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CSBG State Plan

Program Community Services Block Grant
Name:

Grantee Name: South Carolina

Report Name: CSBG State Plan Revision # 1

Report Period: 10/01/2019 to 09/30/2020

Report Status: Submitted (Revision #1)

Report Sections

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CSBG Cover Page (SF-424M)

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families Community Services Block Grant (CSBG)			Form Approved OMB No: 0970-0382 Expires:06/30/2021	
COVER PAGE				
* 1.a. Type of Submission: Plan	* 1.b. Frequency: Annual	* 1.c. Consolidated Application /Plan/Funding Request? Explanation:	* 1.d. Version: Initial	
		2. Date Received:	State Use Only:	
		3. Applicant Identifier:		
		4a. Federal Entity Identifier:	5. Date Received By State:	
		4b. Federal Award Identifier:	6. State Application Identifier:	
7. APPLICANT INFORMATION				
* a. Legal Name: South Carolina				
* b. Employer/Taxpayer Identification Number (EIN/TIN): 1576000286 e4			* c. Organizational DUNS: 079733487	
* d. Address:				
* Street 1:	1205 Pendleton Street, 366	Street 2:		
* City:	Columbia	County:	Richland	
* State:	SC	Province:		
* Country:	United States	* Zip / Postal Code:	29201 -	
e. Organizational Unit:				
Department Name: Department of Administration			Division Name: Office of Economic Opportunity	
f. Name and contact information of person to be contacted on matters involving this application:				
Prefix:	* First Name: Kelly	Middle Name: Sumpter	* Last Name: Sumpter	
Suffix:	Title: Senior Manager of CSBG/LIHEAP	Organizational Affiliation:		
* Telephone Number: (803) 734-0579	Fax Number (803) 734-0356	* Email: ksumpter@oepp.sc.gov		
* 8a. TYPE OF APPLICANT: A: State Government				
b. Additional Description:				
* 9. Name of Federal Agency:				
10. CFDA Numbers and Titles		Catalog of Federal Domestic Assistance Number: 93569	CFDA Title: Community Services Block Grant	
11. Descriptive Title of Applicant's Project 2020 Model State Plan				
12. Areas Affected by Funding: Low-Income Residents of South Carolina				
13. CONGRESSIONAL DISTRICTS OF:				
* a. Applicant 06		b. Program/Project: Community Services Block Grant		
Attach an additional list of Program/Project Congressional Districts if needed.				
14. FUNDING PERIOD:		15. ESTIMATED FUNDING:		
a. Start Date:	b. End Date:	* a. Federal (\$): \$0	b. Match (\$): \$0	

* 16. IS SUBMISSION SUBJECT TO REVIEW BY STATE UNDER EXECUTIVE ORDER 12372 PROCESS?	
a. This submission was made available to the State under the Executive Order 12372	
Process for Review on :	
b. Program is subject to E.O. 12372 but has not been selected by State for review.	
c. Program is not covered by E.O. 12372.	
* 17. Is The Applicant Delinquent On Any Federal Debt?	
<input type="radio"/> YES <input checked="" type="radio"/> NO	
Explanation:	
18. By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001) **I Agree <input checked="" type="checkbox"/>	
** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.	
18a. Typed or Printed Name and Title of Authorized Certifying Official	18c. Telephone (area code, number and extension)
	18d. Email Address
18b. Signature of Authorized Certifying Official 	18e. Date Report Submitted (Month, Day, Year) 10/03/2019
Attach supporting documents as specified in agency instructions.	

