# DRAFT

## COMMUNITY SERVICES BLOCK GRANT

**U.S. Department of Health and Human Services**
**Administration for Children and Families**
**Office of Community Services**
**Division of State Assistance**
**370 L'Enfant Promenade, S.W.**
**Washington, D.C. 20447**

**Information Memorandum**

| | |
|---|---|
| **Transmittal No.** <mark>Draft</mark> | **Date:  March <mark>XX</mark>, 2014** |

| | |
|---|---|
| **TO:** | State Community Services Block Grant (CSBG) Administrators, U. S. Territory CSBG Administrators, Eligible Entities, and State Community Action Associations |
| **SUBJECT:** | Authorities and Expectations for State Establishment of Organizational Standards for CSBG Eligible Entities under 678B of the CSBG Act, 42 U.S.C. § 9914 |
| **RELATED REFERENCES:** | Community Services Block Grant Act 42 U.S.C. § 9901 *et seq.*, hereafter referred to as "the CSBG Act." |

At this time, the Office of Community Services (OCS) is issuing this draft Information Memorandum (IM) providing guidance to the CSBG Network on the use of organizational standards by States. OCS will seek authority to pursue implementation of national organizational standards for CSBG via changes in legislative authority, but has determined that voluntary implementation by States does not need to be delayed.  The development of organizational standards has been a collaborative process across the CSBG Network, and in that spirit, OCS is first providing this guidance in draft form to solicit feedback.  Over the next month, OCS welcomes State CSBG Lead Agencies, eligible entities, State Community Action Associations, national partners, and any other interested parties to submit questions and comments in response to this draft IM.  Feedback from the CSBG Network and others will allow OCS an opportunity to strengthen and clarify the guidance on this important subject before releasing a final IM.  We appreciate the CSBG Network's collaborative efforts to date, and ask for your input on this guidance by <mark>April 25, 2014</mark>.  **Please submit your questions or comments via email to LaToya.Smith@acf.hhs.gov**.

**SUMMARY**:

- The Office of Community Services (OCS) expects States to report on the establishment and implementation of organizational standards, no later than Fiscal Year 2016, in coordination with their local eligible entities, in order to increase accountability for CSBG-eligible entities.

- This comprehensive set of organizational standards, developed by the CSBG Organizational Standards Center of Excellence (COE), has been established to ensure that all CSBG eligible entities have the capacity to provide high-quality services to low-income individuals and communities.

  The COE-developed organizational standards are organized into three thematic groups: maximum feasible participation, vision and direction, and operations and accountability. They are tailored for use by both private and public eligible entities.
- All State CSBG Lead Agencies are strongly encouraged to review the developed COE-developed organizational standards and proceed immediately with plans to coordinate with partners in the State on the establishment and implementation of organizational standards.

- If a State establishes a different set of organizational standards, the standards must encompass requirements of the CSBG Act and other Federal requirements, such as those found in the relevant OMB Circulars, and will be subject to OCS review during the application review process. States must ensure that these alternative organizational standards are at least as rigorous and comprehensive as the COE-developed organizational standards.

- OCS will implement new procedures for State reporting on organizational standards in upcoming State CSBG Plans and CSBG Annual Reports.

**Background**

Budget constraints, high poverty levels, changing demographics, and income inequality demand that we remain diligent in our shared mission of creating opportunity for all Americans. We must look at all levels of the CSBG Network – local, State and Federal – to assess and increase the magnitude of CSBG's impact. CSBG is a far-reaching, nationwide network, and has the potential to achieve even greater results, in every community, by improving our accountability to one another, our customers, and communities.

As we commemorate the 50th anniversary of the War on Poverty and face new challenges and opportunities, we must ask ourselves:

- How do we make sure we have high-performing organizations with the capacity to provide quality services to Americans struggling to move into the middle class?
- How do we make sure organizations at the Federal, State and local levels have systems of accountability to demonstrate results?
- How do we pursue greater levels of impact for the individuals, families, and communities we serve?

In an effort to help the CSBG Network answer these questions, OCS launched two streams of work in 2012. The first stream focuses on establishing organizational standards for eligible entities. Under this effort, CSBG Network leaders created and recommended to OCS a set of organizational standards, described in this IM, to strengthen the capacity of the more than 1,000

eligible entities providing services across the country. These COE-developed organizational standards have the potential to protect and enhance the structural integrity of this national network by assuring that all entities that annually receive CSBG funds have the capacity to organize and support a comprehensive community response to the devastating impacts of poverty.

The second stream of work focuses on enhancing the CSBG Network's performance management system for local eligible entities – identified in the CSBG Act as Results Oriented Management and Accountability (ROMA). Later this year, OCS will release information on the results of the collective effort to examine and update ROMA. State- and Federal-level accountability measures will complement efforts at the local level involving 'ROMA Next Generation' and the COE-developed organizational standards.

**Efforts to Establish Organizational Standards for CSBG Eligible Entities**

To aid in the establishment of organizational standards for CSBG eligible entities, in 2012, OCS funded a cooperative agreement for the COE. The two-year cooperative agreement coordinated – with input from local, State, and national partners – the development and dissemination of a set of organizational standards for eligible entities with the central mission of ensuring that all CSBG eligible entities have the capacity to provide high-quality services to low-income individuals and communities.

With the support of the OCS funding, an existing CSBG Working Group grew from its original 20 members to over 50 individuals, and included a balanced representation from eligible entities, State CSBG Lead Agencies, Community Action State Associations, national partners, technical assistance providers, and external content experts. The Working Group's efforts began with a thorough environmental scan of existing tools and resources, internal and external to the CSBG Network, which informed the development of the standards. The Working Group found that while there are many similarities across States in how State CSBG Lead Agencies monitor eligible entities, substantial differences still exist. Given that one intended outcome of this project is to standardize accountability tools nationwide, while also preserving the States' flexibility inherent and desirable in a block grant, this analysis was a critical first step.

