



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

Community Services Block Grant Program

South Carolina State Assessment

On-Site Review

Final

March 15 - 19, 2010

South Carolina State Assessment

Table of Contents

I. EXECUTIVE SUMMARY	1
State Assessment Authority.....	1
Methodology.....	2
II. ASSESSMENT AND FINDINGS.....	3
• FISCAL AND GOVERNANCE OPERATIONS.....	3
Administrative Monitoring and Accountability.....	4
Financial Monitoring and Accountability.....	4
OMB Circular A-133.....	6
Recapture and Redistribution.....	7
Carryover Balance.....	7
Public Hearings.....	8
Tripartite Boards.....	8
Additional Administrative or Fiscal Operations Findings.....	9
• PROGRAM OPERATIONS.....	9
Employment Programs.....	12
Education Programs.....	12
Housing Programs.....	12
Emergency Services Programs.....	13
Nutrition Programs.....	13
Self-Sufficiency Programs.....	13
Health Programs.....	14
Income Management Programs.....	14
Linkages.....	14
Programs for Youth and Seniors.....	15
Local Agency Uses of FY 2007 CSBG Funds	16
Results Oriented Management and Accountability (ROMA) System.....	16
III. COMMUNITY ACTION AGENCIES (CAAs) ON-SITE REVIEW SUMMARIES.....	16
IV. ASSESSMENT FINDINGS AND RECOMMENDATIONS.....	17

Tables

Table 1 - Use of FY 2007 Funds.....	3
Table 2 – South Carolina State Monitoring Schedule.....	6
Table 3 - Client Characteristics and Statistics.....	11

South Carolina Community Services Block Grant

I. Executive Summary

The Community Services Block Grant (CSBG) program 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, the revitalization of low-income communities, and the empowerment of low-income families and individuals to become fully self-sufficient. CSBG-funded programs create, coordinate, and deliver a broad array of programs 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 South Carolina designated the Governor's Office of Economic Opportunity (OEO) as the appropriate lead agency for the administration of the CSBG program. The South Carolina CSBG program provides funding, technical assistance, and support to 15 eligible entities serving 46 counties. The CAAs provide an array of services according to the Community Action Plan (CAP) 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. The information contained in this report was compiled during a State Assessment (SA) of the South Carolina Community Services Block Grant program 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

State Assessments (SAs) are conducted to examine the implementation, performance, compliance, and outcomes of a State's CSBG program to certify that the State is adhering to the provisions set forth in Sections 678B and 676(b) of the Coats Human Services Reauthorization Act, Public Law 105-285. On December 21, 2007, OCS issued Information Memorandum 105, explaining that DSA would conduct both on-site and desk monitoring visits during Federal Fiscal Years 2008-2010. Federal staff conducted an on-site review of the South Carolina CSBG program and its eligible entities from March 15 thru March 19, 2010. The evaluation included interviews and analyses of the data collected. As per the 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 employment and training activities, with the Low Income Home Energy Assistance Program (LIHEAP), with 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;
6. Adequate and appropriate composition of Tripartite Board and CAA rules;

7. Appropriate fiscal and programmatic procedures to include a Community Action Plan from the CAAs 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.¹

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 the CSBG program, including Board governance, non-discrimination provisions, and political activities prohibitions.

Methodology

The State Assessment 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 officials.
2. OCS reviewers assessed the State's monitoring procedures and results to determine CAA's compliance with assurances and governance requirements by gathering information and engaging in data collection and interviews.

State-level interviews included the following Office of Economic Opportunity and Office of Finance staff: Louise B. Cooper, Director; Bertie McKie, Senior CSBG Manager; Thomas Welch, Senior Audit Manager; Demarius Gaither, Senior IT Manager; Arlene D. Washington, Senior Manager Fiscal Services; Dionne Davis, Program Coordinator CSBG/LIHEAP; Jennifer Legette, Program Coordinator CSBG/LIHEAP; Sandra Grant, Program Coordinator CSBG/LIHEAP; Brenda Day, Accounting Supervisor; and Diana Graham, Internal Auditor.

