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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**

**FLORIDA STATE ASSESSMENT**

*On-Site Review*

**FINAL**

(July 17 – July 21, 2017)

# **Florida Community Services Block Grant**

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## **I. Executive Summary**

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### **BACKGROUND**

The Community Services Block Grant (CSBG) provides assistance to states and local communities working through a network of Community Action Agencies (CAAs) and other neighborhood-based organizations for the reduction of poverty – hereinafter referred to as eligible entities, 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 Florida designated the Department of Economic Opportunity (DEO) as the appropriate lead agency for the administration of CSBG. The State of Florida CSBG provides funding, technical assistance, and support to 27 eligible entities. Together the entities provide an array of services to address local area 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 Florida CSBG and its eligible entities as evaluated by federal staff of the Division of Community Assistance (DCA) 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**

SA’s 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 Title II – Community Services, of the Coats Human Services Reauthorization Act, Public Law 105-285 (Section 678B(c)). As per the CSBG statute, the SA examines the state and its eligible entities assurances of program, fiscal and governance operations, as well as the state’s oversight procedures for its eligible entities.

### **SCOPE OF REVIEW**

OCS federal staff conducted the on-site review of Florida’s CSBG and its eligible entities from July 17 – July 21, 2017. The scope of review included the Fiscal Year (FY) 2015 grant award.

## **METHODOLOGY**

OCS reviewed documented procedures and practices for administrative, fiscal, and program operations and interviewed the Florida officials responsible for administering CSBG.

OCS reviewers:

- Evaluated compliance of state-level assurances, administrative, fiscal, program, and governance requirements.
- Evaluated the state's monitoring procedures and practices to determine eligible entities compliance with the state-level assurances.

## II. Florida State Assessment Observation

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### Fiscal Operations

#### Observation – DEO’s CSBG reimbursement process.

OCS identified an area for concern with respect to DEO’s reimbursement of CSBG funds to eligible entities. In FY 2015, DEO drew down CSBG funds eight months after the funds were made available and in FY 2016 eleven months after the funds were made available. Upon further review OCS found that the delayed drawdowns have been a consistent practice in DEO’s administration of CSBG funds. The delayed drawdown reduces the amount of time the eligible entities have to spend funds within the statutory authority, and increases the risk the funds will expire and revert back to the Department of Treasury.

Compounding the delayed drawdown issue, eligible entity contract agreements are executed on the state’s fiscal year (July 1 to June 30) which runs differently from the CSBG grant year (October 1 to September 30). In FY 2016, eligible entities and the state ran out of authority to expend CSBG funds, due to a delay in executing the contract agreement modifications. Consequently some agencies were not able to submit for reimbursement nor could the state provide reimbursement from unobligated CSBG funds. In order to alleviate the issue and avoid the risk of funds expiring, DEO extended the CSBG grant award and executed a bridge agreement that allowed for continuation of funding. The bridge agreement provided the entities authority to encumber expenditures under a new grant; and provided 60 days’ worth of funding to draw down for cash flow.

During the state assessment, officials explained that a bridge agreement was also executed for FY 2017; to ensure continuation of funding. Going forward DEO stated that all contract agreements will be aligned to the federal funding year, to ensure CSBG funds are obligated within the statutory grant period. Since DEO has taken the appropriate action to correct the issue, OCS has determined that no additional action is required at this time.

### **III. Florida State Assessment**

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#### **ADMINISTRATIVE OPERATIONS**

##### **Administrative and Discretionary Use of Funds**

Section 675C(2) Administrative Cap – No state may spend more than the greater of \$55,000 or five percent, of the grant for administrative activities, including monitoring activities. Funds to be spent for such expenses shall be taken from the portion of the grant after the state makes grants to eligible entities. Section 675C(b)(1) Use of the Remainder – the state shall use the remainder of the grant or allotment received for discretionary purposes.

##### Administrative Funds

DEO's administrative funds were split to support CSBG salaries and other related expenses such as training/technical assistance, consulting services, and registration fees. OCS determined that the funds were used in accordance with Section 675C(2) and that expenses were properly supported and entered in the general ledger to track funds within the department.

