



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

Community Services Block Grant Program

New York State Assessment

On-Site Review

Final

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New York State Assessment

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New York Community Services Block Grant

I. Executive Summary

The Community Services Block Grant (CSBG) provides assistance to States and local communities working through a network of eligible entities¹ 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 York designated the New York Department of State (DOS) as the appropriate lead agency for the administration of CSBG. In New York, CSBG provides funding, technical assistance, and support to 56 eligible entities serving 62 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 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 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 New York's CSBG and its eligible entities from June 11-15, 2012. 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;
5. Adherence to statutory procedures governing the termination and reduction of funding for the local entity administering the program;

¹ 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.

6. Adequate and appropriate composition of Tripartite Board and eligible entity rules;
7. Appropriate fiscal and programmatic procedures to include a Community Action Plan 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.²

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 DOS officials: Veronica Cruz, CSBG Director; Linda Snead, Assistant Director; Tim Borgan, Senior Administration Assistant; Lou Canter, Internal Auditor; Annette Manchese, Buffalo Regional Supervisor; Timothy Luse, Associate Accountant; Allen Thomas, Program Analyst Supervisor/Upstate Region; LuAnn Hart, Supervisor of Contract Administration; and Paula O'Brien, Assistant Counsel.

OCS reviewers assessed the following eligible entities: Westchester Community Opportunity Program, Inc., Elmsford, NY; Economic Opportunity Commission of Nassau County, Inc., Hempstead, NY; and New York Department of Youth and Community Development, New York, NY.

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

² Some assurances have been combined where appropriate.

II. Assessment and Findings

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 for FY 2009 showing total funds authorized;³
- Audited Financial Statements for both the State and the eligible entity;
- New York State CSBG Plan; and
- The State of New York'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 DOS as the lead agency to administer CSBG.

OCS reviewers were able to review the Transaction List Report which includes programmatic and administrative transactions provided by the State, as well as observed the use of the New York State Department, Division of Community Services financial management system. In fiscal year 2009, the State allocated CSBG funds as follows: 90 percent to eligible entities, 5 percent for discretionary funds and 5 percent for grantee administrative costs.

In addition, we were able to examine a sample Transaction List and compare to source documents such as vendor invoices, travel reimbursements, and timesheets for the purpose of determining if expenditures were allowable, allocable and supported by appropriate documentation. The OCS reviewers found the State to be in compliance with CSBG guidance for eligible expenditures.

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

Table 1

Use of FY 2009 Funds: New York		
Uses of Funds	Amount Expended	Percentage of Expenditures
Grants to Local Eligible Entities	\$54,655,254	90.5%
Administrative Costs	\$3,019,627	5%
Discretionary Projects	\$ 2,717,667	4.5%
Total Used in FY 2009	\$60,392,548	100%

According to the State, administrative expenditures were used for the management and monitoring of CSBG. Discretionary funds were used to support local and statewide activities that advance the

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

purposes of the CSBG Act, including the work of the New York State Community Action Association (NYSCAA) to strengthen the community action network in New York State. NYSCAA provides programs and services to network members ranging from training and technical assistance to publications and information technology support. Discretionary funds also supported the work of Angel Action, a statewide program that advances demonstration programs within the network to promote the participation of volunteers in a broad range of community initiatives, and funded specialized technical assistance to vulnerable and at risk CSBG grantees.

OCS reviewers verified, through the State's General Ledger, the allocation, expenditures, and how the State used 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 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 Board approval; and 3) information about how the entity will provide services in their communities.

DOS staff teams conduct the required tri-annual on-site reviews using the Grantee Comprehensive Assessment Protocol (GCAP). A GCAP review focuses on the functional areas of governance, service delivery, organizational management, fiscal and internal controls, customer satisfaction, and community partnerships. The interactive process is comprised of observations, surveys, document review, and interviews with the grantee chief executive officer, board chair, chief financial officer, senior staff, board members, and community partners.

Through a review of State documentation, interviews with State employees, observation of the use of the State's GCAP, the DOS tri-annual monitoring schedule, DOS completed monitoring reports, and the DOS follow-up procedures for monitoring, OCS reviewers determined that the State's CSBG policies, procedures and activities comply with the CSBG statute, Federal regulations and guidance.

