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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**

*State of New Jersey Assessment*

*On-Site Review*

*Final*

September 26-30, 2011

# New Jersey State Assessment

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# **New Jersey 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 New Jersey designated the New Jersey Department of Community Affairs (DCA) as the appropriate lead agency for the administration of CSBG. New Jersey CSBG provides funding, technical assistance, and support to 25 eligible entities serving 21 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 micro-business development. The information contained in this report was compiled during a State Assessment (SA) of New Jersey'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 December 21, 2007, OCS issued Information Memorandum 105, explaining that DSA would conduct on-site monitoring visits during Federal Fiscal Years (FFYs) 2008-2010. Federal staff conducted an on-site review of New Jersey CSBG and its eligible entities from September 26 – 30, 2011. The evaluation included interviews and analyses of the data collected. As per the CSBG statute, the SA examines the States assurances per CSBG statute 676, including the following:

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;

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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 and other eligible nonprofit and public agencies designated by the State.

3. Innovative approaches for community and neighborhood-based service provision;
4. Ability to provide emergency food and nutrition to populations served;
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 and eligible entities rules;
7. Appropriate fiscal and programmatic procedures to include a local from the eligible entities 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 Tripartite 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 DCA officials: Deborah Heinz, Deputy Director; Dennis Funaro, Program Manager; Patricia Swartz, CSBG Administrator; Kate Butler, CSBG Program Manager; Robert Wright, Manager Programs Policy Planning; Dan Burton, Program Manager; Matt Cohen, Information Coordination and Reporting; Flynn Fleming, Information Coordination and Reporting; Keith A. Jones, Chief Administration and Fiscal Operations.

OCS reviewers assessed the following eligible entities: Camden County Council on Economic Opportunity in Camden, New Jersey; Essex County Division of Community Action in East Orange, New Jersey; and Mercer County Division of Community Services in Trenton, New Jersey.

OCS reviewers included: Isaac Davis, State Assessment Coordinator; Michael Pope, Financial Management Analyst; Emmanuel Djokou, Auditor; and Renee Harris, Auditor.

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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 FY 2008 showing total funds authorized;<sup>3</sup>
- Audited Financial Statements for both the State and eligible entities;
- New Jersey State CSBG Plan; and
- The State of New Jersey'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. The Governor designated the DCA as the lead agency to administer CSBG. In FY 2008, the State allocated 90 percent of CSBG funds to eligible entities.

The State reports various transactions and monthly financial reports within the System for Administering Grants Electronically (SAGE). The State operates on a reimbursement system. Bimonthly reports are the primary tools for evaluating allowable expenditures and tracking budget line items. Bimonthly reports are reviewed by State Budget Office staff and subsequently reviewed by the Treasury Office before payments are processed. OCS verified fiscal controls and adequate accounting practices, bimonthly reporting approval process, and a sampling of the subsequent CSBG disbursement to entities on-site. OCS reviewers determined that the State is in compliance.

Table 1 illustrates the distribution of Federal funds allocated in New Jersey.

**Table 1**

Use of FY 2008 Funds: New Jersey <sup>4</sup>		
Uses of Funds	Amount Expended	Percentage of Expenditures
Grants to Local Eligible Entities	\$16,032,354	90%
Administrative Costs	\$890,686	5%
Discretionary Projects	\$890,686	5%
<b>Total Used in FY 2008</b>	<b>\$17,813,727</b>	<b>100%</b>

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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.

<sup>4</sup> The amount expended was reported in the State's general ledger

According to the State, administrative expenditures were used for the management and monitoring of the program. Discretionary funds were disbursed to the eligible entities for their use based on their community needs assessment.

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 local agencies 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 eligible entities to submit applications to receive their CSBG allotments annually. The process of approval is based on: 1) standard forms; 2) governing Tripartite Board approval; and 3) information about how the entity will provide services in their communities.

Through review of State documentation, interviews with State employees and observation of the use of the New Jersey DCA, Division of Community Resources Program and Fiscal Monitoring Guide, OCS reviewers determined that there are internal controls deficiencies pertaining to:

- follow-up guidance on monitoring and audits,
- corrective action procedures, and
- child support enforcement and carryover policies.