##### Discretionary Funds

DEO did not use discretionary funds in FY 2015, ninety six percent of CSBG funds were allocated to the 27 eligible entities within the State of Florida.

##### **Community Action Plan and Community Needs Assessment**

Section 676(11) requires the state to secure from each eligible entity, a Community Action Plan (CAP) that includes a Community Needs Assessment (CNA) for the community served, which may be coordinated with community – needs assessments conducted for other programs.

In accordance with Section 676(11) DEO requires its eligible entities submit an annual CAP; the CNA is required to be attached to the plan. During the application process, DEO staff review the community action plans along with the most current community needs assessment. Eligible entities are required to describe local poverty-related needs and prioritize activities to be funded by CSBG; how the entities ensure the needs reflect the current priorities of the low-income population, identify any existing gaps, and coordinate current needs with other needs assessment within the community.

OCS reviewed the community needs assessments for three eligible entities within the State of Florida. OCS found that DEO's procedures and practices assure its eligible entities accurately address the needs of the community and its residents.

##### **Monitoring Eligible Entities**

Section 678B(a) of the CSBG Act requires states to monitor local agencies to determine whether they meet performance goals, administrative standards, and financial management requirements, as well as other requirements of the state. The state shall conduct the following reviews of eligible entities: 1) full onsite review of each entity at least once during a three-year period, 2) onsite review

of each newly designated entity immediately after completion of the first year in which the entity received CSBG funds; 3) follow-up reviews to eligible entities that fail to meet the goals, standards, requirements established by the state; and 4) other reviews as appropriate, including reviews of entities with programs that have had other Federal, state, or local grants terminated for cause.

DEO's monitoring procedures are in compliance with state and federal regulations. DEO performed the required monitoring and follow-up reviews of its 27 eligible entities in accordance with the Section 678B (a). OCS reviewed DEO's monitoring process and procedures, triennial monitoring schedule, and supporting documentation for FY 2014 thru FY 2016 monitoring reports.

DEO's monitoring approach consists of joint reviews conducted by program and fiscal staff. The joint site-visit approach allows the staff to review the entities fiscal and program data to identify areas of concerns or issues. DEO staff assesses the entities compliance with state and federal regulations, identify potential programmatic or procedural issues, and ensure compliance with the organization standards. Training and technical assistance is provided by DEO upon request or upon determination by DEO.

### **Training and Technical Assistance**

Section 675C(b)(1)(A) allows states to use CSBG funds to provide T/TA to those entities in need of such training and assistance. Section 678C(a)(3) indicates states shall offer T/TA if appropriate to help correct eligible entities deficiencies.

DEO used CSBG funds to provide training and technical assistance to its 27 eligible entities, in accordance with 675C(b)(1)(A). DEO staff provides training and technical assistance in ROMA, organizational standards, monitoring, tripartite boards, community needs assessments, technical assistance plans and quality improvement plans.

### **Corrective Action, Termination, and Reduction of Funding**

Section 678C states that if the state determines, on the basis of a final decision that an eligible entity fails to comply with the terms of an agreement, or the state plan, to provide services ... or to meet appropriate standards, goals, and other requirements established by the state, the state shall:

- (1) inform the entity of the deficiency to be corrected;
- (2) require the entity to correct the deficiency;
- (3) (A) offer training and technical assistance, if appropriate to help correct the deficiency, and prepare and submit to the Secretary a report describing the training and technical assistance offered,
  - (B) if the State determines that such training and technical assistance are not appropriate, prepare and submit to the Secretary a report stating the reasons for the determination.

The State of Florida did not have any terminations or reductions in funding during the periods included in our review. OCS found that DEO's procedures for corrective action, termination and reduction of funding are in accordance with Section 678C. The procedures require DEO's corrective action team (CAT) conduct targeted reviews in the event an eligible entity failed to comply with the terms of the contract agreement, written notification is provided to the eligible entity and the board chair. Depending on the results of the review, entities are required to develop a correction action plan and submit the plan to DEO for review. The CAT team will also call an

emergency meeting with the entities board of directors to inform them of the findings and corrective action required. Appropriate training and technical assistance is provided in developing quality improvement and technical assistance plans.