OCS reviewers assessed the following entities: Charleston County Human Services Commission, Charleston, SC; Pee Dee Community Action Partnership, Florence, SC; and Wateree Community Action, Inc., Sumter, SC.

Office of Community Services reviewers were comprised of Isaac Davis (Program Specialist and Team Leader), Emmanuel Djokou (Auditor), Marie Madzy (Auditor), and Dr. Maria Williams (Program Specialist).

¹ 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 program including:

- Administrative, programmatic, and financial operations for the State and the CAAs assessed;
- Brochures and literature on services provided;
- Most recent CSBG financial summary reports;
- SF 269 Financial Status Report for Fiscal Year (FY) 2007 showing total funds authorized;²
- Audited Financial Statements;
- South Carolina State CSBG Plan;
- South Carolina CSBG Operations Manual.

Fiscal and Governance Operations

The CSBG statute requires each State to designate a lead agency to administer the CSBG program and for the lead agency to provide oversight of the eligible entities that administer programs in the communities. The Governor of South Carolina designated the Governor's Office of Economic Opportunity as the lead agency to administer the CSBG program. The State allocated 90 percent of the 2007 CSBG fund to its eligible entities and used the remaining ten percent for administrative expenditures and discretionary funding to eligible entities to address non-traditional community needs.

Table 1 illustrates the distribution of Federal CSBG funds allocated in South Carolina.

Table 1

Use of FY 2007 Funds: South Carolina		
Uses of Funds	Amount Allocated	Percentage of Allocations
Grants to Local Eligible Entities	\$8,675,253	90%
Administrative Costs	\$588,914	6%
Discretionary Projects	\$375,000	4%
Total Used in FY 2007	\$9,639,167	100%

According to the State, the administrative fund was used for the management and monitoring oversight of the program while the discretionary funds were disbursed in equal share to each of the 15 eligible entities for the purpose of supporting locally-operated Youth Leadership Programs (YLP) in accordance with sections 675C (b) and 676 (b)(1)(B) of the CSBG statute. YLP best practices include family participation and broad-based community coordination that includes community action agencies, public schools, representatives of the public and private sector, the faith community, key area leaders and elected officials. Among the best practices identified in the program component are those that include reading enhancement, community volunteer services, financial planning, life skills, parliamentary procedures, employment skills training, and exposure to viable post secondary educational opportunities.

² The SF 269—Short Form is used to report the amount of program income earned and the amount expended.

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 CAAs have a system of governance, financial and human resource management, program and service delivery, and community relations. The State requires the CAAs 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.

The Governor's Office of Economic Opportunity's (OEO) has adopted most of the *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments* referred to as the "Common Rule" in administering the CSBG program.

OCS reviewers noted that CSBG program policies are distributed through a series of monthly directives or memoranda that align with the OCS policy changes or updates or any state policy changes and updates. These memos are kept in the policy guidance notebook which is a requirement for all CAAs. In addition, OCS reviewers determined that the administrative controls using the policy guidance notebook appear to be an appropriate tool for communicating policy guidance to CAAs in addition to the state plan and the grant agreement. Overall, the State monitors CAAs twice a year; they provide both fiscal and programmatic monitoring exceeding CSBG program monitoring requirements.

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. A draft monitoring report is developed and issued within 30 days of the on-site visit. The report identifies deficiencies, issues, and concerns requiring corrective action(s), as approved by the board. Follow-up visits were coordinated with the CAAs if deficiencies were noted during the on-site visit. A final report is sent to the Board Chairperson and the Executive Director of the agency. Not all site visits require a focus on the entire CSBG program. Some may focus on specific areas during the State's monitoring review of other Federal grant programs such as the Low Income Home Energy Assistance Program (LIHEAP), the Results Oriented Management and Accountability (ROMA) performance measurement system, board issues, or training and technical assistance.