The project continued through a nine-month development process that provided numerous points for input by the CSBG Network on draft organizational standards language. The final phase included a pilot that engaged a subset of State CSBG Lead Agencies and eligible entities in a field test of draft language and tools.

The result of these efforts is a comprehensive set of organizational standards organized in three thematic groups, comprised of nine categories and 56 standards. The thematic groups and nine categories of standards are outlined below:

- **Maximum Feasible Participation**
  - Consumer Input and Involvement
  - Community Engagement
  - Community Assessment

- **Vision and Direction**
  - Organizational Leadership
  - Board Governance
  - Strategic Planning

- **Operations and Accountability**
  - Human Resource Management
  - Financial Operations and Oversight
  - Data and Analysis

The COE tailored the standards for use by both private and public eligible entities, attached as Appendix 2 and Appendix 3 to this IM. In addition, more detailed tools and materials to assist in the implementation of the standards are available on the [Community Action Partnership](#) website.

**State Authority and Responsibility to Establish Organizational Standards**

Assuring high standards for the use of CSBG funds is a shared responsibility among OCS, State CSBG Lead Agencies, and eligible entities at the community level. Under Section 678B of the CSBG Act, 42 U.S.C. § 9914, State CSBG Lead Agencies have the authority to establish and monitor goals, standards, and requirements that assure an appropriate level of accountability and quality among the State's eligible entities. While the collection of grantees supported by CSBG has a long and important history of work on behalf of low-income people, the CSBG Network should regularly assess organizational capacity through a consistent set of standards so as to meet the changing and current needs of low-income people. State monitoring, according to these set of goals, standards, and requirements, is essential to the continued success of CSBG.

In order to meet CSBG Act State responsibilities, all State CSBG Lead Agencies must establish and communicate standards and requirements to eligible entities. Critical areas for organizational standards are based on the requirements of the CSBG Act and the values of Community Action, and include: consumer input and involvement; community engagement; community assessment; organizational leadership; board governance; strategic planning; human resource management; financial operations and oversight; and data and analysis.

The COE has developed a well-vetted set of organizational standards and tools that are directly applicable to CSBG. These standards are consistent with the CSBG Act and applicable Federal statute and regulations. In addition, collective use of these standards will ensure consistency among State agencies throughout the Network. Furthermore, the COE has developed a number of tools and training materials that will assist States in implementation.

Although a State may establish and communicate a different set of organizational standards for its eligible entities, the State must ensure that alternative organizational standards are at least as rigorous and comprehensive as the organizational standards developed by the COE. If a State establishes a different set of organizational standards, the alternative standards must encompass requirements of the CSBG Act and other Federal requirements, such as those found in the relevant OMB Circulars, as well as the critical areas noted above. Alternative standards will be

subject to OCS review during the application review process.

**OCS Expectations of State Efforts to Establish and Implement Organizational Standards**

The establishment of new organizational standards should include a fair and reasonable process. Whether States elect to use the COE-developed organizational standards or a different set, they should allow for input from the boards and leadership of eligible entities on the timing and procedures for implementing, documenting, and reporting on the standards.

Standards must be implemented in a manner consistent with State rules. Organizational standards should be clearly communicated prior to State monitoring activities, and consistently reiterated in State CSBG plans, contracts with eligible entities, funding documents, monitoring instruments, and monitoring reports. In addition, States have authority to supplement the COE-developed organizational standards, provided that additions or changes are implemented in a manner consistent with the CSBG Act and other applicable Federal and State requirements. A chart describing key considerations for implementation is included as Appendix 1.

The organizational standards established by States must provide a consistent foundation for participation in the CSBG Network. They must be designed to assure that all eligible entities meet a high standard of quality, not only in the critical financial and administrative areas important to all nonprofit and public human service agencies, but also in areas that are of unique importance for CSBG and its role in supporting eligible entities. Once established, a State's organizational standards should only be modified based on established State rules and procedures that are publicly communicated and transparent.

**Organizational Standards, State Monitoring, Corrective Action, Reduction of Funding and Termination**

Monitoring requirements outlined in the CSBG Act give State CSBG Lead Agencies a central role in monitoring whether eligible entities meet established goals, standards, and requirements. States have the responsibility to provide technical assistance and corrective action when it determines an eligible entity does not meet goals, standards, or requirements.

In some instances, States may determine, as the result of monitoring, that an eligible entity has deficiencies. When an eligible entity fails to meet State standards and requirements, State CSBG Lead Agencies must assess whether technical assistance is warranted, provide the needed training and technical assistance, if appropriate, and require corrective action based on a Quality Improvement Plan.

While some deficiencies may be remedied through immediate corrective action, failure to meet multiple requirements or standards may reflect widespread or systemic issues that cannot be feasibly corrected within a reasonable timeframe. In such cases, States must assess whether additional actions are necessary, including reduction or termination of funding.

Under Sections 678C(a) of the CSBG Act, 42 U.S.C. § 9915(a), States may reduce funding or terminate eligibility for CSBG funding when an eligible entity fails to: 1) comply with the terms

of an agreement or a State plan; 2) provide services; or 3) meet appropriate standards, goals, and other requirements established by the State, including performance objectives.

