



Department of Community &
Economic Development

CENTER FOR COMMUNITY SERVICES

Title: Administrative Procedures for CSBG Grants

Directive #: C2016-01

Effective: July 1, 2016

To: Community Services Block Grant Subgrantees

From: Lynette Praster, Director – Center for Community Services

1.0 Purpose:

To establish administrative procedures that CSBG eligible entities must have in place in order to demonstrate compliance with federal regulations.

2.0 Revision History:

This CSBG Directive replaces 2014-01 and is effective July 1, 2016.

3.0 Procedure – Administrative:

By Laws – It is the responsibility of the board of directors of each non-profit agency to determine by laws, appropriate for the administration of that agency. All by laws must contain specific agency operations in the following areas: All by-laws should be reviewed from time to time to insure that they are current and relevant. A current copy of the agency's by-laws must be kept on file with the Department of Community and Economic Development.

A. Board Composition

1. The minimum and maximum number of members that will comprise the board. Boards must consist of at least 15 members but no more than 51 members. Members are selected by the Community Action Agency.
2. Boards for both private and public community action agencies must contain the following tripartite representation for board membership:
 - One third elected public officials currently holding office or their designated representative. If the number of elected officials reasonably available and willing to serve is less than one-third of the membership of the board, appointed public officials may be counted in meeting the one-third requirement.

- At least one-third representing the poor and chosen by democratic selection procedures in the area served. A description of how these procedures will be implemented must be stated in the agency's by-laws. Representatives of the poor must reside in the service area of the agency as required by Section 676B of the Community Services Block Grant Act.
- The remainder must be members of business, industry, labor, religious, welfare, education or other major groups and interests within the community.
- Agencies that are political subdivisions or migrant/farm worker organization or other limited purpose agency, an administering board must be established. An administering board is constituted in the same manner as a governing board. An administering board must involve representatives of the client population and the private sector in the determination of program policies and procedures rather than provision of advice. [See CSBG Directive C2016-03, Administrative Boards for additional guidance.]

See Directive C2016-02 – Governing Boards, for specific guidance about Tripartite Board representation.

B. Length of Services

Public officials or their representatives serve at the pleasure of the designating officials as long as the public official is holding office. The tenure for representatives of the poor and of the private organizations shall be at the discretion of the board and must be stated in the agency's by laws. Term limits are to be included if determined necessary by the agency.

Addressing term limits or periods of service in agency by laws helps to ensure that the membership is truly representative of the current residents of the area being served, including racial and ethnic composition, as determined by periodic selection or re-selection by the community, based on the demographic changes documented in most recent community needs assessment.

The CSBG statute does not require term limits. However, DCED requires that term limits, if in use, are addressed in by laws. Community Action agencies may impose such limits through inclusion in the bylaws, indicating that the service of board members is prioritized and evaluated for at least attendance and commitment on a documented basis. This analysis should include that board members are either replaced due to lack of commitment (i.e. missing a specific number of meetings, lack of participation, etc.) and/or re-nominated based on the recommendations of a nominating committee.

C. Board Authority

CSBG eligible entities must have either a Governing Board or an Administrative Board. Refer to CSBG Directive C2016-02, Governing Boards and/or C2016-03, Administrative Boards for specific guidance on board authorities and responsibilities.

D. ROMA Training

All new Board members must receive some form of ROMA Training for Board Members within six (6) months of being seated. The entire Board must undergo ROMA refresher training conducted by a certified ROMA Trainer every twenty four (24) months at a minimum.

E. Board Conduct Principles

Three (3) primary legal principles should be followed by the Board of Directors. These principles are: Obedience, diligence and loyalty.

1. Obedience is the duty of board members to ensure that the organization does what is expected of it, and does not undertake any action that is beyond its powers as defined by statutes, its corporate charter or by laws.
2. Diligence is the duty of board members to ensure against negligent mismanagement. Such mismanagement can hinge on inaction as well as overt actions. Mismanagement stemming from inaction results when specific responsibilities have been delegated to a board member or committee and that person or group fails to exercise diligent inquiry or oversight that might include failure to attend or hold board meetings to seek out the information necessary to carry out the responsibilities that were delegated to the person or committee.
3. Loyalty is the duty of board members to adhere to the mission of the organization, to adhere to the authorities granted to the organization and requires that board members not engage in personal activities in such a manner as to cause harm or to take advantage of the organization.

