and procedures to include board of director composition.

**Finding 4**

The State corrective action policy is located in the CSBG contract (Sec. 35.3-35.6) with its grantees. OCS reviewers determined that the State corrective action policy should be updated as the policy does not comply with Sec. 678C of the CSBG Act or guidance included in CSBG IM 116.

**Recommendation:**

- 4.1 The State should update their corrective action policy for monitoring eligible entities.

**Finding 5**

The State of Missouri did not address designation or re-designation policies in accordance with Section 676A of the CSBG Act.

## **Recommendation:**

**5.1** Develop and implement policies and procedures for designation and re-designation of eligible entities in unserved areas in accordance to Section 676A of the CSBG Act.

## **Other Concerns – State Policy Updates**

### **Internal Controls**

OCS reviewers noted that the State internal controls were sporadic. State policies and procedures are spread among several documents. Interviews with the various eligible entities visited also addressed the lack of State guidance as a major concern. The State should strengthen their internal controls by updating policies and procedures and developing a comprehensive policy/procedures manual for CSBG.

### **ROMA Collection**

OCS reviewers noted through the review of ROMA data from the State as well as the eligible entities that there was no consistency in collection from the eligible entities. The State should consider establishing a State wide ROMA data collection system for eligible entities which would reduce inconsistency in reporting.

### **Recapture and Redistribution**

The State plan does not have written policies for recapture and re-distribution and should be developed in accordance with Consolidated Appropriations Act of 2005.

This report is now considered final. The State is responsible for providing a corrective action plan to address all findings within 30 days of receiving this report. If you have any questions or comments, please contact:

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Table 3

CSBG Client Characteristics and Statistics Reported by State	
Race/Ethnicity By Number of Persons:	
Hispanic or Latino	6,148
African American	57,170
White	217,495
Other	5,386
Multi-race	4,148
American Indian & Alaska Native	1,242
Asian	524
Native Hawaiian & Other Pacific Island	271
Totals	286,236
Education: Years of Schooling by Number of Persons:	
0-8 years	8,751
9-12, non graduates	31,727
High school graduate/GED	66,541
12+ some postsecondary	18,173
2 or 4 year college graduates	3,768
Totals	128,960
Insured/Disabled:	
No Health Insurance	79,473
Disabled	38,525
Surveyed About Insurance	268,622
Surveyed About Disability	257,353
Totals	643,973
Family Structure:	
Single parent/Female	35,342
Single parent/Male	3,246
Two Parent Household	20,838
Single Person	35,945
Two Adults, No Children	20,838
Other	3,140
Totals	119,349
Family Housing by Number of Families:	
Own	27,271
Rent	72,877
Homeless	955
Other	5,170
Totals	106,273
Level of Family Income as Percentage of Federal Poverty Guideline by Number of Families:	
Up to 50%	46,777
51% to 75%	19,401
76% to 100%	20,350
101% to 125%	13,264
126% to 150%	5,188
151% or more	4,018
Total	108,998
Age	
0-5	41,726
6-11	44,124
12-17	36,741
18-23	24,424
24-44	82,982
45-54	29,585
55-69	20,340
70+	8,647
Totals	288,569
Gender	
Male	120,440
Female	164,976
Totals	285,416