Clear instances of organizational fraud, systemic abuse of funds, or criminal activity may be considered as cause for an immediate hearing on termination without the opportunity for training, technical assistance, or corrective action. On the other end of the spectrum, a narrow failure to meet a single requirement or standard may more appropriately result in technical assistance or renegotiation of future performance goals. At either end of the spectrum, a State's expectations and procedures must be clearly communicated and are subject to Federal review in the event of a termination or reduction in funding.

Key requirements related to reduction of funding or termination of eligible entity status are discussed in CSBG IM 116 (*Corrective Action, Termination, or Reduction of Funding*), issued May 1, 2012.

As outlined in IM 116, State CSBG agencies must comply with statutory and regulatory requirements for terminating organizational eligibility or otherwise reducing the share of funding allocated to any CSBG eligible entity. When a deficiency has been identified and it has not or cannot be resolved, the State must provide adequate notice and an opportunity for a hearing prior to taking adverse funding action or terminating eligible entity status. If a State reduces or terminates funding, a Federal review of the State decision may be initiated through a request from the affected organization.

State organizational standards must include clear procedures for determining whether an agency has the ongoing capacity to plan for and deliver high-quality CSBG services as a member of the CSBG Network. When a State determines that an eligible entity has failed to meet organizational standards and correct identified deficiencies, the State should pursue a reduction or termination of funding. When funding is terminated to an eligible entity, States must follow CSBG Act requirements as well as State rules and regulations about designating a new eligible entity and awarding CSBG funds to a new entity.

**Use of Organizational Standards by Eligible Entity Boards**

One of the most critical stakeholders in assuring adherence to established organizational standards is the eligible entity board that oversees operations on behalf of the local community. Organizational standards not only serve as a new tool for States to help meet their oversight responsibilities, but they can also assist eligible entity boards in assuring accountability to the local community. The primary responsibility of the board is to assure that the eligible entity not only meets all Federal and State requirements, but also provides high quality services to low income people and the community served. Board members serve to protect the interests of the low-income community by making sure the eligible entity has the capacity to be successful.

Eligible entity boards must look beyond basic compliance to assure that the organization meets high standards of quality, accountability, and effectiveness. Therefore, the organizational standards established by States should provide one basis for board review of the organization but the board must also use other accountability and oversight tools. The board must also focus on

an eligible entity's overall responsiveness to changing community needs and provision of a comprehensive set of high-quality services designed to reduce poverty and strengthen communities.

**State Reporting on Organizational Standards**

In upcoming submissions of State CSBG plans, we anticipate that all State CSBG Lead Agencies will be required to provide a description of State organizational standards for eligible entities that receive CSBG funds. If States are implementing new organizational standards based on products and materials developed by the OCS-funded Organizational Standards COE, they will be asked to describe a timeline for implementation, and describe the process for input and reporting from the eligible entities and other stakeholders.

If a State is not implementing the organizational standards recommended by the COE, it will be required 1) to explain the reasons for using alternative standards, 2) to describe the alternative State standards, implementation timeline, and reporting procedures in detail, and 3) ensure that the alternative standards are at least as rigorous and comprehensive as the COE-developed standards.

OCS will ask all States to explain and address the absence of any standards related to the following critical areas: consumer input and involvement; community engagement; community assessment; organizational leadership; board governance; strategic planning; human resource management; financial operations and oversight; and data and analysis.

**Conclusion**

OCS places a high priority on the assurance that all eligible entities that receive CSBG funds are accountable to a set of organizational standards. No later than Fiscal Year 2016, all States will be expected to report on the establishment and implementation of organizational standards. Procedures to meet such standards are a shared responsibility between the local eligible entities, the State CSBG Lead Agencies, and OCS. OCS will implement new procedures for State reporting on organizational standards in upcoming State CSBG Plans and CSBG Annual Reports. Therefore, all State CSBG Lead Agencies are strongly encouraged to review the organizational standards developed by the CSBG Organizational Standards COE, and should proceed immediately with plans to coordinate with partners in the State on the establishment and implementation of organizational standards.

_____
Jeannie L. Chaffin
Director
Office of Community Services

**Appendix 1: State Implementation of Organizational Standards – Key Considerations**

| Critical Action Area | Description | Critical Partners and Available Resources |
|---|---|---|
| **Initial discussions with key partners in the State** | *State convenes discussions with eligible entities, State CAA Association, and other partners to discuss process and timeline for adopting COE-developed organizational standards.* | State CSBG Lead Agency, eligible entities, State CAA Association |
| **Assessment of State laws and rulemaking requirements** | *State CSBG officials, legal counsel, and contracting officials review existing State laws, regulations, and contracting procedures for necessary actions or venues for communication of standards (e.g. State register).* | State procurement office, State agency counsel, National Association for State Community Services Programs (NASCSP), Community Action Program Legal Services, Inc. |
| **Development and public notification of State standards** | *After review of current rules, standards and requirements, State CSBG officials identify and communicate anticipated organizational standards for CSBG eligible entities. Standards are communicated in writing through State register notice, website publication, or other public notice consistent with State procedures and rulemaking requirements.* | CSBG Organizational Standards Center of Excellence |
| **Opportunities for input on timelines and procedures** | *Through public meetings, consultations, hearings, and written input processes, States provide opportunities for input from CSBG eligible entities and other stakeholders on the timelines and procedures for implementation of organizational standards, including processes for incorporating into State monitoring procedures and organizational bylaws, as appropriate.* | CSBG Regional Performance and Innovation Consortia (RPIC), State CAA Association |
| **Development and communication of technical assistance strategies** | *In partnership with State and national technical assistance partners, the State establishes and communicates a technical assistance strategy to help assure that all CSBG eligible entities have access to technical assistance to meet required standards. Assistance in agency self-assessment may be provided. Technical assistance may be funded through State discretionary resources, may be sponsored Federally, or may be paid for by affected organizations, as appropriate.* | CSBG Organizational Standards Center of Excellence, CSBG Learning Communities Resource Center, CSBG Risk Mitigation Training and Technical Assistance Center, CSBG RPIC, State CSBG Associations, Office of Community Services (OCS) State Liaison staff |