## **FINANCIAL OPERATIONS**

### **Fiscal Controls**

45 C.F.R. § 96.30(a) require states to maintain 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; (a) permit preparation of reports required by the statute, and (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.

Florida's fiscal controls and accounting procedures were in place and, sufficient to permit the tracing of CSBG funds to a level of expenditure adequate to establish that the funds have not been used in violation of the restrictions and prohibitions of the statute.

For FY 2015, DEO received \$19,493,928 for CSBG. In order to determine allowability and allocability of Federal funds, we verified a sample of FY 2015 general ledger transactions. OCS sampled program, and administrative transactions; compared the sampled transactions against the general ledger; request for payment, accounting revenue and receipts, and disbursement documentation provided by the state. OCS determined that expenses were properly supported and entered into the Florida Accounting Information Resource (FLAIR) accounting system used to track funds within the department.

### **Federal Financial Report**

45 CFR §92.40, §92.41, and §96.30(a), respectively, require that after the close of each statutory period for the obligation of block grant funds and after the close of each statutory period for the expenditure of block grants, each grantee shall report to the Department a financial summary using OMB Standard Form 425 - FFR. Grantees are required to submit the information on the FFRs within 90 days of the close of the applicable statutory grant periods. Fiscal control and accounting procedures must be in place to permit the preparation of the FFR's and the tracing of Federal funds to a level of expenditure adequate to establish that funds have not been used in violation of the restrictions and prohibitions of the statute.

For the FY 2015 grant award (10/1/2014 – 9/30/2016), DEO submitted the FFRs in accordance with Federal regulations. DEO fiscal control and accounting procedures were in place to permit the preparation of the FFR's and OCS was able to trace CSBG funds to a level of expenditure to ensure that the funds were not used in violation of the statute.

### **State Carryover Requirements**

Under the terms and conditions of the Federal grant award Grantees shall adhere to a provision of law under the Consolidated Appropriations Act of 2015 which requires that to the extent 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. If CSBG funds are carried forward by such eligible entity into the next fiscal year, those funds must be fully expended and services provided on or before September 30.

OCS found that FY 2015 CSBG funds were obligated, expended and services were provided on or before September 30, 2016.

### **Single Audits**

As required by 2 CFR §200.501 of the Uniform guidance and 45 CFR Part 75 Subpart F A non-Federal entity that expends \$750,000 (\$500,000 or more in the most recent fiscal years) during the non-Federal entity's fiscal year in Federal awards must have a single audit conducted in accordance with §200.514 scope of audit.

#### State Single Audit

In accordance with 2 CFR 200 and 45 CFR Part 75, the State of Florida obtained its single audit for Fiscal Year End September 30, 2015. OCS reviewed the single audit to determine whether timely and appropriate corrective action was taken in instances of noncompliance with Federal laws and regulations. For the single audits reviewed, OCS determined the state was in compliance with Federal regulations governing single audits.

#### State Monitoring – Eligible Entity Compliance – Single Audit

The State of Florida obtains single audits annually of the eligible entities in accordance with 2 CFR 200 and 45 CFR Part 75. DEO's staff completes an annual worksheet during the monitoring process documenting single audit findings, questioned costs, recommendations made in management letters, and the entities response to the single audit. Through SharePoint the Financial Monitoring and Accountability Division tracks the single audits by program. Single audits are tracked for audit submission, findings, and prior year findings. OCS determined that DEO had sufficient controls in place to monitor their eligible entities single audits, ensuring they are submitted timely and appropriate corrective action is taken by the state in cases of noncompliance.

## **PROGRAM OPERATIONS**

### **Use of Ninety (90%) Percent of Funds**

Per Section 672, the purpose and goals of the CSBG is to provide assistance to states and local communities working through a network of eligible entities, for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient. Section 675 requires that *not less than* 90 percent of the funds made available to a state shall be used by the state to make grants for the purposes described in Section 672 to eligible entities.