OCS reviewers noted that the State does not have policies in place that require notifying custodial parents of the availability of child support services as required by Sec 678G.

OCS also noted that the State does not monitor or reconcile the amounts reported on the Financial Status Report (FSR), to the underlying financial records of the State in order to fulfill the financial management requirements in accordance with Section 678B.

The State should update its policies to provide specific guidance and to assure compliance in these areas.

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 New Jersey, a draft monitoring report is developed and issued within 30 days of the on-site visit. The report identifies deficiencies, issues, and concerns requiring corrective action(s) as approved by the Board. Follow-up visits were coordinated with the eligible entities if deficiencies were noted during the on-site visit. A final report is sent to the Tripartite Board Chairperson and the Executive Director of the agency.

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.

Through review of the State's documentation, OCS reviewers 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 the monitoring visits of eligible entities. Each applicable area of this document is designed to be completed with all supporting documentation retained in the State office files.

Table 2 (page 6) illustrates the State's monitoring schedule indicating the eligible entities visited in accordance with the CSBG statute.

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, it was determined that the State has reasonable and reliable internal controls for conducting programmatic monitoring reviews of eligible entities. However, we noted that the State does not have adequate fiscal monitoring procedures in place. The State does not provide adequate fiscal monitoring and oversight of CSBG and does not fulfill the financial management requirements in accordance with Section 678B.

The State's CSBG fiscal year is from July 1 through June 30. Therefore, in the last quarter of the State's calendar year, any costs incurred by the entities prior to the first quarter are reimbursable subject to the State's receipt of Federal fiscal year funds.

OCS reviewers examined the State's internal audit process. State auditors are required to examine all State funding made to the eligible entities dating back to the previous State audit. Any audit finding(s) are reported to the eligible entities' Executive Directors and Boards of Directors. The eligible entities' Board of Directors is required to respond to the notification letter within 30 days with a written Corrective Action Plan that addresses the findings. Audit Office staff must review and approve the aforementioned plan. The eligible entities' Board of Directors failure to respond within the allotted time frame may result in disciplinary actions being taken by the State, up to and including funds de-obligation. The lead auditor is the State official responsible for audit follow-up activities, including resolution and corrective action monitoring. Technical assistance is available through the State on a case-by-case basis for eligible entities with audit findings.

### **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. The auditing firm for the State conducts the fieldwork, issues the audit report, and submits 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 was 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.

**Table 2**

<b>New Jersey Monitoring Schedule</b>		
<b>Agency Name</b>	<b>On-site Visits</b>	<b>Counties Served</b>
Allegheny County Department of Human Services	11/8/2007	Allegheny
Armstrong County Community Action Agency	1/31/2008	Armstrong
Berks Community Action Program, Inc.	9/11-10/23/2007	Berks
Blair County Community Action Agency	10/16-17/2007	Blair
Bucks County Opportunity Council, Inc.	9/11-14/2007	Bucks
Butler County Community Action & Development	2/11/2008 & 3/4/2008	Butler
Carbon County Action Committee for Human Services	12/8-16/2008	Carbon
Center for Community Action	5/12-14/2008	Bedford, Fulton, and Huntingdon
Central New Jersey Community Action, Inc.	6/4-5/2008	Centre and Clearfield
Central Susquehanna Opportunities, Inc.	3/19-20/2008	Northumberland, Montour, and Columbia
Commission on Economic Opportunity	1/11-18/2008	Luzerne
Community Action Agency of Delaware County, Inc.	10/15-17/2007	Delaware
Community Action Association of New Jersey	12/20/2007 & 1/22/2008	Statewide
Community Action Commission	3/11-12/2008	Cumberland, Dauphin, and Perry
Community Action Committee of the Lehigh Valley, Inc.	10/29-12/6/2007	Lehigh and Northampton
Community Action, Inc.	5/8-10/2007	Jefferson and Clarion
CAP of Cambria County	10/9-11/2007	Cambria
Community Action Partnership of Mercer County	10/30/2008	Mercer
Community Action Program of Lancaster	3/24-27/2008	Lancaster
Community Action Southwest	2/26-28/2008	Washington and Greene
Community Progress Council, Inc.	2/19-20/2008	York
Community Services Program of Beaver County	1/13 -10/18/2007	Beaver
County of Chester Department of Community Development	11/13-19/2007	Chester
Fayette County Community Action Agency	12/11/2007	Fayette
Greater Erie Community Action Committee	11/18/2008	Erie
Indiana County Community Action Program, Inc.	10/19/2007	Indiana
Lawrence County Community Action Partnership	7/21-24/2008	Lawrence
Lebanon County Community Action Partnership	11/28/2008	Lebanon
Lycoming-Clinton Counties Commission for Community Action	11/5-6/2007	Lycoming and Clinton
Mayor's Office of Community Services	2/29/2008	Philadelphia
Monroe County Commissioners	1/23-2/14/2008	Monroe and Pike
Montgomery County Community Action Development Commission	1/15-18/2008	Montgomery
Northern Tier Community Action Corporation	9/26-28/2007	Mckean, Potter, Elk, and Cameron
PathStone Corporation/Rural Opportunities, Inc.	1/8-9/2008	Statewide
Pittsburgh Community Services, Inc.	2/19-21/2008	City of Pittsburgh
Scranton-Lackawanna Human Development Agency	11/17/2008	Lackawanna