| Critical Action Area | Description | Critical Partners and Available Resources |
|---|---|---|
| **Incorporation of standards in State CSBG Plan** | *State CSBG officials incorporate organizational standards and procedures for implementation into annual State CSBG Plans. These plans are made available for public inspection consistent with requirements in the CSBG Act and are submitted for Federal review as part of the application for CSBG funds.* | NASCSP, CSBG Organizational Standards Center of Excellence, OCS State Liaison staff |
| **Incorporation of standards in local CSBG Plans and agency bylaws and procedures** | *Eligible entity boards and leadership incorporate organizational standards into organizational bylaws and modify organizational procedures and practices, as appropriate, to assure compliance with all standards and procedures. Compliance with organizational standards is incorporated into board oversight and executive performance plans as appropriate.* | CSBG Organizational Standards Center of Excellence, Community Action Program Legal Services, Inc., State CAA Association |
| **Assessment and communication of results** | *State organizational standards are incorporated into all State monitoring practices. As required under the CSBG Act, a full onsite review is conducted at least once every three years and ad hoc monitoring is conducted as necessary.* | NASCSP, CSBG Organizational Standards Center of Excellence, OCS State Liaison staff |
| **Corrective action cycle** | *When State identifies non-compliance through State monitoring, it clearly communicates specific deficiencies and requirements for corrective action and offers technical assistance as appropriate. As necessary, States may initiate further procedures or funding actions consistent with the CSBG Act. In situations in which an eligible entity does not correct significant deficiencies within required deadlines, or in which widespread or systemic issues are identified that cannot feasibly be corrected in a reasonable timeframe, a State may initiate action to terminate eligible entity status consistent with the CSBG Act. Conversely, agencies that are identified as having best practices related to State standards may be identified as exemplars and assist in quality improvement efforts as appropriate.* | CSBG Learning Communities Resource Center, CSBG Risk Mitigation Training and Technical Assistance Center, State CSBG Associations, OCS State Liaison staff<br><br>Note: For detailed guidance on CSBG requirements, see IM 116. |

**Appendix 2: Organizational Standards COE Proposed Private Agency Standards**

# PROPOSED ORGANIZATIONAL STANDARDS FOR PRIVATE COMMUNITY ACTION AGENCIES

## MAXIMUM FEASIBLE PARTICIPATION

### Category one: Consumer Input and Involvement

Community Action is rooted in the belief that people with low incomes are in the best position to express what they need to make a difference in their lives. CSBG eligible Entities work in partnership with the people and communities they serve. Community Action works in a coordinated and comprehensive manner to develop programs and services that will make a critical difference in lives of participants. Individuals and families are well attuned to what they need, and when Community Action taps into that knowledge, it informs our ability to implement high-impact programs and services.

Research shows that through engagement in community activities such as board governance, peer to peer leadership, advisory bodies, volunteering, and other participatory means, the poor build personal networks and increase their social capital so that they are able to move themselves and their families out of poverty. Community Action is grounded in helping families and communities build this social capital for movement to self-sufficiency.

| | |
|---|---|
| **Standard 1.1 • private** | The Organization demonstrates low-income individuals' participation in its activities. |
| **Standard 1.2 • private** | The Organization analyzes information collected directly from low-income individuals as part of the Community Assessment. |
| **Standard 1.3 • private** | The Organization has a systematic approach for collecting, analyzing, and reporting customer satisfaction data to the governing board. |

## Category two: Community Engagement

No CSBG Eligible Entity can meet all of a community's needs independently. Through formal and informal partnerships, ongoing community planning, advocacy, and engagement of people with low incomes, partners ranging from community and faith-based organizations, educational institutions, government, and business can work together with Community Action Agencies to successfully move families out of poverty and revitalize communities.

Community Action is often the backbone organization of community efforts to address poverty and community revitalization: leveraging funds, convening key partners, adding the voice of the underrepresented, and being the central coordinator of efforts. It is not an easy role to play, but a vital one for families and communities.

| | |
|---|---|
| **Standard 2.1 • private** | The Organization has documented or demonstrated partnerships across the community, specifically including other anti-poverty organizations in the area. |
| **Standard 2.2 • private** | The Organization utilizes information gathered from key sectors of the community in assessing needs and resources. This would include at minimum: community-based organizations, faith-based organizations, private sector, public sector, and educational institutions. |
| **Standard 2.3 • private** | The Organization communicates its activities and its results to the community. |
| **Standard 2.4 • private** | The Organization documents the number of volunteers and hours mobilized in support of its activities. |

## Category three: Community Assessment

Local control of Federal CSBG resources is predicated on regular comprehensive Community Assessments that take into account the breadth of community needs as well as the partners and resources available in a community to meet these needs. Regular assessment of needs and resources at the community level is the foundation of Community Action and a vital management and leadership tool that is used across the organization and utilized by the community to set the course for both CSBG and all agency resources.

**Standard 3.1 • private**    The Organization conducted a Community Assessment and issued a report within the past 3 years.

**Standard 3.2 • private**    As part of the Community Assessment, the Organization collects and includes current data specific to poverty and its prevalence related to gender, age, and race/ethnicity for their service area(s).

**Standard 3.3 • private**    The Organization collects and analyzes both qualitative and quantitative data on its geographic service area(s) in the Community Assessment.