Financial Monitoring and Accountability

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 York, Article 6-D of the New York State Consolidated Laws, Executive Law, Article 6-D Community Services Block Grant Program Section 159-K is the State mandate for monitoring grantees. Using the GCAP, DOS's fiscal staff verifies the reliability of grantee books and records, as well as information reported on periodic financial reports submitted for reimbursement to DOS. DOS staff fiscal reviews include sampling of documentation supporting CSBG expenses, compliance with contractual obligations and State and Federal audit requirements. Fiscal staff also review grantee fiscal policies and procedures and internal control systems, and attend board meetings to follow-up audit findings. A monitoring report is developed after 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. At the conclusion of a GCAP,

DOS determines if the grantee is thriving, stable, safe, vulnerable, or at-risk and whether a prior negative rating should be upgraded or removed. DOS develops written action recommendations or suggestions for continuous improvement. These recommendations are consolidated into a Quality Improvement Plan (QIP) and subsequent progress is tracked during routine monitoring visits. FFY 2009 was the second year of the State's three-year monitoring cycle. Final monitoring reports are sent to the 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.

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 (page 6) illustrates the State's monitoring schedule indicating the eligible entities visited.

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 has reasonable and reliable internal controls for conducting monitoring reviews of its eligible entities.

OCS reviewers examined a sample of accounting transactions and financial reports from the various financial systems, as well as observed the use of the DOS financial management control system. It was determined during the interview and through observation that the segregation of duties involves assignment of authorization, recordkeeping, and custody functions among the various agencies.

The State's CSBG fiscal year is from April 1 through March 31. We noted during our review that fund accounting procedures are established by the New York State Office of the State Comptroller (OSC). Each grant award to the State is segregated into its various components in accordance with the Federally approved CSBG Management Plan and program regulations. These funds are set up in appropriate sub-funds and cost centers report expenditures for various purposes.

Table 2

New York Monitoring Schedule		
Agency Name	On-site Visits	Counties Served
Albany County Opportunity, Inc.	1/13/09-1/15/09	Albany
Alleghany County Community Opportunity	6/15/09-6/16/09	Alleghany
Opportunities for Broome, Inc.	7/21/09-7/23/09	Broome
Cattaraugus Community Action, Inc	9/15/09-9/17/09	Cattaraugus
Cayuga/Seneca Community Action Agency	4/13/10-4/15/10	Cayuga
Chautauqua Opportunities, Inc.	8/4/09-8/6/09	Chautauqua
Economic Opportunity Program, Inc. Of Chemung & Schuyler Counties	10/29/07-10/31/07	Chemung, Schuyler
Opportunities for Chenango, Inc.	3/18/08-3/20/08	Chenango
Joint Council for Economic Opportunity of Clinton & Franklin Counties	8/17/10-8/19/10	Clinton
Columbia Opportunities, Inc.	5/25/10-5/27/10	Columbia
Cortland County Community Action Program	7/13/10-7/15/10	Cortland
Delaware Opportunities, Inc.	6/1/10-6/3/10	Delaware
Dutchess County Community Action Agency	1/15/08-1/18/08	Dutchess
Community Action Organization of Erie County	4/8/08-4/10/08	Erie
Adirondack Community Action Program	7/13/09-7/15/09	Essex
ComLinks, Inc. (formerly Community Action Agency of Franklin)	1/29/08-1/31/08	Franklin
Fulmont Community Action Agency, Inc.	6/16/09-6/18/09	Fulmont
Community Action of Greene County, Inc.	10/27/09-10/29/09	Greene
Community Action Planning Council of Jefferson County, Inc.	6/14/10-6/15/10	Jefferson
Lewis County Opportunities, Inc.	5/19/09-5/21/09	Lewis
Livingston County Planning Department	8/24/10-8/26/10	Livingston
Community Action Program for Madison County	3/23/09-3/26/09	Madison
Action for a Better Community, Inc.	7/15/08-7/17/08	Monroe, Ontario
Economic Opportunity Commission of Nassau County, Inc.	4/21/09-4/23/09	Nassau
Newburg Community Action Committee	10/26/09-10/28/09	Orange
Niagara Community Action Program, Inc.	5/24/10-5/25/10	Niagara
Department of Youth and Community Development	5/19/08-5/23/08	New York City
Mohawk Valley Community Action Agency, Inc.	8/24/10-8/26/10	Oneida
People's Equal Action Community Effort, Inc.	1/27/09-1/29/09	Onondaga
Regional Economic Community Action Program, Inc.	9/29/09-10/1/09	Orange
Community Action of Orleans and Genessee, Inc.	5/26/10-5/28/10	Orleans
Oswego County Opportunites, Inc.	6/16/10-6/18/10	Oswego
Opportunities for Otsego, Inc.	4/21/09-4/23/09	Otsego
Commission on Economic Opportunity for the Greater Capital Region, Inc.	9/14/10-9/16/10	Rensselaer
The Community Action Program of Rockland County	6/17/08-6/19/08	Rockland
PathStone Corporation(formerly Rural Opportunities, Inc.)	1/5/10-1/7/10	Statewide
Saratoga County Economic Opportunity Council, Inc.	12/8/09-12/10/09	Saratoga
Schoharie County Community Action Program, Inc.	3/24/10-3/26/10/	Schoharie
Schenectady Community Action Program	8/5/08-8/7/08	Schenectady
Pro Action of Steuben and Yates, Inc.	11/2/09-11/4/09	Steuben
St. Lawrence County Community Development Program, Inc.	4/28/09-4/30/09	St. Lawrence
Economic Opportunity Council of Suffolk, Inc.	5/19/09-5/21/09	Suffolk
Community Action Commission to Help the Economy, Inc.	8/18/09-8/20/09	Sullivan
Tioga Opportunities, Inc.	6/24/08-6/26/08	Tioga
Tompkins Community Action, Inc.	9/21/10-9/23/10	Tompkins
Ulster County Community Action Committee, Inc.	3/10/09-3/12/09	Ulster
Warren-Hamilton Counties Action committee, Inc.	4/20/10-4/22/10	Warren
Washington County Economic Opportunity Council, Inc.	11/2/09-11/4/09	Washington
Wayne County Action Program, Inc.	9/17/07-9/18/07	Wayne
Westchester Community Opportunity Programs, Inc.	6/2/09-6/4/09	Westchester
Wyoming County Community Action, Inc.	6/17/09-6/19/09	Wyoming
Yonkers Community Action Program, Inc.	9/24/08-9/26/08	Yonkers in Westchester