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 the CSBG program.

The OEO Fiscal Guidance and Procedural Manual provides uniform standards for budgeting, financial reporting (FSRs), procurement, grant compliance, internal controls, disposal of property, and audit.

On-site monitoring reviews are conducted to meet the following objectives: review of sub-recipient performance, review of compliance to applicable State and Federal regulations and statutes to prevent fraud and abuse, and identification of technical assistance needs. The CAAs and eligible entities are identified in Table 2 below.

Table 2

South Carolina State Monitoring Schedule		
Agency Name	On-site Visits	Counties Served
Aiken/Barnwell Counties Community Action Commission, Inc.	September 24-28	Aiken, Barnwell, and Lexington
Beaufort-Jasper Economic Opportunity Commission, Inc.	August 27-31	Beaufort and Jasper
Berkeley-Dorchester Counties EDC	July 11-15	Berkeley and Dorchester
Carolina Community Action, Inc.	May 21-22; 24; 29-30	Chester, Fairfield, Lancaster, Union, and York
Charleston County Human Services	October 15-17; 23-24	Charleston
Chesterfield/Marlboro Economic Opportunity Council, Inc.	August 6-10	Chesterfield and Marlboro
Darlington County Community Action Agency	June 25-29	Darlington
GLEAMNS Human Resources Community, Inc.	April 30, May 1; 5-7	Abbeville, Edgefield, Greenwood, Laurens, McCormick, Newberry, and Saluda
Lowcounty Community Action Agency, Inc.	September 10-12; 17-18	Colleton and Hampton
Orangeburg-Calhoun-Allendale-Bamberg (OCAB) CAA	September 17-18; 24-26	Allendale, Bamberg, Calhoun, and Orangeburg
Pee Dee Community Action Agency	June 18-19; 25-27	Dillon, Florence, and Marion
Piedmont Community Actions, Inc.	August 22-24; 27-28	Cherokee and Spartanburg
Sunbelt Human Advancement Resources, Inc.	May 14-15; 21-23	Greenville, Oconee, Pickens, and Anderson
Waccamaw Economic Opportunity Council, Inc.	July 16-20	Horry, Georgetown, and Williamsburg
Wateree Community Action, Inc.	October 1-2; 15-17	Clarendon, Kershaw, Lee, Sumter, and Richland

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, OCS reviewers determined that the State has reasonable and responsible internal controls for conducting monitoring reviews for its eligible entities.

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

The Office of Economic Opportunity (OEO) operates on a cash advance system with its eligible entities, and monthly Financial Status Reports (FSR) are the primary tools for evaluating allowable expenditures and tracking budget line items. OEO disburses the fund to the eligible entities in four equal quarterly payments contingent upon the eligible entity’s FSR documenting expenditures, accruals, and obligations. OEO requires a set percentage of expenditures reported for the prior period before the current period’s disbursement can be released.

OCS reviewers examined the available monthly reports and a sampling of CSBG disbursements. Administrative costs include indirect cost allocation, salaries and benefits, contractual services, supplies and materials, fixed charges, travel, and other operating costs. Hours charged to the CSBG program are not based on actual hours spent by the staff administering the program. The State does

not use timesheets but allocates payroll expense to the various Federal programs directly proportional to the amount of grant received for the respective program. A Personnel Transaction Document, which shows percentage of funding level to applicable programs, is prepared every year or as needed.

OCS reviewers examined OEO's internal audit function, as well as its sub-recipient monitoring process. The Internal Audit group handles both internal audit functions and sub-recipient monitoring. The Office of the Governor, as well as the three CAAs selected for site visits, did not have compliance requirements or audit findings pertaining to the CSBG program in their A-133 Single Audit reports. Any audit finding is reported to the eligible entity's Executive Director and Board of Directors. The eligible entity's Board of Directors is required to respond to the notification letter within 30 days with a written Corrective Action Plan (CAP) that addresses the findings. The CAP is reviewed and approved by the internal audit staff. The eligible entity's failure to respond within the allotted time frame may result in disciplinary actions being taken by the State including de-obligation of funds. The OCS reviewers had no findings for technical assistance.