**Standard 3.4 • private**    The governing board formally accepts the completed Community Assessment.

# VISION AND DIRECTION

## Category four: Organizational Leadership

Community Action leadership is exemplified at all levels across the organization and tarts with a mission that clarifies Community Action's work on poverty. A well-functioning board, a focused Chief Executive, well-trained and dedicated staff, and volunteers giving of themselves to help others will establish Community Action as the cornerstone and leverage point to address poverty across the community. Ensuring strong leadership both for today and into the future is critical.

This category addresses the foundational elements of mission as well as the implementation of the Network's model of good performance management (ROMA). It ensures CAAs have taken steps to plan thoughtfully for today's work and tomorrow's leadership.

**Standard 4.1 • private**
The governing board has reviewed the Organization's mission statement within the past 5 years and assured that:
1. The mission addresses poverty; and
2. The Organization's programs and services are in alignment with the mission.

**Standard 4.2 • private**
The Organization's Community Action Plan is outcome-based, anti-poverty focused, and ties directly to the Community Assessment.

**Standard 4.3 • private**
The Organization's Community Action Plan and Strategic Plan document the continuous use of the full ROMA cycle or comparable system (assessment, planning, implementation, achievement of results, and evaluation). In addition, the Organization documents having used the services of a ROMA-certified trainer (or equivalent) to assist in implementation.

**Standard 4.4 • private**
The Organization has a written succession plan in place for the CEO/ED, approved by the governing board, which contains procedures for covering an emergency/unplanned, short-term absence of 3 months or less, as well as outlines the process for filling a permanent vacancy.

**Standard 4.5 • private**
An organization-wide risk assessment has been completed within the past 2 years and reported to the governing board.

## Category five: Board Governance

Community Action Boards are uniquely structured to ensure maximum feasible participation by the entire community, including those the Network serves. By law, Community Action Boards are comprised of 1/3 low-income consumers (or their representatives), 1/3 elected officials (or their appointees), and 1/3 the private-sector community members. To make this structure work as intended, CAAs must recruit board members thoughtfully, work within communities to promote opportunities for board service, and orient, train, and support them in their oversight role. Boards are foundational to good organizational performance and the time invested to keep them healthy and active is significant, but necessary.

**Standard 5.1 • private**   The Organization's governing board is structured in compliance with the CSBG Act:
1. At least one third democratically-selected representatives of the low-income community;
2. One-third local elected officials (or their representatives); and
3. The remaining membership from major groups and interests in the community.

**Standard 5.2 • private**   The Organization's governing board has written procedures that document a democratic selection process for low-income board members adequate to assure that they are representative of the low-income community.

**Standard 5.3 • private**   The Organization's bylaws have been reviewed by an attorney within the past 5 years.

**Standard 5.4 • private**   The Organization documents that each governing board member has received a copy of the bylaws within the past 2 years.

**Standard 5.5 • private**   The Organization's governing board meets in accordance with the frequency and quorum requirements and fills board vacancies as set out in its bylaws.

**Standard 5.6 • private**   Each governing board member has signed a conflict of interest policy within the past 2 years.

**Standard 5.7 • private**   The Organization has a process to provide a structured orientation for governing board members within 6 months of being seated.

**Standard 5.8 • private**   Governing board members have been provided with training on their duties and responsibilities within the past 2 years.

**Standard 5.9 • private**   The Organization's governing board receives programmatic reports at each regular board meeting.

## Category six: Strategic Planning

Establishing the vision for a Community Action Agency is a big task and setting the course to reach it through strategic planning is serious business. CSBG eligible Entities take on this task by looking both at internal functioning and at the community's needs. An efficient organization knows where it is headed, how the board and staff fit into that future, and how it will measure its success in achieving what it has set out to do. This agency-wide process is board-led and ongoing. A "living, breathing" Strategic Plan with measurable outcomes is the goal, rather than a plan that gets written but sits on a shelf and stagnates. Often set with an ambitious vision, Strategic Plans set the tone for the staff and board and are a key leadership and management tool for the organization.

| | |
|---|---|
| **Standard 6.1 • private** | The Organization has an agency-wide Strategic Plan in place that has been approved by the governing board within the past 5 years. |
| **Standard 6.2 • private** | The approved Strategic Plan addresses reduction of poverty, revitalization of low-income communities, and/or empowerment of people with low incomes to become more self-sufficient. |
| **Standard 6.3 • private** | The approved Strategic Plan contains Family, Agency, and/or Community goals. |
| **Standard 6.4 • private** | Customer satisfaction data and customer input, collected as part of the Community Assessment, is included in the strategic planning process. |
| **Standard 6.5 • private** | The governing board has received an update(s) on meeting the goals of the Strategic Plan within the past 12 months. |

# OPERATIONS AND ACCOUNTABILITY

## Category seven: Human Resource Management

The human element of Community Action's work is evident at all levels of the organization and the relationship an organization has with its staff often reflects the organization's values and mission. Oversight of the Chief Executive and maintaining a strong human resources infrastructure are key responsibilities of board oversight. Attention to organizational elements such as policies and procedures, performance appraisals, and training lead to strong organizations with the capacity to deliver high-quality services in low-income communities.

**Standard 7.1 • private**     The Organization has written personnel policies that have been reviewed by an attorney and approved by the governing board within the past 5 years.

**Standard 7.2 • private**     The Organization makes available the Employee Handbook (or personnel policies in cases without a Handbook) to all staff and notifies staff of any changes.

**Standard 7.3 • private**     The Organization has written job descriptions for all positions, which have been updated within the past 5 years.

**Standard 7.4 • private**     The governing board conducts a performance appraisal of the CEO/Executive Director within each calendar year.