Grantees are eligible to receive advances on a quarterly basis. In order to receive payment, a grantee must provide a financial report documenting expenditure of funds at 20 percent, 40 percent and 60 percent expenditure levels. In order to receive 100 percent of its annual allocation, a grantee must document expenditure of at least 60 percent of current funds and 100 percent of prior year funds. Based on the Department of State, Division of Community Services (DOS-DCS) written certification of compliance with all contract requirements, OSC authorizes the State treasury to draw down CSBG funds, and issue payments to grantees.

During our review of information, interviews with State employees and observation of the New York Department of State accounting system we noted in addition to the computer accounting records, other manual accounting records are maintained as necessary and include such items as voucher registers, letter of credit registers and contract subsidiary ledgers.

We were able to determine that certain forms of controls such as centralized policies and procedures, monthly account reconciliation, error correction, system training, and access control and authorization exist. Grantees are subject to the cost and accounting standards of applicable Federal Office of Management and Budget (OMB) Circulars.

OCS reviewers examined the State's internal audit process. DOS fiscal staff is required to examine all audits for eligible entities dating back to the previous audit. Any audit finding(s) are reported to the eligible entity Executive Director and Boards of Directors. DOS fiscal staff provides fiscal technical assistance, as well as review and approval of the annual audits of each CSBG grantee. As a condition of the contract, each recipient must comply with requirements of OMB Circular A-133. The eligible entity's Board of Directors are required to respond to the notification letter within 30 days with a written Corrective Action Plan that addresses the findings. The eligible entity 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. Technical assistance is available through the State on a case-by-case basis for eligible entities with audit findings. The OCS reviewers had no findings for technical assistance.

In addition, according to the New York CSBG Management Plan for FFY2009, DOS-DCS operation of the CSBG program is audited as a major program by an independent auditor in accordance with OMB Circular A-133, as amended. The most recent audit was conducted in 2006. There were no findings.

According to the New York 2009 Single Audit Report, the State Comptroller's Office responsibility is to present the Comprehensive Financial Report for the fiscal year ending March 31, 2009. The basic financial statements contained in this report have been audited by KPMG, LLP. Their audit was conducted in accordance with generally accepted governmental auditing standards (GAGAS) and their auditors' report precedes the basic financial statements. An independent audit provides reasonable assurance that the State's basic financial statements for the year ended March 31, 2009 are free of material misstatement. Independent audit procedures include examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The State Comptroller's Office staff must review and approve any Corrective Action Plan for the DOS CSBG office.