Schuylkill Community Action	3/18-5/14/2008	Schuylkill
South Central Community Action Programs, Inc.	3/19-4/1/2008	Adam and Franklin
Tableland Services, Inc.	5/5-6/2008	Somerset
The Trehab Center	3/3-7/22/2008	Susquehanna
Union-Snyder Community Action Agency	9/17-21/2007	Snyder and Union
Venango-Crawford Counties Office of Economic Opportunity	4/2-4/2008	Venango and Crawford
Warren-Forest Counties Economic Opportunity Council	10/29/2008	Warren and Forest
Westmoreland Community Action	9/19-20/2007	Westmoreland

OCS reviewers noted three findings in the State’s A-133 audit report pertaining to CSBG. The findings have not been resolved and remain open. Based on our review of the State’s information and interviews with State employees, the State does not have written guidance for incorporating audit findings in its decision-making process or corrective action.

OCS reviewers examined the Single Audit Collection (SAC) Form for reporting on Audits of States, Local Governments, and Non-Profit Organizations found on the FAC website. The OCS reviewers found the State forms were written and submitted in accordance with the Federal requirements. The State Auditor found three areas of noncompliance and questioned costs for CSBG. OCS reviewers also recognized that the State does not adhere to the accounting principles and financial reporting standards established by the Governmental Accounting Standards Board.<sup>5</sup>

**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 adhere to 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.” During the assessment, OCS Reviewers noted that the State is in compliance with this requirement.

**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’s 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 the assessment, OCS reviewers noted the State is in compliance with Federal regulation on FSR submissions.

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

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<sup>5</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).

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.

OCS Reviewers noted that although the State does comply to with the Consolidated Appropriations Act of 2005 the State has no written policies that require compliance. The State should update its policies to assures compliance to the Act.

### **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 New Jersey's CSBG Plan is sent to the CSBG Advisory Committee, 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. The State of New Jersey did not provide OCS reviewers a Notice of Public Hearing; the 2008-2009 State Plan did not provide the necessary documentation of the Public Hearing or Legislative Hearing as required by CSBG statute. OCS reviewers assessed the State Public Hearing procedures and determined that the State was not in compliance with Section 676, which requires Statewide distribution of notice.

### **Tripartite Boards**

The State requires eligible entities to submit a listing of their Tripartite Board membership prior to being approved to administer CSBG funding. 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.

