



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

Community Services Block Grant

Alabama State Assessment

On-Site Review

Final

January 23 - 27, 2012

Alabama State Assessment

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Alabama 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 funds are used to create, coordinate, and deliver a broad array of activities and 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 Alabama designated the Alabama Department of Economic and Community Affairs (ADECA) as the appropriate lead agency for the administration of CSBG. In Alabama, CSBG provides funding, technical assistance, and support to 21 eligible entities serving 67 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, and money management. The information contained in this report was compiled during a State Assessment (SA) of Alabama's CSBG and its eligible entities as evaluated by Federal staff of the Division of State Assistance (DSA) in the Office of Community Services (OCS), an office within the Administration for Children and Families (ACF), U.S. Department of Health and Human Services (HHS).

State Assessment Authority

SAs are conducted to examine the implementation, performance, compliance, and outcomes of a State's CSBG and to certify that the State is adhering to the provisions set forth in Sections 678B and 676(b) of the Coats Human Services Reauthorization Act, Public Law 105-285. On August 25, 2010, OCS issued Information Memorandum (IM) 117, explaining that DSA would conduct on-site monitoring visits during Federal Fiscal Years (FFYs) 2011-2013. Federal staff conducted an on-site review of the Alabama CSBG and its eligible entities from January 23 – 27, 2012. The SA includes interviews and analyses of the data collected. The SA also examines the States assurances and its eligible entities' contract requirements per CSBG statute Section 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;
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 and other eligible nonprofit and public agencies designated by the State.

6. Adequate and appropriate composition of Tripartite Board and eligible entities' 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 requirements of the eligible entities that provide CSBG funded services in local communities as well as the State's oversight procedures for the eligible entities. State oversight procedures 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 entities' 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 ADECA officials: Rhoda Talley, CSBG Program Manager; Tammy Rolling, Chief Financial Officer; Wendy S. Hester, Chief Audit Executive; Aisha Hassan, FACSPRO Specialist; Doris Felder, CSBG Monitor; Alice Wideman, CSBG Monitor; and Bessie Sharp, CSBG Administrative Support.

OCS reviewers assessed the following eligible entities: Community Action Agency of Talladega, Clay, Randolph, Calhoun, and Cleburne Counties, Inc. in Talladega, Alabama; Elmore-Autauga Community Action Committee in Wetumpka, Alabama; and Montgomery Community Action Committee, Inc. in Montgomery, Alabama.

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

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 the 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 eligible entities;
- Alabama State CSBG Plan; and
- The State of Alabama’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 programs in the communities. The Governor designated the ADECA as the lead agency to administer CSBG. In FY 2009, the State allocated 95 percent of CSBG funds to eligible entities; the remaining five percent was allocated to administrative costs.

In order to verify that fiscal controls and adequate accounting practices were in place, OCS reviewers examined various transactions and monthly financial reports with the ADECA Accounting System – an in house system which interacts with and is reconciled to the State of Alabama Central Accounting System. The State operates on an advance disbursement, and monthly reports are the primary tools for evaluating allowable expenditures and tracking budget line items. The monthly reports are reviewed by State Finance Department Office staff and subsequently reviewed by the Treasury Office before payments are processed. On-site OCS reviewers examined the monthly report approval process and a sampling of the subsequent CSBG disbursement to entities. The OCS reviewers were able to determine that internal controls for accounting and information systems were in place.

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

Table 1

Use of FY 2009 Funds: Alabama ⁴		
Uses of Funds	Amount Expended	Percentage of Expenditures
Grants to Local Eligible Entities	\$12,122,007	95%
Administrative Costs	\$ 638,000	5%
Discretionary Projects	0	0
Total Used in FY 2009	\$12,760,007	100%

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

⁴ 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 CSBG. The Code of Alabama Section 11-96-1 prohibits the State to use CSBG funds for discretionary purposes. It states that 95 percent of CSBG funds received are appropriated to eligible entities.