**Standard 7.5 • private**     The governing board reviews and approves CEO/Executive Director compensation within every calendar year.

**Standard 7.6 • private**     The Organization has a policy in place for regular written evaluation of employees by their supervisors.

**Standard 7.7 • private**     The Organization has a whistleblower policy that has been approved by the governing board.

**Standard 7.8 • private**     All staff participate in a new employee orientation within 60 days of hire.

**Standard 7.9 • private**     The Organization conducts or makes available staff development/training (including ROMA) on an ongoing basis.

## Category eight: Financial Operations and Oversight

The fiscal bottom line of Community Action is not isolated from the mission, it is a joint consideration. Community Action Boards and staff maintain a high level of fiscal accountability through audits, monitoring by State and Federal agencies, and compliance with Federal Office of Management Budget circulars. The management of Federal funds is taken seriously by CSBG eligible Entities and the Standards specifically reflect the board's oversight role as well as the day-to-day operational functions.

| | |
|---|---|
| **Standard 8.1 • private** | The Organization's annual audit (or audited financial statements) is completed by a Certified Public Accountant on time in accordance with OMB Circular A-133 (if applicable) and/or State audit threshold requirements. |
| **Standard 8.2 • private** | All findings from the prior year's annual audit have been assessed by the Organization and addressed where the governing board has deemed it appropriate. |
| **Standard 8.3 • private** | The Organization's auditor presents the audit to the governing board. |
| **Standard 8.4 • private** | The governing board formally receives and accepts the audit. |
| **Standard 8.5 • private** | The Organization has solicited bids for its audit within the past 5 years. |
| **Standard 8.6 • private** | The IRS Form 990 is completed annually and made available to the governing board for review. |
| **Standard 8.7 • private** | The governing board receives financial reports at each regular meeting that include the following:<br>1. Organization-wide report on Revenue and Expenditures that compares Budget to Actual, categorized by program; and<br>2. Balance Sheet/Statement of Financial Position. |
| **Standard 8.8 • private** | All required filings and payments related to payroll withholdings are completed on time. |
| **Standard 8.9 • private** | The governing board annually approves an organization-wide budget. |
| **Standard 8.10 • private** | The Fiscal Policies have been reviewed by staff within the past 2 years, updated as necessary, with changes approved by the governing board. |
| **Standard 8.11 • private** | A written procurement policy is in place and has been reviewed by the governing board within the past 5 years. |
| **Standard 8.12 • private** | The Organization documents how it allocates shared costs through an indirect cost rate, or through a written cost allocation plan. |
| **Standard 8.13 • private** | The Organization has a written policy in place for record retention and destruction. |

## Category nine: Data and Analysis

The Community Action Network moves families out of poverty every day across this country and needs to produce data that reflect the collective impact of these efforts. Individual stories are compelling when combined with quantitative data: *no data without stories and no stories without data*. Community Action needs to better document the outcomes families, agencies, and communities achieve. The Community Services Block Grant funding confers the obligation and opportunity to tell the story of agency-wide impact and community change, and in turn the impact of the Network as a whole.

| | |
|---|---|
| **Standard 9.1 • private** | The Organization has a system or systems in place to track and report services customers receive. |
| **Standard 9.2 • private** | The Organization has a system or systems in place to track Family, Agency, and/or Community outcomes. |
| **Standard 9.3 • private** | The Organization has analyzed its outcomes within the past 12 months. |
| **Standard 9.4 • private** | The Organization submits its annual CSBG Information Survey Data Report and it reflects organization-wide outcomes. |

**Appendix 3: Organizational Standards COE Proposed Public Agency Standards**

# PROPOSED ORGANIZATIONAL STANDARDS FOR PUBLIC COMMUNITY ACTION AGENCIES

## MAXIMUM FEASIBLE PARTICIPATION

### Category one: Consumer Input and Involvement

Community Action is rooted in the belief that people with low incomes are in the best position to express what they need to make a difference in their lives. CSBG Eligible Entities work in partnership with the people and communities they serve. Community Action works in a coordinated and comprehensive manner to develop programs and services that will make a critical difference in lives of participants. Individuals and families are well attuned to what they need, and when Community Action taps into that knowledge, it informs our ability to implement high impact programs and services.

Research shows that through engagement in community activities such as board governance, peer to peer leadership, advisory bodies, volunteering, and other participatory means, the poor build personal networks and increase their social capital so that they are able to move themselves and their families out of poverty. Community Action is grounded in helping families and communities build this social capital for movement to self-sufficiency.

**Standard 1.1 • public**　　The Department demonstrates low-income individuals' participation in its activities.

**Standard 1.2 • public**　　The Department analyzes information collected directly from low-income individuals as part of the Community Assessment.

**Standard 1.3 • public**　　The Department has a systematic approach for collecting, analyzing, and reporting customer satisfaction data to the tripartite board/advisory body, which may be met through broader local government processes.

## Category two: Community Engagement

No CSBG Eligible Entity can meet all of a community's needs independently. Through formal and informal partnerships, ongoing community planning, advocacy, and engagement of people with low incomes, partners ranging from community and faith-based organizations, educational institutions, government, and business can work together with Community Action Agencies to successfully move families out of poverty and revitalize communities.