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 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.

The State's independent external auditor, has completed its audit of the Office of the Governor for fiscal year ended June 30, 2008 and issued an unqualified opinion. The audit included audit of financial statements and Federal programs. The independent auditor found no areas of noncompliance, reportable conditions, including material weaknesses, questioned costs, fraud, or other reportable items for CSBG. The audit report for year ended June 30, 2008 was reviewed, in addition to that for year ended June 30, 2007, because it covers the end of the two-year Federal program period for expending the 2007 CSBG fund.

OCS reviewers examined the SF-SAC Form - Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations and the Single Audit Report found on the Federal Audit Clearinghouse (FAC) website. OCS reviewers found that several eligible entities were not fully in compliance with the requirements set forth in OMB Circular A-133. The State needs to ensure that all subrecipients are in compliance with Federal regulations and guidance.

OCS reviewers also recognized that the State adheres to the accounting principles and financial reporting standards established by the Governmental Accounting Standards Board.³

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, the Appropriation Act (H.R. 3061) contains new language which supersedes the language in Section 675 (C)(3) of the enabling legislation. States are now required to continue recapture and/or redistribute FY 2001 CSBG funds to “eligible entities” in accordance with the requirement in Section 675 (C)(a)(1) of the CSBG Act which require 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 with such entity for carryover into the next fiscal year for expenditure by such entity for program purposes.”

Carryover Balance

In accordance with 45 CFR §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). The Financial Status Reports (FSRs) are due within 90 days of the close of the applicable statutory grant periods. The FSRs were due December 30, 2007 and December 30, 2008. Failure to submit reports on time may be the basis for withholding financial assistance payments, suspension, or termination of funding. During the assessment, OCS reviewers noted that the State submitted its Financial Status Reports (FSRs) 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 2007 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 carry over balance of \$2,025,075 for FY 2007. The carry over balance was fully spent in FY 2008, and there was no unobligated balance. South Carolina’s policy on carry over funds states that the eligible entities shall retain any carry over to the next program year. When a CAA has determined that it will not utilize all of the current program year funds, it will notify the State, which will re-contract the carryover funds.

Public Hearings

According to Section 676(a)(2)(B), at the beginning of each fiscal year, a State must prepare and submit an application and State Plan covering a period of one year and no more than two fiscal years. Each year, the State’s CSBG State 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 CSBG Public Hearing was held at the Governor’s Office of Economic Opportunity in Columbia, South Carolina on Wednesday, August 17, 2005, at 1:00 PM.

³ 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).

in Room 521 of the Solomon Blatt Building, 1105 Pendleton Street, in the State Capital Complex, a Legal Notice was placed in the major statewide newspaper stating that the CSBG Public Hearing would be held and that copies would be available at the Department of Community Based Services for public review. A CSBG Public Hearing was held July 25, 2006. OCS reviewers assessed the State Public Hearing procedures and determined that the State was in compliance with the CSBG statute.

Tripartite Boards

The State requires CAAs to submit a listing of their Tripartite Board membership prior to being approved to administer the CSBG program. CAAs 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. The remaining members are public officials or members of business, industry, labor, religious organizations, law enforcement, education, or other major groups interested in the community serviced. Members must actively participate in the planning, implementation, and evaluation of the program that services their low-income communities.

The CAAs 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 Board 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 CAAs 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 costs identified by audits.

In accordance with Federal and State law, in order to be in full compliance, each CSBG grantee is required to adhere to the composition, documentation, by-laws, board manual, and Board meeting minutes as detailed in the CSBG Act of 1998, Section 676B. The State CSBG office is required to monitor board composition and follow-up with the CAAs when representation needs to be adjusted. The State assured OCS that the CAAs 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 Operations Manual, the CSBG Grant Agreement, and the CSBG assurances submitted with the State Plan each year.