OCS reviewers verified, through the State's General Ledger, the allocation, expenditures and determined no discretionary funds were disbursed. The State is in accordance with Section 675(b)(1) of the CSBG statute.

Administrative and Financial Monitoring 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.

Through a review of information, interviews with State employees and observation of the use of the State's financial systems, OCS reviewers noted the State's internal control policies and procedures were documented through different sources including the ADECA Community Services Division Administrative Code; the Code of Alabama; the ADECA Policy and Procedures Manual; and a series of CSBG Policy Letters distributed by the State to the eligible entities to provide updates on CSBG policy. OCS reviewers noted when requesting to examine the CSBG policies at the three eligible entities visited, each eligible entity provided a different set of policies. CSBG Policies and Procedures were not consolidated into one document.

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 Alabama staff conducted monitoring reviews regarding all Federal funds administered by ADECA. Reviews may be conducted as desk reviews or field reviews. Reviews may be specialized or general in nature. Further, reviews may be conducted by programmatic, audit or compliance staff. Agencies will be notified in writing by means of a letter to the Board Chairman with a copy to the Executive Director. The timing of the notification and areas to be reviewed will be in accordance with the policies of funds and/or Division involved.

According to the State, desk review instruments as well as field instruments used will be reflective of applicable laws, rules regulations and policies. Both an entrance and an exit conference will be conducted for on-site reviews with the Board Chairman and the Executive Director. A formal letter will be issued to the Board Chairman and copied to the Executive Director by ADECA stating the results of the review.

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.

States are required by Federal statute to meet the following objectives: 1) ensure programmatic and contractual compliance through the review of agency records and interviews with agency personnel, Tripartite 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. For best practices, a comprehensive CSBG monitoring tool should be used in monitoring visits of eligible entities. Each applicable area of this document is designed to be completed with all supporting documentation retained in the State official files. Table 2 below, illustrates the State's monitoring schedule indicating the eligible entities visited in accordance with the CSBG statute.

Table 2

Alabama Monitoring Schedule		
Agency Name	On-site Visits	Counties Served
Alabama Council On Human Relations, Inc.	November, 2009	Lee
Community Action Agency of Baldwin, Escambia, Clarke, Monroe and Conecuh Counties, Inc.	December, 2010	Baldwin, Clarke, Escambia, Monroe and Conecuh
Chambers-Tallapoosa-Coosa Community Action Committee, Inc.	September, 2010	Chambers, Tallapoosa, and Coosa
Eleventh Area of Alabama Opportunity Action Committee, Inc.	August, 2009	Chilton and Shelby
Elmore-Autauga Community Action Committee	December, 2010	Autauga, Elmore, Choctaw, Dallas, Marengo, Perry, Sumter and Wilcox
Etowah County Community Services Program, Inc.	October, 2010	Etowah
Human Resource Development Corporation	August, 2010	Barbour, Coffee, Geneva, Henry, Houston
Community Action Partnership of Huntsville, Madison and Limestone Counties, Inc.	December, 2010	Madison and Limestone
Jefferson County Committee For Economic Opportunity	October, 2009	Jefferson
Macon-Russell Community Action Agency, Inc.	October, 2009	Macon and Russell
Marion-Winston Counties Community Action Committee, Inc.	December, 2009	Marion and Winston
Mobile Community Action, Inc.	February, 2011	Mobile and Washington
Montgomery Community Action Committee, Inc.	August, 2010	Montgomery
Community Action Partnership of North Alabama, Inc.	June, 2010	Cullman, Lawrence and Morgan
Community Action Agency of Northwest Alabama, Inc.	November, 2009	Colbert, Franklin and Lauderdale
Organized Community Action Program, Inc.	December, 2009	Bullock, Butler, Covington, Crenshaw, Dale, Lowndes and Pike
Pickens Community Action Committee, Inc.	May, 2010	Pickens
Community Action Agency of Talladega, Clay, Randolph, Calhoun and Cleburne Counties, Inc.	August, 2010	Clay, Randolph, Talladega, Calhoun and Cleburne
Walker County Community Action Agency, Inc.	August, 2010	Walker
Community Service Programs of West Alabama, Inc.	December, 2010	Bibb, Fayette, Greene, Hale, Lamar and Tuscaloosa
Community Action Agency of Northeast Alabama, Inc.	September 2010	Blount, DeKalb, Jackson, Marshall, St. Clair, and Cherokee.