Section 1: CSBG Lead Agency, CSBG Authorized Official, CSBG Point of Contact, and Official State Designation Letter

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families Community Services Block Grant (CSBG)		Form Approved OMB No:0970-0382 Expires:06/30/2021	
SECTION 1 CSBG Lead Agency, CSBG Authorized Official, CSBG Point of Contact, and Official State Designation Letter			
1.1. Identify whether this is a One-Year or a Two-Year Plan		<input checked="" type="radio"/> one-year <input type="radio"/> two-year	
1.1a. Provide the federal fiscal years this plan covers:		Year One 2020	Year Two
1.2. Lead Agency: Update the following information in relation to the lead agency designated to administer CSBG in the state, as required by Section 676(a) of the CSBG Act.			
<i>Information should reflect the responses provided in the Application for Federal Assistance, SF-424M.</i>			
Has information in regards to the state lead agency has changed since the last submission of the state plan? <input type="radio"/> Yes <input checked="" type="radio"/> No			
If yes, provide the date of change and select the fields that have been updated			
<input type="checkbox"/> Lead Agency	<input type="checkbox"/> Department Type	<input type="checkbox"/> Department Name	
<input type="checkbox"/> Authorized Official	<input type="checkbox"/> Street Address	<input type="checkbox"/> City	
<input type="checkbox"/> Zip Code	<input type="checkbox"/> Business Number	<input type="checkbox"/> Fax Number	
<input type="checkbox"/> Email Address	<input type="checkbox"/> Website		
1.2a. Lead agency			
1.2b. Cabinet or administrative department of this lead agency <i>(Select one option and narrative where applicable)</i>			
<input type="radio"/> Community Services Department			
<input type="radio"/> Human Services Department			
<input type="radio"/> Social Services Department			
<input type="radio"/> Governor's Office			
<input type="radio"/> Community Affairs Department			
<input type="radio"/> Health Department			
<input type="radio"/> Housing Department			
<input checked="" type="radio"/> Other, describe			
Department of Administration			
1.2c. Cabinet or Administrative Department Name: Provide the name of the cabinet or administrative department of the CSBG authorized official		Office of Economic Opportunity (OEO)	
1.2d. Authorized official of the lead agency			
Name: James Miller		Title: Director of OEO	
1.2e. Street Address 1205 Pendleton Street			
1.2f. City Columbia		1.2g. State SC	1.2h. Zip 29201
1.2i. Telephone number and extension 803 734 - 0425 ext.		1.2j. Fax number 803 734 - 0356	
1.2k. Email address james.miller@admin.sc.gov		1.2l. Lead agency website www.oeo.sc.gov	
1.3. Designation Letter:			

Attach the state's official CSBG designation letter. A new designation letter is required if the chief executive officer of the state and/or the designated agency has changed.

1.4. CSBG Point of Contact: provide the following information in relation to the designated state CSBG point of contact. The state CSBG point of contact should be the person that will be the main point of contact for CSBG within the state.

Has Information in regards to the state point of contact has changed since the last submission of the state plan? Yes No

If yes, provide the date of change and select the fields that have been updated [Date picker](#) and check all the apply

<input type="checkbox"/>	Agency Name	<input type="checkbox"/>	Point of Contact	<input type="checkbox"/>	Street Address
<input type="checkbox"/>	City	<input type="checkbox"/>	Zip Code	<input type="checkbox"/>	Office Number
<input type="checkbox"/>	Fax Number	<input type="checkbox"/>	Email Address	<input type="checkbox"/>	Website

1.4a. Agency Name [Office of Economic Opportunity](#)

1.4b Point of Contact Name

Name: [Kelly Buckson](#)

Title: [Senior Manager](#)

1.4c. Street Address

1205 Pendleton Street

1.4d. City

Columbia

1.4e. State [SC](#)

1.4f. Zip [29201](#)

1.4g. Telephone Number [803 734 - 0579](#) ext.