The State of New Jersey requires eligible entities to have their Tripartite Board certified annually to ensure the Board has received orientation and/or training, which outlines and describes their responsibilities and liabilities. The certification of the Tripartite Board training must be documented in the minutes. The approved minutes must include the type of training, date(s) of the training, and meeting attendees. Additionally, certification must include an annual audit of services, expenditures, and reporting requirements for State, Federal, and other funding sources. These requirements are included in the contract signed between the eligible entities and the State, the CSBG manual, the State Plan, and the State CSBG statute. The State-outlined responsibilities of the Tripartite Board include:

- Ensuring that all administrative requirements are met;
- Establishing policies, rules, regulations and by-laws consistent with the agency's mission;
- Establishing accounting systems and fiscal controls consistent with generally accepted accounting principles;
- Establishing policies prohibiting nepotism;
- Avoiding conflict of interest;
- Involvement in directing the agency's operation through regular board meetings; and
- Acceptance of liability for and resolving any questioned cost identified by audits.

In accordance with Federal and State laws, in order to be in full compliance each CSBG grantee, is required to adhere to the composition, documentation, by-laws, Board manual, and Board meeting minutes as detailed in the Federal 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. The State assured OCS that the eligible entities adhere to the statute regarding Tripartite Boards by providing information regarding the requirements of a Tripartite Board to each eligible entity in three documents: CSBG Program Policy Bulletin # 09-02, the CSBG Grant Agreement, and the CSBG assurances submitted with the State Plan each year. OCS reviewers determined that the State demonstrated reasonable internal controls for monitoring and approving the Tripartite Board certifications.

## **Fiscal Operations**

The State is required to maintain a current financial procedure manual in order to meet fiscal standards set forth by Federal regulations. In accordance with the Federal Terms and Conditions, financial reports are required annually. 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. The OCS reviewers’ analyses of the State’s records and procedures that included administrative, financial, and programmatic operations, determined that the State demonstrated reasonable internal controls to administer CSBG. OCS reviewers conducted an analysis of the State’s records and procedures, which included administrative, financial, and programmatic operations and determined that the State’s written policies and procedures are in compliance with the CSBG statute. OCS reviewers were able to adequately review and validate the following: (1) financial statements or accounting reports; (2) sampling of general ledger transactions and source documents, when requested; and (3) ROMA data.

According to Section 676 of the CSBG statute, the State is required to have processes in place for Designation and Re-designation of eligible entities in un-served areas. OCS reviewers conducted analyses of the State’s records and procedures that included administrative, financial, and programmatic operations. OCS reviewers noted that the State plan did not address designation or re-designation policies.

## **Program Operations<sup>6</sup>**

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<sup>6</sup> FY 2008 State CSBG Information Survey (IS) report.

The State reported demographic information on individuals who received services using CSBG funds in FY 2008. Due to different local needs, not all eligible entities provide services in all priority areas. 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, Training and Technical Assistance (T&TA) grants, T&TA grant reviews, and agency postings (i.e., worker's compensation, client appeals).

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; and
- Obtaining health care.
- Programs for Youth & 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 (page 20) shows the reported characteristics of individuals and families served throughout the State.

CSBG statute 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 New Jersey community revitalization.

The program activities associated with CSBG funds as used by the eligible entities in FY 2008 are detailed below:

### **Employment Programs**

The State reported spending \$785,449 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;
- 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 \$3,080,244 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 \$1,582,140 in 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 \$3,726,426 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 \$870,366 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 USDA 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 \$915,514 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 \$1,015,987 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 \$332,412 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 \$990,326 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 the 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>7</sup>**

The State reported spending \$1,771,050 in CSBG funds on the programs serving youth and spending \$1,154,147 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.

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:

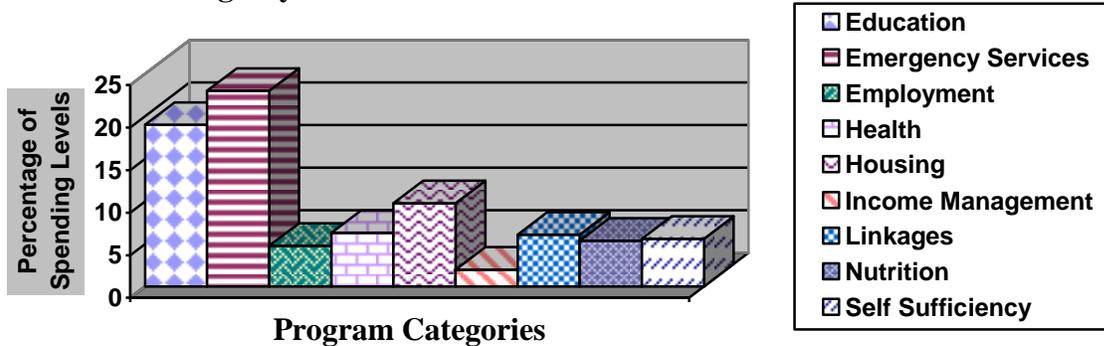
- Home-based services, including household or personal care activities that improve or maintain well-being;
- Assistance in locating or obtaining alternative living arrangements;
- In-home emergency services or day care;
- Group meals and recreational activities;
- Special arrangements for transportation 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>7</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 2008 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 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.