F. Board Meeting Requirements

Board meetings should be held not less than quarterly. A quorum must be present for all decisions requiring voting. The constitution of a voting quorum must be described in the Agency's By-Laws. Board meetings must be formally documented by minutes. Bylaws must include this specific operational requirement.

G. Fiscal and Program Management

A description of the responsibility of the board for the setting of policy governing contract and fiscal management of CSBG programs should be included. All CSBG-funded programs are required to follow all articles of the agency's CSBG contract and sub-contracting guidelines.

H. Non-Discrimination

In accordance with the federal CSBG and the commonwealth's contractual obligations, agencies are prohibited from discrimination against employees or persons seeking employment or seeking services under the CSBG Act on the basis of race, religion, color, national origin, sex, age or handicap.

I. Conflict of Interest

In accordance with Commonwealth contractual obligations, all agency staff, board members and volunteers are prohibited from having a conflict of interest or from obtaining private gain for themselves or others from the CSBG program.

Individuals serve on tripartite boards to advance the interests of the agency, its clients and the community. They do not serve to advance personal interests and have a 'duty of loyalty' to the agency. The very nature of the tripartite board which includes community representation creates possible situations in which distinctions of loyalty and interest need to be kept clear and unambiguous.

To safeguard against situation in which the loyalty, interest or intent of the board member action may be questionable, the following minimum conflict of interest practices are recommended.

1. Clear, written policy

Each agency should have a clear, written policy concerning conflicts of interest or loyalty among board members and agency staff that describes in detail:

- a. Full disclosure of financial interest requirements for all board members and staff;
- b. Conditions and procedural requirements for board members and/or staff withdrawal from any action for which a real or potential conflict of interest might exist;
- c. Transparency and full record keeping of all board and agency financial decisions and the parties involved in the actions and decisions; and
- d. Policies and procedures for independent prior review of actions or decisions that may pose potential conflict of interest issues.

2. Avoidance of situations that advance board member interest or present the appearance of advantage.

The very nature of tripartite representation on boards creates potential conflict of loyalty or interest situations in which board members help the agency to establish linkages with public and private community resources and services. This outreach may result in financial arrangements or contracts involving expenditure of agency funds. Board members have inside knowledge or agency activities and operations including current and future employment opportunities within the agency. To avoid situations in which a conflict of interest or loyalty would occur, or the appearance of such a conflict, the following is recommended:

- a. Competitive bidding procedures should be used for large financial transaction situations in which a board member or agency staff member has an interest in, or relationship to, one or more providers of the needed goods or services. If such a potential is unclear, the agency and its board should refer the issue to a pre-identified “independent” conflict of interest consultant or group for a determination. For smaller transactions that may involve board or staff member interests, a process involving collection of comparable quotes, prices, or salaries may suffice.
- b. If, after a competitive process, a provider with ties to a board member(s) or staff is selected to enter into a financial arrangement with the agency, the affected board member(s) and staff must disassociate themselves from participating in any decisions regarding the conduct of the financial relationship. Neither board member(s) nor staff may benefit personally, in any way, from the financial relationship between the agency and the provider with which they have a connection.
- c. Board membership should not be used as a “stepping stone” to agency employment. Board members should not seek or receive employment from the agency in any part-time or full time capacity during their service on the board. Board members wishing to be considered for employment should resign their position and wait a specified period of time designated by the board, but at a minimum of six (6) months, before applying for a paid position within the agency. This waiting period is recommended to avoid both the actuality and appearance of undue advantage board membership affords in the hiring of agency management and staff.
- d. Board members and their families should not enjoy any financial gain from their position, including receipt of salary, goods or special services for their board participation. Board members may be reimbursed for expenses associated with board service, such as incidental costs of supplies, or mileage, per diem, and lodging expenses incurred while attending out of town conferences or training approved by the entire board.
- e. Agencies and board should err on the side of caution in all matters that might create or appear to be a conflict of interest. They should use the proverbial “smell test” in all potentially questionable conflict of interest situations and call upon independent, outside counsel, both legal and ethical, to screen plans before action.