1.4h. Fax Number [803 734 - 0356](#)

1.4i. Email Address kelly.sumpter@admin.sc.gov

1.4j. Agency Website www.oeo.sc.gov

1.5. Provide the following information in relation to the State Community Action Association.

There is currently a state Community Action Association within the state. Yes No

Has Information in regards to the state Community Action Association has changed since the last submission of the state plan? Yes No

If yes, provide the date of change and select the fields that have been updated [Date picker](#) and check all the apply

<input type="checkbox"/>	Agency Name	<input type="checkbox"/>	Executive Director	<input type="checkbox"/>	Street Address
<input type="checkbox"/>	City	<input type="checkbox"/>	State	<input type="checkbox"/>	Zip Code
<input type="checkbox"/>	Office Number	<input type="checkbox"/>	Fax Number	<input type="checkbox"/>	Email Address
<input type="checkbox"/>	Website	<input type="checkbox"/>	RPIC Lead		

1.5a. Agency Name [South Carolina Association of Community Action Partnership](#)

1.5b. Executive Director or Point of Contact

Name: [Jessica McMoore](#)

Title: [Executive Director](#)

1.5c. Street Address

2700 Middleburg Drive, Suite 213

1.5d. City

Columbia

1.5e. State [SC](#)

1.5f. Zip [29204](#)

1.5g. Telephone number [803 771 - 9404](#) ext.

1.5h. Fax number [803 771 - 9619](#)

1.5i. Email Address jmsccapa@bellsouth.net

1.5j. State Association Website www.scacap.org

1.5k. State Association currently serves as the Regional Performance Innovation Consortia (RPIC) lead Yes No

Section 2: State Legislation and Regulation

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Community Services Block Grant (CSBG)

Form Approved
OMB No: 0970-0382
Expires:06/30/2021

SECTION 2 State Legislation and Regulation

2.1. CSBG State Legislation:

State has a statute authorizing CSBG Yes No

2.2. CSBG State Regulation:

State has regulations for CSBG Yes No

2.3. Legislation/Regulation Document: Attach the legislation and/or regulations or provide a hyperlink(s) to the documents indicated under Item 2.1. and/or Item 2.2.

<https://www.scstatehouse.gov/code/t58c037.php>

2.4. State Authority:

Select a response for each of the following items about the state statute and/or regulations authorizing CSBG:

2.4a. Authorizing Legislation: State legislature enacts authorizing legislation or amendments to an existing authorizing statute, last federal fiscal year Yes No

2.4b. Regulation Amendments: State established or amended regulations for CSBG last federal fiscal year Yes No

2.4c. Designation: State statutory or regulatory authority designates the bureau, division, or office in the state government that is to be the state administering agency Yes No

Section 3: State Plan Development and Statewide Goals

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Community Services Block Grant (CSBG)**

Form Approved
OMB No: 0970-0382
Expires:06/30/2021

SECTION 3 State Plan Development and Statewide Goals

3.1. CSBG Lead Agency Mission and Responsibilities:

Briefly describe the mission and responsibilities of the state agency that serves as the CSBG Lead Agency.

The Office of Economic Opportunity administers funds to Community Action Agencies to eliminate causes of poverty, increase self-sufficiency of individuals and families, prevent homelessness and revitalize communities. The OEO is charged with specific responsibilities, which collectively provide for the coordination of resources to address the needs of the economically and socially disadvantaged citizens of South Carolina. The OEO shall administer the Community Services Program in accordance with the State Plan, state and federal statutes and other policies and interpretations as may be required by appropriate authorities. The OEO, through grant agreements with eligible subgrantees, will carry out the services and activities necessary to comply with Section 675(c)(1) of the Act. OEO's minimum responsibilities as the state administering agency are: 1. Development of the State Plan and of the CSBG fund distribution process; 2. Establishment of program policies and operational procedures; 3. Development of accounting policies and procedures; 4. Development of fiscal procedures, including required audits; 5. Procedures for record maintenance and for supporting documentation; 6. Issuance of policies and procedures for compliance with Act 143 of 1983, South Carolina Code of Laws, referenced as the "Community Economic Opportunity Act of 1983", as amended; 7. Review and approval of subgrantee Community Action Plans; 8. Determination of subgrantee eligibility; 9. Issuance of grants; 10. Monitoring of the grant throughout the state; 11. Training and technical assistance; 12. Evaluation of subgrantee agency program performance and identification of remedial procedures; 13. Reporting of program data.