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

The State's CSBG fiscal year is from October 1 through September 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 Executive Directors and Board of Directors of the eligible entities. The Board of Directors of the eligible entities are 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 Corrective Action Plan. The eligible entities 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. The OCS reviewers had no findings for technical assistance regarding the State's audit process.

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 no finding in the State Fiscal Years 2009-2010 A-133 single audit reports pertaining to CSBG. The State has written guidance for incorporating audit findings in its decision-making process or corrective action.

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 Federal Audit Clearinghouse 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.⁵

⁵ 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).

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 non-profit 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 year for expenditure by such entity for program purposes.” Alabama staff indicated in practice they allow eligible entities to retain any unexpended or unobligated funds to the next program year. OCS reviewers noted that there are no State policies to address recapture and redistribution of funds.

Carryover Balance

In accordance with OMB Circular A-102 and 45 C.F.R. §96.30(b)(4), respectively, the grantee shall submit annual program progress and financial status reports using OMB 269A Financial Status Report (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 determined the interim FSR covering the period starting from October 1, 2008 through September 30, 2009 which was due by December 31, 2009 was submitted on May 04, 2010. The State failed to comply with 45 CFR §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.

The State reported a carryover balance of \$159,848 for FY 2009. An unobligated balance of \$1,599 in FY09 funds was reported in FY2010. One of the agencies monitored by the State did not maintain proper documentation with checks. There were several checks that were missing receipts, client vouchers and other forms of back-up documentation which led to questioned costs in the amount of \$1,599. These funds were refunded to the Treasury Department.

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 2009 CSBG Public Hearing was held in three strategic locations throughout the State. The hearings were held at the Department of Transportation Auditorium located at 1020 Bankhead Highway, West Birmingham on May 13, 2008 at 10:00 a.m., at Alabama Center for Commerce Building located at 401 Adams Avenue Room 342, Montgomery on May 20, 2008 at 2:00 p.m., at Mobile Community Action Agency Annex located on 1315 Wilson Avenue, Prichard on May 21, 2008 at 2:00 p.m. These locations

were chosen because of their accessibility to citizens in Alabama. The notice for these meetings was mailed to the 22 eligible entities for posting at each of their service center sites; copies were mailed to each member of the Board of Directors; a copy was posted on the website <http://www.sos.state.al.us> provided by the Alabama Secretary of State's Office and on the Alabama Department of Economic and Community Affairs website <http://www.adeca.alabama.gov>. 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 fewer 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 served. Members must actively participate in the planning, implementation, and evaluation of the program that services their low-income communities.

The State of Alabama 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, State CSBG manual, State Plan, and Federal 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 State laws, each CSBG eligible entity, in order to be in full compliance, is required to adhere to the composition, documentation, by-laws, Board manual, and Board meeting minutes. 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 did not assure OCS that the eligible entities adhere to the statute regarding Tripartite Boards. OCS reviewers determined that the State did not demonstrate reasonable internal controls for monitoring and approving the Tripartite Board certifications.

Administrative or Fiscal Operations

The State is required to maintain updated official financial procedures in order to meet fiscal standards set forth by Federal regulations. In accordance with the Federal Terms and Conditions, financial reports are required annually. 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. OCS reviewers 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.