OCS reviewers determined that the State demonstrated reasonable internal controls for monitoring and approving the Tripartite Board certifications.

Additional Administrative or Fiscal Operations Findings

The State is required to maintain a current financial procedure manual in order to meet fiscal standards set forth by Federal regulations. Financial reports are required monthly. 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, fiscal and administrative operations requirements (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 the CSBG Program. 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 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 2007. The CAAs operate numerous programs designed to meet the needs identified in their respective service areas. Due to different local needs, not all CAAs provide services in all priority areas. During this State Assessment, agency records were reviewed to assess actual services provided. The assessment instrument addressed the following areas: client services received, expenditures, staff responsibility, board governance, by-laws, board meeting minutes, board manual, personnel, planning and operations, CSBG assurances, fiscal operations, T&TA grants, T&TA grant reviews, and agency postings (i.e., worker's compensation, client appeals, etc.).

The CAAs operate numerous programs designed to meet the needs identified in their respective service areas. Because the demographic data show different local needs, not all eligible entities can provide extensive services in all priority areas. Supportive services and community outreach projects provided by the entities respond to low-income workers' health care.

The State and CAAs 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 CAAs 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 shows the reported characteristics of individuals and families served throughout the State.

Based on the Results Oriented Management and Accountability (ROMA) process, the grant agreement outlines the following requirements for the State’s CAAs:

- 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 services 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 South Carolina community revitalization. The CSBG Client Characteristics and Statistics reported by State are found in Table 3 (on the following page)

Table 3

CSBG Client Characteristics and Statistics Reported by State	
Race/Ethnicity By Number of Persons:	
Hispanic or Latino	2,790
African American	96,338
White	40,308
Other	2,079
Multi-race	1,377
Education: Years of Schooling by Number of Persons:	
0-8 years	9,907
9-12, non graduates	17,290
High school graduate/GED	27,985
12+ some postsecondary	7,095
2 or 4 year college graduates	3,518
Insured/Disabled:	
No Health Insurance	29,358
Disabled	17,291
Surveyed About Insurance	103,806
Surveyed About Disability	103,835
Household Structure:	
Female	90,941
Male	53,007
Two Parent Household	6,613
Single Person	21,472
Two Adults, No Children	6,613
Family Housing by Number of Families:	
Own	26,349
Rent	33,692
Homeless	824
Level of Family Income as Percentage of Federal Poverty Guideline by Number of Families:	
Up to 50%	24,528
51% to 75%	15,223
76% to 100%	13,754
101% to 125%	6,826
126% to 150%	2,830
151% or more	271

The program activities associated with CSBG funds as used by the CAAs in South Carolina for FY 2007 are detailed below:

Employment Programs

The State reported spending \$1,800,736 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 \$793,181 in CSBG funds to provide education services. These services may include:

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

Housing Programs

The State reported spending \$827,845 for CSBG-funds to provide housing programs to improve the living environment of low-income individuals and families. These services may include:

- Homeownership counseling and loan assistance;
- Affordable housing development and construction;
- Counseling and advocacy about landlord/tenant relations and fair housing concerns;
- Assistance in locating affordable housing and applying for rent subsidies and other housing assistance;
- Transitional shelters and services for the homeless;
-

- Home repair and rehabilitation services;
- Support for management of group homes; and
- Rural housing and infrastructure development.