The New Jersey CSBG Directives #2007-10-11 outline the Accountability and Reporting requirements for its eligible entities. According to the New Jersey Directive, all eligible entities are required to participate in a performance measure system which satisfies CSBG statutes. According to the State, ROMA data is collected through the Family Agency Community Systems (FACS). During our assessment, the State noted that the Center for Community Empowerment will forward a request for additional program activities and outcomes data not already covered in the FACS. Through interviews with eligible entity staff, which are responsible for entering ROMA data to the State, OCS reviewers confirmed a uniform data collection system was in place for FY 2009. OCS reviewers determined the State grantees listed a disproportionate amount of CSBG funds in the “Other” category found in the State CSBG Information Survey (IS) report when reporting service categories.

ROMA training is provided through the National Association for Community Services Programs (NASPCSP) conferences on the State level, and through the Center for Community Empowerment partners with the Community Action Partnership (CAP) trainings held for New Jersey’s eligible entities.

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

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#### **Camden County Council on Economic Opportunity (OEO)**

Camden County Council on Economic Opportunity (OEO), Inc., is a private, non-profit agency dedicated to serving and uplifting economically disadvantaged and moderate income individuals and families in Camden County, New Jersey since 1965. OEO provides programs and services to help economically disadvantaged individuals and families residing in Camden County. Programs and services include: Clearinghouse Services, Dollar-To-Dollar IDA Program, Emergency Services, Employment Program, Home Energy Assistance Programs, Homeless Prevention Programs, Housing Construction and Rehabilitation, Narcotics Anonymous, NJ SHARES Program, Sheridan Apartments, Summer Youth Employment Program, Supportive Housing, TRUE Program, Urban Women's Center, Weatherization, Home Energy Assistance and Universal Service Programs, Youth Activities, Youth Employment & Training Program. In 2008, OEO had an annual budget of \$9,581,718 of which \$1,170,224 were CSBG funds.

#### **County of Essex Division of Community Action (DCA)**

Essex County Division of Community Action (DCA) is a public agency dedicated to serving and uplifting economically disadvantaged and moderate income individuals and families in Essex County since 1979. Essex County DCA provides programs and services to help economically disadvantaged individuals and families residing in Essex County. Programs and services include: Emergency Services, Employment Program, Nutrition Programs, Self-Sufficiency, Health Programs, Income Management, and Housing Services. In 2008, Essex County DCA had an annual budget of \$3,906,720 of which \$859,289 were CSBG funds.

#### **Mercer County Division of Community Services (DCS)**

Mercer County Division of Community Services (DCS) is a public agency dedicated to serving and uplifting economically disadvantaged and moderate income individuals and families in Mercer County since 1986. Mercer County DCS provides programs and services to help economically disadvantaged individuals and families residing in Mercer County. Programs and services include: Emergency Services, Employment Program, Nutrition Programs, Self-Sufficiency, Health Programs, Income Management, and Housing Services. In 2008, Mercer County Division of Community Services had an annual budget of \$414,419 of which \$231,123 were CSBG funds.