According to 45 C.F.R. § 96.30 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 deficiencies in internal controls when administering CSBG. OCS reviewers determined that the State's written policies and procedures draw concerns. These concerns are as follows (1) the lack of a consolidated CSBG Policies and Procedures into one document; (2) no Tripartite Board requirements listed; (3) Corrective Action procedures are not in compliance with CSBG Statutes; (4) Designation/Re-designation Policy not in compliance with CSBG Statutes; (5) Termination and Reduction Policy is not reflective of IM 116, and (6) no Child Support Services and Referrals were conducted.

Program Operations⁶

The State reported demographic information on individuals who received services using CSBG funds in FY 2009. During this SA, agency records were reviewed to assess actual services provided. The assessment instrument addressed the following areas: client services received, expenditures, staff responsibility, Board governance, by-laws, Board meeting minutes, Board manual, personnel, planning and operations, CSBG assurances, fiscal operations, 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 area. As the demographic data shows different local needs, not all eligible entities can provide extensive services in all priority areas.

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

⁶ FY 2009 State CSBG-IS Report

- 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, on page 19, 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 Alabama community revitalization.

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

Employment Programs

The State reported spending \$943, 512 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 \$1,324,522 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
- Computer-based courses to help train participants for the modern day workforce.

Housing Programs

The State reported spending \$968,240 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 \$4,004,603 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 \$780,673 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 \$761,137 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 \$374,800 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 \$1,008,206 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 \$1,145,501 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. A State's eligible entity will coordinate with other services 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 Seniors⁷

The State reported spending \$937,596 in CSBG funds on the programs serving youth and spending \$1,199,923 on programs serving seniors. Services noted under these categories were targeted exclusively to children and youth from ages 6-17 or persons over 55 years of age. Seniors' programs help seniors to avoid or address illness, incapacity, absence of a caretaker or relative, prevent abuse and neglect, and promote wellness. These services may include:

Youth services may include:

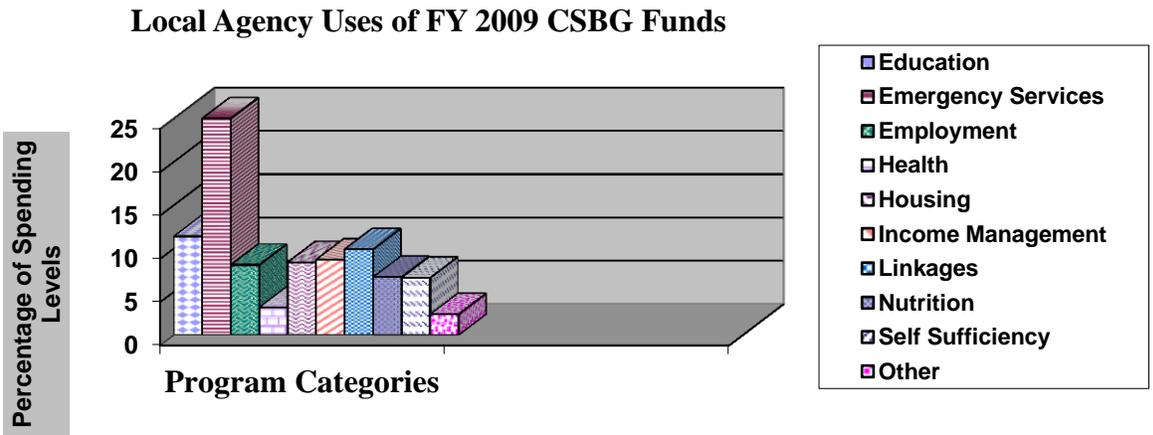
- Recreational facilities and programs;
- Educational services;
- Health services and prevention of risky behavior;
- Delinquency prevention; and
- Employment and mentoring projects.

Senior services may include:

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

⁷ Programs for Youth and Seniors are recorded separately in the ROMA and therefore not listed on the local agency use of funds chart.

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.