Emergency Services Programs

The State reported spending \$1,853,732 in CSBG funds for emergency services and crisis intervention. These services may include:

- Emergency temporary housing;
- Rental or mortgage assistance, 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 \$12,923 in CSBG funds to support nutrition programs. These services may include:

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

Self-Sufficiency Programs

The State reported spending \$2,068,758 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 \$306,426 on CSBG-funded health initiatives. CSBG funds may be used to address gaps in the care and coverage available in the community. The eligible entity may use CSBG funds for health initiatives that include:

- Recruitment of uninsured children to a State insurance group or State Children’s Health Insurance Program (SCHIP);
- Recruitment of volunteer medical personnel to assist uninsured low-income families;
- Prenatal care, maternal health, and infant health screening;
- Assistance with pharmaceutical donation programs;
- Health-related information for all ages, including Medicare/Medicaid enrollment and claims filing;
- Immunization;
- Periodic screening for serious health problems, such as tuberculosis, breast cancer, HIV infection, 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 \$96,850 on income management programs using CSBG grant funds. 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 \$1,229,062 in CSBG funds on linkage initiatives that involve a variety of local activities because of the CSBG’s statutory mandate to mobilize and coordinate community responses to poverty. These services may include:

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

At the local level, the CSBG program coordinates with labor programs, transportation programs, educational programs, elderly programs, energy programs, community organizations, private businesses, churches, the United Way, and various youth organizations and programs. A State's eligible entity will coordinate with other service providers and act as a focal point for information on services in their local area. The CAA 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 Seniors⁴

The State reported spending \$906,045 in CSBG funds on the programs serving youth and spending \$680,701 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:

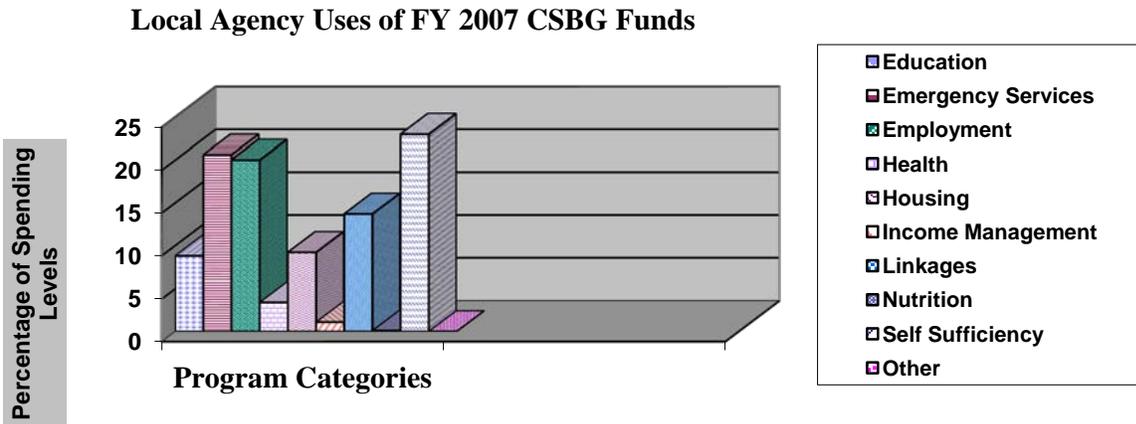
- Home-based services, including household or personal care activities that improve or maintain well-being;
- Assistance in locating or obtaining alternative living arrangements;
- In-home emergency services or day care;
- Group meals and recreational activities;
- Special arrangements for transportation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

Youth programs, in many cases, may include:

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

⁴ Programs for Youth and Seniors are recorded separately in ROMA System, and therefore not listed on the local agency use of funds chart.

The chart below identifies the proportion of CSBG local expenditures devoted to the operational purposes noted above.



Results Oriented Management and Accountability (ROMA) System

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

The SC State Plan and CSBG Policy Guidance Notebook outline the accountability and reporting requirements for its eligible entities. According to State policies all eligible entities are required to participate in a performance measure system which satisfies CSBG statute. ROMA data is collected through the Case Management Software system that is used by the States eligible entities. ROMA training is provided through the NASCSP conferences on the State level, and through the local CAP conferences held for the eligible entities.