Community Action is often the backbone organization of community efforts to address poverty and community revitalization: leveraging funds, convening key partners, adding the voice of the underrepresented, and being the central coordinator of efforts. It is not an easy role to play, but a vital one for families and communities.

| | |
|---|---|
| **Standard 2.1 • public** | The Department has documented or demonstrated partnerships across the community, specifically including other anti-poverty organizations in the area. |
| **Standard 2.2 • public** | The Department utilizes information gathered from key sectors of the community in assessing needs and resources. This would include at minimum: community-based organizations, faith-based organizations, private sector, public sector, and educational institutions. |
| **Standard 2.3 • public** | The Department communicates its activities and its results to the community. |
| **Standard 2.4 • public** | The Department documents the number of volunteers and hours mobilized in support of its activities. |

## Category three: Community Assessment

Local control of Federal CSBG resources is predicated on regular comprehensive Community Assessments that take into account the breadth of community needs as well as the partners and resources available in a community to meet these needs. Regular assessment of needs and resources at the community level is the foundation of Community Action and a vital management and leadership tool that is used across the organization and utilized by the community to set the course for both CSBG and all agency resources.

**Standard 3.1 • public**   The Department conducted or was engaged in a Community Assessment and issued a report within the past 3 years, if no other report exists.

**Standard 3.2 • public**   As part of the Community Assessment, the Department collects and includes current data specific to poverty and its prevalence related to gender, age, and race/ethnicity for their service area(s).

**Standard 3.3 • public**   The Department collects and analyzes both qualitative and quantitative data on its geographic service area(s) in the Community Assessment.

**Standard 3.4 • public**   The tripartite board/advisory body formally accepts the completed Community Assessment.

# VISION AND DIRECTION

## Category four: Organizational Leadership

Community Action leadership is exemplified at all levels across the organization and starts with a mission that clarifies Community Action's work on poverty. A well-functioning board, a focused Chief Executive, well-trained and dedicated staff, and volunteers giving of themselves to help others will establish Community Action as the cornerstone and leverage point to address poverty across the community. Ensuring strong leadership both for today and into the future is critical.

This category addresses the foundational elements of mission as well as the implementation of the Network's model of good performance management (ROMA). It ensures CAAs have taken steps to plan thoughtfully for today's work and tomorrow's leadership.

**Standard 4.1 • public**    The tripartite board/advisory body has reviewed the Department's mission statement within the past 5 years and assured that:
1. The mission addresses poverty; and
2. The CSBG programs and services are in alignment with the mission.

**Standard 4.2 • public**    The Department's Community Action Plan is outcome-based, anti-poverty focused, and ties directly to the Community Assessment.

**Standard 4.3 • public**    The Department's Community Action Plan and Strategic Plan document the continuous use of the full ROMA cycle or comparable system (assessment, planning, implementation, achievement of results, and evaluation). In addition, the Department documents having used the services of a ROMA-certified trainer (or equivalent) to assist in implementation.

**Standard 4.4 • public**    The Department adheres to its local government's policies and procedures around interim appointments and processes for filling a permanent vacancy.

**Standard 4.5 • public**    The Department complies with its local government's risk assessment policies and procedures.

## Category five: Board Governance

Community Action Boards are uniquely structured to ensure maximum feasible participation by the entire community, including those the Network serves. By law, Community Action Boards are comprised of 1/3 low-income consumers (or their representatives), 1/3 elected officials (or their appointees), and 1/3 private-sector community members. To make this structure work as intended, CAAs must recruit board members thoughtfully, work within communities to promote opportunities for board service, and orient, train, and support them in their oversight role. Boards are foundational to good organizational performance and the time invested to keep them healthy and active is significant, but necessary.

**Standard 5.1 • public**
The Department's tripartite board/advisory body is structured in compliance with the CSBG Act, by either:
1. At least one third democratically-selected representatives of the low-income community;
2. With one-third local elected officials (or their representatives); and
3. The remaining membership from major groups and interests in the community.

*OR another mechanism specified by the State to assure decision-making and participation by low-income individuals in the development, planning, implementation, and evaluation of programs.*

**Standard 5.2 • public**
The Department's tripartite board/advisory body either has:
1. Written procedures that document a democratic selection process for low-income board members adequate to assure that they are representative of the low-income community.
2. OR another mechanism specified by the State to assure decision-making and participation by low-income individuals in the development, planning, implementation, and evaluation of programs.

*Please note under IM 82 for Public Entities the law also requires that a minimum of 1/3 of tripartite board membership be comprised of representatives of low-income individuals and families who reside in areas served.*

**Standard 5.3 • public**
The Department documents that each tripartite board/advisory body member has received a copy of the governing documents, within the past 2 years.

**Standard 5.4 • public**
The Department documents that each tripartite board/advisory body member has received a copy of the governing documents, within the past 2 years.

**Standard 5.5 • public**     The Department's tripartite board/advisory body meets in accordance with the frequency and quorum requirements and fills board vacancies as set out in its governing documents.

**Standard 5.6 • public**     Each tripartite board/advisory body member has signed a conflict of interest policy, or comparable local government document, within the past 2 years.

**Standard 5.7 • public**     The Department has a process to provide a structured orientation for tripartite board/advisory body members within 6 months of being seated.

**Standard 5.8 • public**     Tripartite board/advisory body members have been provided with training on their duties and responsibilities within the past 2 years.

**Standard 5.9 • public**     The Department's tripartite board/advisory body receives programmatic reports at each regular board/advisory meeting.