The State of Alabama in partnership with the Community Action Association of Alabama has provided the eligible entities with a variety of training in developing, selecting and measuring outcomes. The training has been for professional staff, board members and executive management staff. All of the eligible entities submit an annual report on the six national goals and performance indicators. The statistical data is supplemented by narrative accomplishments for the six goals. Reports are submitted annually to ADECA.

OCS reviewers noted there was no standard system utilized by the eligible entities to track and report ROMA data to the State during FY2009. Each eligible entity established a system to track and report ROMA data which was submitted to the State as needed. Once the data was submitted, it was reviewed by the CSBG Manager and State Monitors then submitted to the National Association for Community Services Programs (NASCSPP). Since 2009, the State has implemented a statewide system called FACSPRO and has been utilized since October 2010 by all eligible entities.

ROMA training is provided through NASCSPP conferences on the State level, and through the Center for Community Empowerment partners with the Community Action Partnership (CAP) trainings held for Alabama’s eligible entities.

III. Eligible Entities On-site Review Summaries

Montgomery Community Action Committee, Inc.

Montgomery Community Action Committee, Inc. (MCAC) is a not-for-profit CAA which is tax exempt under the provisions of Internal Revenue Code 501(c)(3). The Agency was established in October 1965 to administer and operate numerous programs in which funds are received directly or as a sub-recipient through Federal and State grants. Through its funding, MCAC provides services primarily to elderly and low-income families in Montgomery County, Alabama. Primary services include Early Childhood Education and Employment and Training programs, Transportation and Family Services, as well as other community services including housing, food and utility assistance. In 2009, MCAC provided assistance to over 6,500 residents and had an annual budget of \$12,912,804 of which \$639,165 were CSBG funds.

Elmore-Autauga Community Action Committee, Inc.

Elmore-Autauga Community Action Committee, Inc. is a not-for-profit organization founded and incorporated in 1966. The organization is located in Wetumpka, Alabama and provides services primarily to elderly and low-income families in the central Alabama counties of Elmore and Autauga. Primary services include congregate meals, transportation, financial assistance for utilities, housing and healthcare and the administration of Head Start and Early Head Start programs. Elmore-Autauga's programs are funded by various Federal and State grants. Significant services, materials and facilities are donated to the organization by various individuals and organizations. In 2009, Elmore-Autauga provided assistance to over 7,000 residents and had an annual budget of \$7,547,216 of which \$189,706 were CSBG funds.

Community Action Agency of Talladega, Clay, Randolph, Calhoun and Cleburne Counties

Community Action Agency of Talladega, Clay, Randolph, Calhoun and Cleburne Counties (CAATCRCC) is a private non-profit organization incorporated in May of 1965, created in accordance with the 1964 Economic Opportunity Act and the Alabama's non-profit Corporation Act. The Agency is located in Talladega, Alabama and provides services primarily to elderly and low-income families in the eastern Alabama counties of Talladega, Clay, Randolph, Calhoun and Cleburne. The primary sources of revenue are Federal and State grants and the agency is dependent upon these grants for continued operation. CAATCRCC offers a range of services for men, women, and children. These include community food, transportation, financial assistance for utilities, housing and healthcare, and the administration of a Head Start and Early Head Start program. In FY 2009, CAATCRCC provided assistance to over 15,000 residents and had an annual budget of \$6,832,216 of which \$681,308 was CSBG funds.

IV. Assessment Findings and Recommendations

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 the CSBG, and other applicable policies. Internal controls for eligible entities are mandated by the State of Alabama CSBG Community Action Agencies Policy Letters. 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 were findings of noncompliance that are indicated below.

Finding 1

The State conducted a full onsite monitoring and oversight during FY 2009, however the State did not have policies and procedures in place to ensure that the weaknesses or deficiencies identified during on-site reviews are corrected and properly closed in accordance with Section 678B and 45 CFR§96.30(a), and OMB Circular A-102.