It should be noted that board members, especially those that represent low-income individuals or families, are not excluded from being clients of the agency and receiving program services for which they are eligible. These board members should not receive preferential treatment in the nature or timing of such services.

J. Client Files

The board shall establish written policies for the maintenance of client files and provisions of confidentiality of those files. Client files should contain the following information at a minimum:

- Intake forms with client signature
- Eligibility determination
- Unique Client Identification Number
Client Self Sufficiency Plan – Must be signed by client and staff member assigned
- Service documentation, including progress/case notes
- Discharge or termination of services plan

K. Personnel Policies

(i) Written Policies

The board must establish written personnel policies, rules and regulations. They must be in conformity with all applicable federal and state laws governing the types of employees employed by the agency. They must be made available to all staff members. The format is at the discretion of the agency. The following topics must be covered.

- Recruitment, application, appointment and job descriptions;
- Types of employees;
- Pay plan and rules for rates of compensation, increments, anniversary dates, costs of living factors, compensatory time, overtime, temporary reassignment, promotions, demotions and transfers;
- Benefits and eligibility for benefits for employees by employment status – fringe benefits, annual leave, compensatory time, holidays, sick leave, benefits for work related injuries and disease, parental leave, military leave and administrative leave;
- Attendance – hours of work, rest periods and meal periods;
- Employee Development – in-and-out services training including developing a working knowledge of ROMA Principles as they relate to the performance of the employee's job duties.
- Performance evaluation – standards, evaluation period, rating definitions, evaluators and evaluation review;
- Conduct, disciplinary action and prohibitions;
- Employee grievance procedures;
- Termination of Employment – voluntary and involuntary

(ii) Salaries and Leave

Salaries shall be set in accordance with applicable state and federal laws.

Fringe benefits paid from CSBG funds must be in accordance with the written

established policies consistently followed by the Community Action Agency. Further, such costs charged to the CSBG must be in proportion to the relative amount of time the staff involved actually devotes to CSBG activities. This must be supported by time sheets signed by the employee. Reimbursement of employees for unused leave must be in accordance with the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards; Final Rule, 2CFR Chapter 1, Chapter 2, Part 200, et. al. (aka the "Super Circular").

(iii) Travel

Community Action Agencies and their sub-grantees must make use of current state travel reimbursement rates, or rates established by their board of directors or local government in the case of public Community Action Agencies. When a CAA elects to establish its own reimbursement rates, such policies must be committed to writing. See 2011 Fiscal Directive #1, issued October 1, 2011.

(iv) Affirmative Action

In accordance with both federal and state policies, all agencies must develop a written affirmative action plan that details the activities and a timetable for the agency to involve minority groups and women at every level of employment and decision making within the agency.

(v) Nonsmoking Policy for Children's Services

Smoking within any indoor facility owned or leased by an agency or its subgrantees utilized for the provision of routine or regular kindergarten, elementary or secondary education or library services of children is prohibited.

Smoking within any indoor facility owned or leased by an agency or its CSBG subgrantees utilized for the provision of routine or regular health care, day care or early childhood development (including Head Start) services to children is prohibited.

(vi) The Americans with Disabilities Act

No individual with a disability shall, on the basis of the disability, be excluded from services provided or administered with CSBG funds.

The Commonwealth shall be held harmless from all losses, damages, expenses, claims, demands, suits and actions as a result of the CSBG grantee's failure to comply with The Americans with Disabilities Act.

Note: A current copy of the agency's Personnel Policies and Affirmative Action Plan must be kept on file with the Center for Community Services.

4.0 Notations:

This directive shall supersede and replace in its entirety the following directive:

- *Directive C2013-01, Administrative Procedures for CSBG Grants*

5.0 Effective Date:

This directive shall take effect July 1, 2016 and replaces Directive #C2013-01. It shall remain in effect, in its entirety, until such time as it is amended, replaced, superseded, or nullified. Only a directive from the Center for Community Services or equivalent office may countermand any statement herein contained.

cc: Center for Community Services Staff
Fiscal Management Center, DCED