## Category six: Strategic Planning

Establishing the vision for a Community Action Agency is a big task and setting the course to reach it through strategic planning is serious business. CSBG Eligible Entities take on this task by looking both at internal functioning and at the community's needs. An efficient organization knows where it is headed, how the board and staff fit into that future, and how it will measure its success in achieving what it has set out to do. This agency-wide process is board-led and ongoing. A "living, breathing" Strategic Plan with measurable outcomes is the goal, rather than a plan that gets written but sits on a shelf and stagnates. Often set with an ambitious vision, Strategic Plans set the tone for the staff and board and are a key leadership and management tool for the organization.

| | |
|---|---|
| **Standard 6.1 • public** | The Department has a Strategic Plan, or comparable planning document, in place that has been reviewed and accepted by the tripartite board/advisory body within the past 5 years. If the Department does not have a plan, the tripartite board/advisory body will develop the plan. |
| **Standard 6.2 • public** | The approved Strategic Plan, or comparable planning document, addresses reduction of poverty, revitalization of low-income communities, and/or empowerment of people with low incomes to become more self-sufficient. |
| **Standard 6.3 • public** | The approved Strategic Plan, or comparable planning document, contains Family, Agency, and/or Community goals. |
| **Standard 6.4 • public** | Customer satisfaction data and customer input, collected as part of the Community Assessment, is included in the strategic planning process, or comparable planning process. |
| **Standard 6.5 • public** | The tripartite board/advisory body has received an update(s) on meeting the goals of the Strategic Plan/comparable planning document within the past 12 months. |

# OPERATIONS AND ACCOUNTABILITY

## Category seven: Human Resource Management

The human element of Community Action's work is evident at all levels of the organization and the relationship an organization has with its staff often reflects the organization's values and mission. Oversight of the Chief Executive and maintaining a strong human resources infrastructure are key responsibilities of board oversight. Attention to organizational elements such as policies and procedures, performance appraisals, and training lead to strong organizations with the capacity to deliver high-quality services in low-income communities.

**Standard 7.1 • public**      Local governmental personnel policies are outside of the purview of the Department and the tripartite board/advisory body, therefore this standard does not apply to public entities.

**Standard 7.2 • public**      The Department follows local governmental policies in making available the Employee Handbook (or personnel policies in cases without a Handbook) to all staff and in notifying staff of any changes.

**Standard 7.3 • public**      The Department has written job descriptions for all positions. Updates may be outside of the purview of the Department.

**Standard 7.4 • public**      The Department follows local government procedures for performance appraisal of the Department Head.

**Standard 7.5 • public**      The compensation of the Department Head is made available according to local government procedure.

**Standard 7.6 • public**      The Department follows local governmental policies for regular written evaluation of employees by their supervisors.

**Standard 7.7 • public**      The Department provides a copy of any existing local government whistleblower policy to members of the tripartite board/advisory body at the time of orientation.

**Standard 7.8 • public**      The Department follows local governmental policies for new employee orientation.

**Standard 7.9 • public**      The Department conducts or makes available staff development/training (including ROMA training) on an ongoing basis.

## Category eight: Financial Operations and Oversight

The fiscal bottom line of Community Action is not isolated from the mission, it is a joint consideration. Community Action boards and staff maintain a high level of fiscal accountability through audits, monitoring by State and Federal agencies, and compliance with Federal Office of Management Budget circulars. The management of Federal funds is taken seriously by CSBG Eligible Entities and the Standards specifically reflect the board's oversight role as well as the day-to-day operational functions.

| | |
|---|---|
| **Standard 8.1 • public** | The Department's annual audit is completed through the local governmental process in accordance with OMB A-133 (if applicable) and/or State audit threshold requirements. This may be included in the municipal entity's full audit. |
| **Standard 8.2 • public** | The Department follows local government procedures in addressing any audit findings related to CSBG funding. |
| **Standard 8.3 • public** | The Department's tripartite board/advisory body is notified of the availability of the local government audit. |
| **Standard 8.4 • public** | The Department's tripartite board/advisory body is notified of any findings related to CSBG funding. |
| **Standard 8.5 • public** | The audit bid process is outside of the purview of tripartite board/advisory body therefore this standard does not apply to public entities. |
| **Standard 8.6 • public** | The Federal tax reporting process for local governments is outside of the purview of tripartite board/advisory body therefore this standard does not apply to public entities. |
| **Standard 8.7 • public** | The tripartite board/advisory body receives financial reports at each regular meeting, for those program(s) the body advises, as allowed by local government procedure. |
| **Standard 8.8 • public** | The payroll withholding process for local governments is outside of the purview of the Department, therefore this standard does not apply to public entities. |
| **Standard 8.9 • public** | The tripartite board/advisory body has input as allowed by local governmental procedure into the CSBG budget process. |
| **Standard 8.10 • public** | The Fiscal Policies for local governments are outside of the purview of the Department and the tripartite board/advisory body, therefore this standard does not apply to public entities. |

**Standard 8.11 • public**     Local governmental procurement policies are outside of the purview of the Department and the tripartite board/advisory body, therefore this standard does not apply to public entities.

**Standard 8.12 • public**     A written cost allocation plan is outside of the purview of the Department and the tripartite board/advisory body, therefore this standard does not apply to public entities.

**Standard 8.13 • public**     The Department follows local governmental policies for document retention and destruction.

## Category nine: Data and Analysis

The Community Action Network moves families out of poverty every day across this country and needs to produce data that reflect the collective impact of these efforts. Individual stories are compelling when combined with quantitative data: *no data without stories and no stories without data*. Community Action needs to better document the outcomes families, agencies, and communities achieve. The Community Services Block Grant funding confers the obligation and opportunity to tell the story of agency-wide impact and community change, and in turn the impact of the Network as a whole.

**Standard 9.1 • public**    The Department has a system or systems in place to track and report direct services customers receive.

**Standard 9.2 • public**    The Department has a system or systems in place to track Family, Agency, and/or Community outcomes.

**Standard 9.3 • public**    The Department has analyzed its outcomes within the past 12 months.

**Standard 9.4 • public**    The Department submits its annual CSBG Information Survey Data Report and it reflects CSBG-funded outcomes.