Recommendation:

OCS recommends the State:

- 1.1** Strengthen internal controls and accountability procedures such as new tracking, systems and oversight to ensure eligible entities' deficiencies are addressed in accordance with Federal regulations.

State's Comment:

The State issued a revised CSBG Policies and Procedures Manual to all entities in July 2012. A copy of the manual is included in Attachment A. See Section XII, A and B.

Finding 2

The State did not submit OMB Standard Form Report 269A within 90 days of the close of the applicable statutory grant period in accordance with 45 CFR §96.30(b)(4). Office of Grants Management (OGM) records indicate the FY 2009 State of Alabama submission was received on 05/04/2010.

Recommendation:

OCS recommends the State:

- 2.1** Provide additional Training and Technical Assistance to ensure the timely submission of SF269s, and to strengthen their internal controls pertaining to fiscal control and accounting procedures.

State's Comment:

The initial final 269A report was submitted December 24, 2009. Due to Subgrantee refunds, revisions were made to the initial report. A copy of the initial report and subsequent reports are included in Attachment B.

Finding 3

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

Recommendation:

OCS recommends the State:

- 3.1** Develop and implement policies and procedures for designation and re-designation of eligible entities in un-served area in accordance to Section 676A of the CSBG Act.

State's Comment:

The State issued a revised CSBG Policies and Procedures manual to all entities in July 2012. A copy of the manual is included in Attachment A. See Section VIII, N.

Finding 4

The State did not have adequate policies and procedures in place to address the following sections of the CSBG Act: a) Section 676B Tripartite Boards, b) Section 678C Corrective Action; Termination and Reduction of Funding, c) Section 678C Corrective Action; Termination and Reduction of Funding, d) Section 678E Accountability and Reporting Requirements, e) Section 678G Drug and Child Support Services and Referrals.

Recommendation:

OCS recommends the State:

- 4.1** Develop and implement consolidated policies and procedures to address the requirements set forth in the CSBG Act.

State's Comment:

The State has implemented policies for the following, effective July 2012, in the CSBG Policies and Procedures Manual:

- a) See Attachment A, Section III
- b) See Attachment A, Section VIII, N
- c) This was duplicated of b)
- d) See Attachment A, Section IX and X
- e) **Child Support Services and Referrals - See Attachment A, Section X Required Referrals, Drug Services and Referrals- See Attachment A, Appendix B, Certification-Drug Free Work Place.**

OCS Comment:

During the corrective action process, OCS will review the new policies and procedures manual submitted by the State to ensure the State is in compliance with the CSBG Act and other Federal guidance.

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	5335
African American	163,628
White	99,529
Other	2829
Multi-race	4883
Totals	276,204
Education: Years of Schooling by Number of Persons:	
0-8 years	17,998
9-12, non graduates	47,267
High school graduate/GED	49,633
12+ some postsecondary	15,782
2 or 4 year college graduates	7,547
Totals	138,227
Insured/Disabled:	
No Health Insurance	230,337
Disabled	54,885
Surveyed About Insurance	355,873
Surveyed About Disability	241,305
Totals	882,400
Family Structure:	
Single parent/Female	44,730
Single parent/Male	2,628
Two Parent Household	13,987
Single Person	42,825
Two Adults, No Children	10376
Totals	114,546
Family Housing by Number of Families:	
Own	49,605
Rent	58,575
Homeless	1,099
Totals	109,279
Level of Family Income as Percentage of Federal Poverty Guideline by Number of Families:	
Up to 50%	38,539
51% to 75%	27,818
76% to 100%	29,350
101% to 125%	13,665
126% to 150%	7,605
151% or more	3,904
Age	
0-5	38,305
6-11	37,697
12-17	32,744
18-23	21,920
24-44	58,517
45-54	30,133
55-69	31,599
70+	23,171
Totals	274,086
Gender	
Male	101,214
Female	172,621
Totals	273,835