III. CAA Onsite Review Summaries

Charleston County Human Services Commission

Charleston County Human Services Commission (CCHC) is a private non-profit agency established in 1964 as a community action agency located in Charleston, South Carolina. Charleston County Human Services Commission offers services yearly to over 4,500 families utilizing Community Services Block Grant. These CSBG program activities include: Project Pride (assist disadvantage residents in Charleston, Berkeley and Dorchester counties to successfully seek employment), Youth Education Enrichment (enhance educational achievement and leadership), Health and Nutrition (assist low income families with their medical needs. Provide food vouchers, food program sponsorships and emergency food baskets), Weatherization and housing. In fiscal year 2007, CCHC had an annual budget of \$4,123,678 of which \$806,899 were CSBG funds.

Pee Dee Community Action Agency

Pee Dee Community Action Partnership is a private, multi-county, non-profit community based organization founded in 1965 and located in Florence, South Carolina. Pee Dee Community Action Partnership provides the following services: Education Assistance, Emergency Cooling Equipment, Emergency Heaters, Employment Training, Energy Assistance, Foster Grandparents Program, Healthy Marriage, Holiday Food Baskets, Retired and Senior Volunteer Program, Summer Lunch Program and Weatherization. The services are organized into nine service categories: Education, Nutrition, Housing, Health, Linkages, Employment, Emergency, Income Management, and Self-Sufficiency. Additional CSBG program activities include the Homeless Program which provides assistance with relocation fees, rental assistance utilities and educational training. General Emergency Assistance Programs including rental and food assistance, Housing Support including mortgage counseling assistance. In fiscal year 2007, Pee Dee Community Action Partnership had an annual budget of \$12,678,150 of which \$645,418 were CSBG funds.

Wateree Community Action, Inc.

Wateree Community Action, Inc. is a private, multi-county, non-profit community based organization established in 1967 as a community action agency located in Sumter, South Carolina. Wateree Community Action, Inc. provides the following services: Employment, Education, Emergency Services, Income Management, Housing, Linkages, Self-Sufficiency and Health Services. The services are organized into nine service categories: Education, Nutrition, Housing, Health, Linkages, Employment, Emergency, Income Management, and Self-Sufficiency. In fiscal year 2007, Wateree Community Action, Inc. had an annual budget of \$13,599,515 of which \$1,229,083 were CSBG funds.

IV. Assessment Findings and Recommendations

Through a review of State of South Carolina's policies, procedures and documentation, OCS reviewers determined that the State was in compliance with CSBG statute, the Terms and Conditions of the grant, and other applicable policies. Internal controls for eligible entities are mandated by the South Carolina CSBG Manual. 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 statute. 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).

Finding 1

The State needs to strengthen its control to fully provide the financial source documents needed to verify the tracing of CSBG funds in accordance with Section 678D and 45 C.F.R §92.26.

Recommendation:

OCS recommends the State:

1.1 Implement and/or update State policies to ensure the State and eligible entities account for grant funds in accordance with State laws and procedures for expending Federal funds in accordance with OMB Circular A-133 in its entirety.

Other Matters

OCS reviewers noted that the State charges salaries to Federal programs for non-Federal holidays such as Confederate Memorial Day, Day after Thanksgiving, Christmas Eve, and Day after Christmas. OCS reviewers also noted that the State does not use timesheets or charge actual hours to Federal programs. Employee hours are charged to Federal programs in proportion to the amount of grant received for the respective grant.

OCS reviewers also noted that there were issues with board compliance with Wateree Community Action, Inc. and Waccamaw Economic Opportunity Council, Inc. OCS reviewers recommend the State review the board composition and capacity, and provide the appropriate training and technical assistance deemed necessary.

The State should comment on this report within 30 days. If no comments are provided on the text and substance of the report within 30 days, the report will be considered final. If you have any questions or comments, please contact:

Frances Harley
Financial Operations Team Leader
Telephone: (202) 401-6888
Fax: (202) 401-5718
E-mail: frances.harley@acf.hhs.gov

Correspondence may be sent to:
Frances Harley
Financial Operations Team Leader
Administration for Children and Families
Office of Community Services
Division of State Assistance
370 L'Enfant Promenade, S.W., 5th Floor West
Washington D.C. 20447