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 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 one finding in the State’s A-133 audit reports pertaining to CSBG. According to OMB Circular A-133, Subpart D, Sec. 400, a pass-through entity shall issue a management decision on audit findings within six months after receipt of the sub-recipient’s audit report and ensure that the sub-recipient takes appropriate and timely corrective action.

In addition to on-site monitoring reviews, fiscal staff provides fiscal technical assistance, as well as conducting a review and approval process of the annual audits of each CSBG grantee. As a condition of the contract, each recipient must comply with requirements of OMB Circular A-133.

OCS reviewers examined the SF – SAC Form Data Collection 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 no areas of noncompliance, reportable conditions, including material weaknesses, questioned costs, fraud, or other reportable items for CSBG. OCS reviewers also recognized that the State adheres to the accounting principles and financial reporting standards established by the Governmental Accounting Standards Board.⁴

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 comply 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

⁴ 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).

year for expenditure by such entity for program purposes.” OCS reviewers determined the State is in compliance with CSBG guidance.

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 Financial Status Report (short form) (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 2009 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.

New York’s policy on carryover funds states that the actual unexpended allocation from the previous year must be incorporated into the project cost for the current year by a budget amendment, and must be expended within the first six months. OCS review of the DOS Contract Execution Forms determined the State is in compliance with CSBG carryover policies.

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 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 New York State Standing Committee on Social Services, Children and Families, the Assembly and Senate Standing Committee on Ways and Means, the Assembly Standing Committee on Governmental Operations, conducted the CSBG Public Hearing. The hearing was held on June 5, 2007 in the State of New York, Department of State, 41 State Street, Albany, New York. A legal notice was placed on the registrar, with notices also emailed to all eligible entities to notify them of the hearing. OCS reviewers assessed the State Public Hearing procedures and determined that the State was in compliance with CSBG statute.

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 represents business, industry, labor, religious, law enforcement, education, or other major groups interested in the community served. Members must actively participate in the planning, implementation, and evaluation of the program that services their low-income communities.

Eligible entities must 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 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, 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. 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 Management Plan for FFY 2009, GCAP, and NYS Executive Law Article 6-D the State Policies for the CSBG. Through a review of State documentation, and interviews with State staff, OCS reviewers determined that the State demonstrated reasonable internal controls for monitoring and approving the Tripartite Board certifications.

Additional Administrative or Fiscal Operations Findings

The State is required to maintain fiscal controls and accounting procedures in order to meet fiscal standards set forth by the Code of Federal Regulations 96.30. 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. 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) 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. 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, Tripartite Board governance, by-laws, Tripartite Board meeting minutes, Tripartite 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 eligible entities operate numerous programs designed to meet the needs identified in their respective service 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; and
- Obtaining health care.

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.

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 New York community revitalization.

The CSBG Client Characteristics and Statistics reported by the State using the CSBG IS report is found in Table 3 (page 20).

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

Employment Programs⁵

The State reported spending \$10,208,290 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 \$13,269,171 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 for the community;
- Programs to enhance academic achievement of students in grades K-12, while combating drug or alcohol use and preventing violence; and

⁵ Program funding information is extracted from the CSBG-IS Report

- Computer-based courses to help train participants for the modern day workforce.

Housing Programs

The State reported spending \$3,439,385 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 \$3,864,391 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 \$1,260,829 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 supplied 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 \$18,028,294 in CBSG 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 \$1,987,777 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 of 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, 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 \$1,363,619 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 \$4,394,186 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 of 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 every day 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, 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. Eligible entities coordinate with other services providers and act as focal points for information on services in their local area. Eligible entities identify gaps in services and work with other providers to fill those gaps. Eligible entities have organized meetings and participate in task forces with local service provider groups.