3.2. State Plan Goals:

Describe the state's CSBG-specific goals for state administration of CSBG under this State Plan.

(Note: This information is associated with State Accountability Measure 1Sa(i) and pre-populates the State's Annual Report, Module 1, Item B.I.)

The CSBG goals for the State of South Carolina are as follows: 1. To fund anti-poverty programs and activities that will, as a result, achieve measurable improvement in the overall lives of recipients, their households, and communities of South Carolina's low-income population. 2. To fund emergency assistance programs for South Carolina's low-income population that lack economic stability and alleviate crisis situations for potentially vulnerable individuals and families. 3. Distribute funds in a timely manner and in accordance with applicable federal and state statutes. 4. OEO will provide ongoing training and technical assistance with an emphasis on the established federal Organizational Standards, to ensure subgrantees meet the requirements. 5. OEO will assist in assuring tripartite board compliance.

3.3. State Plan Development:

Indicate the information and input the state accessed to develop this State Plan.

3.3a. Analysis of state-level tools [Check all that apply and narrative where applicable]

State Performance Indicators and/or National Performance Indicators (NPIs)

U.S. Census data

State performance management data (e.g., accountability measures, ACSI survey information, and/or other information from annual reports)

Monitoring Visits/Assessments

Tools not identified above (specify)

State required reports.

3.3b. Analysis of local-level tools [Check all that apply and narrative where applicable]

Eligible entity community needs assessments

Eligible entity community action plans

Public Hearings/Workshops

Tools not identified above (e.g., State required reports)[specify]

State required reports.

3.3c. Consultation with [Check all that applies and narrative where applicable]

Eligible entities (e.g., meetings, conferences, webinars; not including the public hearing)

State Association

National Association for State Community Services Programs (NASCSPP)

Community Action Partnership (The Partnership)

Community Action Program Legal Services (CAPLAW)

CSBG Tribal Training and Technical Assistance (T/TA) provider

Regional Performance Innovation Consortium (RPIC)

Association for Nationally Certified ROMA Trainers (ANCRT)

Federal CSBG Office

Organizations not identified above [Specify]

South Carolina State Head Start Association, Office of Regulatory Staff Department of Energy, Catawba Indian Nation, Dominion Energy and Habitat for Humanity.

3.4. Eligible Entity Involvement

3.4a. Describe the specific steps the State took in developing the State Plan to involve the eligible entities.

(Note: This information is associated with State Accountability Measures 1Sa(ii) and may pre-populate the State's annual report form)

Drafts of the State Plan was issued to subgrantees and the Association on May 9, 2019. A statewide conference was conducted June 13, 2019 to further develop the draft of the CSBG state plan in partnership with South Carolina's subgrantees, State Association and community partners. A draft was made available to the public for comments and review at each subgrantee office and at the State Office. A Notice of Public Hearing was advertised in The State newspaper August 6-8, 2019, and to all eligible entities. Persons desiring to submit comments on the CSBG State Plan had the opportunity to submit comments before the hearing and to be present at the Public Hearing to submit and/or make any additional comments. Comments/suggestions provided were considered and/or incorporated in South Carolina's 2020 plan.

3.4b. Performance Management Adjustment: Describe how the state adjusted its State Plan development procedures under this State Plan, as compared to previous plans in order to:

- 1) encourage eligible entity participation and
- 2) ensure the State Plan reflects input from eligible entities?

Any adjustment should be based on the State's analysis of past performance in these areas, and should consider feedback from eligible entities, OCS, and other sources, such as the public hearing.

If the State is not making any adjustments, provide further detail.

(Note: This information is associated with State Accountability Measures 1Sb(i) and (ii) and pre-populate the Annual Report, Module 1, Item B.1.)