In FY 2015, DEO disbursed ninety six percent of CSBG funds to its eligible entities in accordance with Section 672.

OCS noted that one service area, Monroe County, had funds allocated but did not have an eligible entity for several years. The most recent eligible entity, the County of Monroe, voluntarily

relinquished their CSBG designation as they could not meet the tripartite board requirement. The state of Florida redistributes to all eligible entities any unused funds, including those set aside for Monroe County, in the second year of the award. OCS strongly encourages the state to continue their effort to identify an eligible entity to serve Monroe including asking neighboring entities to consider providing or contracting for services in the service area. The state should provide updates on its plan to identify an eligible entity with responsibility for the unserved area in its CSBG State Plan. As an interim strategy, the state may also consider the use of discretionary funds to provide services in the area directly or through a contract to the county or other organization that may be able to serve the low income community.

### **Tripartite Boards**

Section 676B requires that members are chosen in accordance with democratic selection procedures to assure that the Tripartite Board is an equal representation of the community: 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 the members of the Board are elected public officials; and the remaining members are official or members of 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.

DEO procedures require eligible entities maintain a compliant Tripartite Board; vacancies are required to be filled within 90 days. DEO staffs monitor tripartite board compliance by reviewing board membership/composition rosters during the annual application process, monitoring and organizational standards assessment.

OCS found that DEO had procedures in place to assure the eligible entities' adhere to Section 676B of the statute regarding Tripartite Boards, including selection and composition of the Board, and that board member's participate in the planning, implementation and evaluation of programs that service low-income communities.

### **ROMA System and Annual Reporting**

According to Section 678E(1) and 678E(2), each state that received funds shall participate in a performance measurement system and ensure that all eligible entities in the state participate to the extent in which programs are implemented in a manner that achieve 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.

DEO participates in the ROMA system in accordance with Section 678E (1) to measure performance, program outcomes, and report the data to the National Association for State Community Services Programs (NASCSPP). DEO staff verifies ROMA data by reviewing the Florida Outcomes for Community Action Systems (FOCAS) reports which are due on the 21st day of the month following the end of each quarter. Eligible entities are required to report on the National Performance Indicators (NPI's) and the total number of individuals and families served each quarter compared to projections stated in the contract agreements and most recent work plan.

Section 678E (2) requires that each state shall annually prepare and submit to the Secretary a report on the measured performance of the state and the eligible entities in the state. The Annual Report must contain performance measurement outcome data which address the implementation of the national goals and measures.

DEO submitted the CSBG annual report through the On Line Data Collection (OLDC) system as required.

### **Limitation on Use of Funds**

Per Section 678F, grants may not be used by the state or by any other person ... for the purchase of improvement of land, or the purchase, construction, or permanent improvement of any building or other facility.

In accordance with Section 678F DEO procedures prohibit eligible entities from using CSBG funds for the purchase or improvement of land, or the purchase, construction, or permanent improvement of any building or other facility.

### **Child Support Services**

Section 678G(b) states that during each fiscal year for which an eligible entity receives a grant such entity shall: (1) inform custodial parents in single-parent families that participate in programs, activities, or services ... about the availability of child support services; and (2) refer eligible parents to the child support offices of State and local governments.

In accordance with Section 678G(b), DEO procedures require it's eligible entities to inform custodial parents in single-parent families about the availability of child support services and refer eligible parents to the child support Enforcement Agency.

## IV. CONCLUSION

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We would like to thank you, the staff, and the eligible entities visited for their cooperation and assistance during the State Assessment of Florida.

This report is considered final. If you have any questions or concerns, please contact:

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# **APPENDIX**

## Report Contributors

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Janice Hutchinson- Chief of Financial Monitoring and  
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**State Eligible Entities:**

Orange County, Community Action Division/Housing  
Community Development  
Osceola County Council on Aging, Inc.  
Tri-County Community Council

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