Programs for Youth and Seniors⁶

The State reported spending \$11,775,397 in CSBG funds on the programs serving youth and spending \$3,220,723 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:

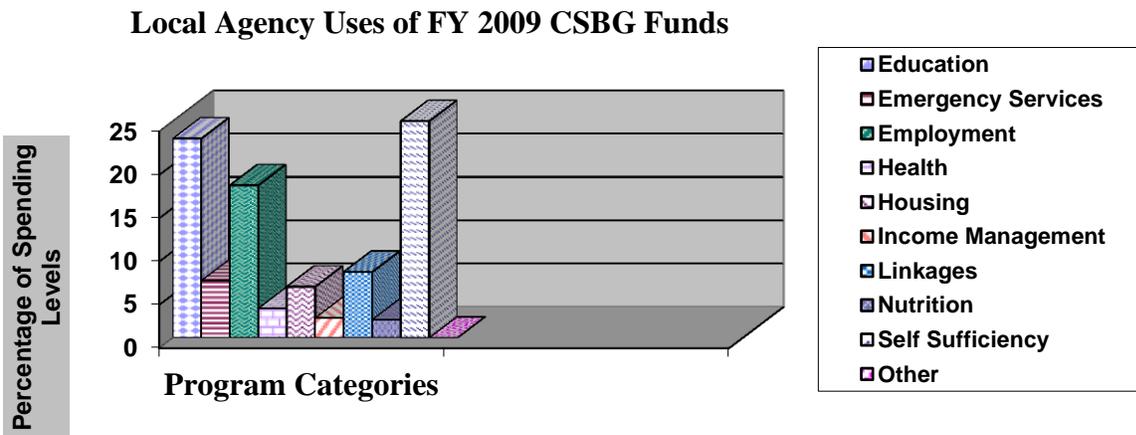
⁶ Programs for Youth and Seniors are recorded separately in the ROMA and therefore not listed on the local agency use of funds chart.

- 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.



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.

New York State has participated in ROMA since 1996 and adopted all six CSBG national goals. According to New York's CSBG Management Plan all eligible entities are required to participate in a performance measure system which satisfies CSBG statutes. The CSBG Director chairs the CSBG National Data Collection Task Force. The Director also served on the Monitoring and Assessment Task Force (MATF). The DOS Grantee Comprehensive Assessment Protocol, Sec. VII documents reporting and information technology requirements for eligible entities and documents the agencies capacity for planning, implementation and reporting data. Through interviews with eligible entity staff, which are responsible for entering and providing ROMA data to the State, OCS reviewers

determined the usage and activity of data collection software for collecting ROMA data are in place.

ROMA training is provided through the National Association for Community Services Programs (NASCSPP) conferences on the State level. The New York State Community Action Agency (NYSCAA) also provides services to network members that include training and technical assistance.

III. Eligible Entities On-site Review Summaries

Westchester Community Opportunity Program, Inc. (WestCOP)

WestCOP is a private not-for-profit established in 1965 to serve Westchester & Putnam Counties. The mission of WestCOP is to “mobilize and effectively manage resources that will help the low-income and at-risk populations” within their community and this is done by utilizing programs such as substance abuse, family living program, homeless prevention and assistance programs, energy conservation and Weatherization programs and numerous employment and training programs. In FFY 2009 WestCOP reported an annual CSBG budget of \$1,379,309. CSBG activities included programs for employment, housing, education, income management, emergency services, nutrition, self-sufficiency, health, linkages as well as programs for youth and seniors.

The Economic Opportunity Commission of Nassau County (EOC)

EOC of Nassau County of New York is a non-profit Community Action Association established in 1967, incorporated in 1969. In 2009, the agency had 42 CSBG employees and a total annualized CSBG budget of \$2.1 million. EOC provided CSBG-funded services from 13 sites (including its main headquarters) during the 2009 program year. The agency provided a variety of CSBG services including those under the following categories: self-sufficiency, employment, education, income management, housing, emergency, nutrition, health, linkages (to other service providers), youth services, and senior services. During the 2009 program year, EOC re-initiated a housing assistance program, implemented a Green Jobs program, expanded its afterschool program, and started a re-entry program for non-violent offenders. The agency was also able to reestablish several Neighborhood Service Centers/Community Action Programs (CAPs) geared to move residents of low-income communities toward self-sufficiency. EOC leaders report that they take great pride in their youth soccer program, which focuses on soccer training, academic achievement, and social development for youth 6 to 19 years of age. The agency reports that it is able to have highly respected licensed and ex-professional soccer players as the coaches/soccer program staff. Achievements of the soccer program included teams’ multiple championships in State and international tournaments, as well as an above-average percentage of the youth participants’ acceptances into colleges/universities with substantial scholarships.