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

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Through a review of the State policies, procedures, and documentation, OCS reviewers determined that the State was not in full compliance with the CSBG statute, the Terms and Conditions of CSBG, and other applicable policies. Internal controls for eligible entities are mandated by New Jersey CSBG Policy Bulletin. The State needs to utilize a comprehensive monitoring tool and maintains a monitoring schedule that assures all eligible entities are monitored for compliance with State and Federal statutes. In addition, through a review of the accounting procedures, OCS reviewers determined that the State failed to adhere to the accounting principles and financial reporting requirements. OCS reviewers determined that there were six findings or noncompliance indicated below:

### **Finding 1**

**The State failed to provide adequate fiscal monitoring and oversight of CSBG in order to fulfill the financial management requirements in accordance with Section 678B.**

#### **Recommendation:**

OCS recommends the State:

- 1.1 Review and revise its fiscal monitoring to be in accordance with CSBG statute.
- 1.2 Develop and implement internal policies and procedures to ensure the State is able to account for all unobligated Federal funds.

### **Finding 2**

**The State is not in compliance with OMB Circular A-133. According to OMB Circular A-133 Subpart C Section 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 did not comply with Section 676(a)(2)(B), which requires the State to hold at least one public hearing at the beginning of each fiscal year. OCS reviewers noted the State did not document the notice of public hearing for fiscal years 2008 and 2009.**

**Recommendation:**

OCS recommends the State:

- 3.1 Documents the notice of public hearing according to Section 676(a)(2)(B).

**Finding 4**

**The State did not comply with Section 678G, which requires eligible entities to inform custodial parents or single parents about the availability of child support services; and refer eligible parents to the child support offices of State and local governments.**

**Recommendation:**

OCS recommends the State:

- 4.1 Implement procedures to ensure custodial parents or single parents about the availability of child support services; and refer eligible parents to the child support office of State and local governments in accordance with Federal Policy.

**Finding 5**

**The State did not comply with Section 678E(2)(B), which states that a description of how funds were actually spent by the State and eligible entities in the State, including a breakdown of funds spent on administrative cost and on the direct delivery of local services by eligible entities.**

**Recommendation:**

OCS recommends the State:

- 5.1 Provide training to all CSBG grantees on collecting, reporting, and verifying the accuracy of the ROMA data to include proper oversight in verifying data reported by eligible entities and to account for the funding for services identified in the IS reports.

**Finding 6**

**New Jersey's State plan did not address designation or re-designation policies in accordance to Section 676A of the CSBG Act.**

**Recommendation:**

OCS recommends the State:

- 6.1 Implement or update State policies for designation and re-designation of eligible entities in un-served area in accordance to Section 676A of the CSBG Act.

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

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Division of State Assistance  
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Washington, D.C. 20447

Table 3

CSBG Client Characteristics and Statistics Reported by State	
<b>Race/Ethnicity By Number of Persons:</b>	
Hispanic or Latino	129,107
African American	73,398
American Indian and Alaskan Native	1,129
Asian	4,781
Native Hawaiian or Other Pacific Island	1,331
White	94,753
Other	25,286
Multi-race	45,876
Totals	512,210
<b>Education Level of adults</b>	
0-8 years	11,844
9-12, non graduates	22,694
High school graduate/GED	61,521
12+ some postsecondary	8,880
2 or 4 year college graduates	4,552
Totals	109,491
<b>Insured/Disabled:</b>	
No Health Insurance	141,916
Disabled	5,020
Surveyed About Insurance	205,175
Surveyed About Disability	202,051
Totals	554,162
<b>Family Structure:</b>	
Single parent/Female	58,730
Single parent/Male	2,779
Two Parent Household	19,114
Single Person	37,193
Two Adults, No Children	19,114
Other	24,230
Totals	161,160
<b>Family Housing by Number of Families:</b>	
Own	18,552
Rent	124,286
Homeless	4,249
Other	3,311
Totals	150,398
<b>Level of Family Income as Percentage of Federal Poverty Guideline by Number of Families:</b>	
Up to 50%	48,035
51% to 75%	26,884
76% to 100%	35,508
101% to 125%	16,002
126% to 150%	12,263
151% or more	8,193
Totals	146,885
<b>Age</b>	
0-5	60,664
6-11	37,042
12-17	20,994
18-23	22,600
24-44	68,579
45-54	25,190
55-69	19,760
70+	22,043
Totals	276,872
<b>Gender</b>	
Male	103,854
Female	173,070
Totals	276,924