New York Department of Youth and Community Development (DYCD)

DYCD was created in 1996 to provide the City of New York with high-quality youth and family programming. DYCD’s central task is administering available city, State, and Federal funds to effective community-based organizations. DYCD supports New York City youth and their families by funding a wide range of high-quality youth and community development programs, including: jobs and internships for youth; literacy for adults, adolescents and families; summer youth employment programs; and run away and homeless youth outreach. DYCD is also the designated Community Action Agency for New York City, which is the local grantee for the Federal CSBG. CSBG funding supports a wide variety of programs that address the conditions of poverty. In FFY 2009 DYCD expended \$33,433,226 in CSBG funds for programs including employment, education,

housing, linkages, self-sufficiency and health. Program highlights include 25 Cornerstone youth programs are designed to help participants acquire the skills and attitudes they need to graduate from high school, succeed in their chosen career, and give back to the community. Other highlights include 80 Beacon Programs located throughout New York City, operating in the afternoons and evenings, on weekends, during school holidays and vacation periods, and during the summer. Beacons provide programs for literacy, tutoring, high school/college prep and math skills for participants. DYCD is committed to building and expanding on partnerships that generate innovative and practical programs for youth, their families and communities.

IV. Assessment Findings and Recommendations

Through a review of the State policies, procedures, and documentation, OCS reviewers determined that except for one issue listed below the State was in compliance with the CSBG statute, CSBG Terms and Conditions, and other applicable regulations and policies. Internal controls for eligible entities are mandated by the New York CSBG Executive Law and documented directives. 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). OCS reviewers determined that there was one finding of noncompliance and have one recommendation for the State.

Finding 1

The State is not in compliance with the Office of Management and Budget (OMB) Circular No. A-133. According to OMB Circular A-133, Subpart D, Sec. 400, a pass-through entity shall issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes appropriate and timely corrective action.

Recommendation

- 1.1** OCS recommends the State follow its own written policies and procedures for corrective actions to ensure that audit findings, deficiencies, and/or weaknesses are properly addressed in a timely manner.

State Comment:

DCS acknowledges the finding that a management decision was not issued within six months after receipt of the sub-recipient's A-133 Single Audit report. In the Department of State's attempt to work with the sub-recipient to reconcile CSBG expenditures reported in the A-133 single audit with amounts reported by the sub-recipient on file at the Department of State, the close-out of the A-133 Single Audit report by issuance of a management decision exceeded the six month period.

In response to HHS ACF OCS Recommendation 1.1, the Department of State intends to issue a management decision on any audit findings that are reported in a sub-recipient's A-133 Single Audit report within six months of the State's receipt of the audit report. In the event that sub-recipient's expenditure as reported to the Department of State are not reconcilable within the six month deadline, a management decision will be issued on any audit findings before the six month deadline and further reconciliation of the expenditures will continue with the standards of OMB

Circular A-133, that the sub-recipient will take appropriate and timely corrective action on any findings contained within an A-133 audit report, and that the reconciliation of yearly expenditures will remain accurate for purposes of determining CSBG carry-over.

OCS Comment:

During the corrective action process, OCS will review the State's Single-Audit reporting procedures to ensure that the submissions of Single-Audit report findings for its eligible entities are submitted timely.

This report is now considered final. 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	68,662
African American	72,650
White	236,317
Other	30,527
Multi-race	9,488
Totals	348,982
Education: Years of Schooling by Number of Persons:	
0-8 years	21,381
9-12, non graduates	43,052
High school graduate/GED	72,807
12+ some postsecondary	24,376
2 or 4 year college graduates	17,085
Totals	178,701
Insured/Disabled:	
No Health Insurance	116,660
Disabled (No Health Insurance)	265,787
Surveyed About Insurance	324,745
Surveyed About Disability	311,073
Totals	635,818
Family Structure:	
Single parent/Female	48,401
Single parent/Male	6,966
Two Parent Household	43,943
Single Person	43,121
Two Adults, No Children	43,943
Totals	198,615
Family Housing by Number of Families:	
Own	30,675
Rent	114,768
Homeless	7,238
Totals	165,099
Level of Family Income as Percentage of Federal Poverty Guideline by Number of Families:	
Up to 50%	44,804
51% to 75%	22,475
76% to 100%	30,153
101% to 125%	30,658
126% to 150%	9,274
151% or more	12,103
Age	
0-5	64,222
6-11	34,241
12-17	41,517
18-23	45,093
24-44	116,066
45-54	48,452
55-69	36,152
70+	24,357
Totals	410,100
Gender	
Male	179,193
Female	230,907
Totals	410,100