A statewide training was conducted to review drafts of the proposed 2020 State Plan. OEO compared 2020 goals to South Carolina's 2018 actual performance reported in the Annual Report. Eligible entities were invited to provide feedback, along with community partners, to form relationships to help extend the reach of CSBG services. Each entity was given additional time to submit comments prior to the Public Hearing and the State's submission. Comments/suggestions provided during the training were incorporated in the Plan.

3.5. Eligible Entity Overall Satisfaction:

Provide the State's target for eligible entity Overall Satisfaction during the performance period:

Year One

85 Year Two

Instructional Note: The state's target score will indicate improvement or maintenance of the state's Overall Satisfaction score from the most recent [American Customer Survey Index \(ACSD\) survey](#) of the state's eligible entities.

(Note: Item 3.5 is associated with State Accountability Measure 8S and may pre-populate the State's annual report form)

Section 4: CSBG Hearing Requirements

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families Community Services Block Grant (CSBG)	Form Approved OMB No: 0970-0382 Expires:06/30/2021			
SECTION 4 CSBG Hearing Requirements				
4.1. Public Inspection: Describe the steps taken by the state to disseminate this State Plan to the public for review and comments prior to the public hearing, as required under Section 676(e)(2) of the Act.				
In partnership with the eligible entities, State Association, SC Head Start Collaboration Office and community partners, the state conducted a seminar to further develop the draft of the CSBG State Plan. A draft CSBG State Plan and correspondence encompassing all updates and suggestions was issued to each entity for further review and comments. Eligible entities were issued a notice of Public Hearing and the public was notified by way of advertisement in The State newspaper.				
4.2. Public Notice/Hearing: Describe how the state ensured there was sufficient time and statewide distribution of notice of the public hearing(s) to allow the public to comment on the State Plan, as required under Section 676(a)(2)(B) of the CSBG Act.				
To encourage timely participation and feedback, the state issued a draft of the CSBG State Plan to eligible entities allowing over 90 days for inspection and comments. Thirty days after the draft was distributed via email for comments, OEO hosted a seminar to review and discuss the drafted plan. Notification of the public hearing was communicated via e-mail and advertised in The State newspaper.				
4.3. Public and Legislative Hearings: In the table below, specify the date(s) and location(s) of the public and legislative hearing(s) held by the designated lead agency for this State Plan, as required under Section 676(a)(2)(B) and Section 676(a)(3) of the Act.				
	Date	Location	Type of Hearing <small>[Select an option]</small>	If a combined hearing was held, confirm that the public was invited
1	08/09/2019	1205 Pendleton Street Columbia, SC 29201	Combined	<input checked="" type="checkbox"/>
4.4. Attach supporting documentation or a hyperlink for the public and legislative hearings. South Carolina's transcript of the 2020 public hearing is attached along with supporting documentation.				

Section 5: CSBG Eligible Entities

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Community Services Block Grant (CSBG)**

Form Approved
OMB No:0970-0382
Expires:06/30/2021

SECTION 5 CSBG Eligible Entities

5.1. CSBG Eligible Entities:

In the table below, indicate whether each eligible entity in the state, is public or private, the type(s) of entity, and the geographical area served by the entity.

Note: Table 5.1 pre-populates the Annual Report, Module 1, Table C.1.

Types of Entities include Community Action Agency, Limited Purpose Agency, Local Government Agency, Migrant or Seasonal Farmworker Organization, Tribe or Tribal Organization, and Other

#	CSBG Eligible Entity	Geographical Area Served by county (Provide all counties)	Public or Nonprofit	Type of Entity (choose all that apply)
1	Aiken/barnwell Counties Community Action Agency, Inc.	Aiken, Barnwell, Lexington	Non-Profit	Community Action Agency
2	Beaufort Jasper Economic Opportunity Commission Inc	Beaufort, Jasper	Non-Profit	Community Action Agency
3	Carolina Community Actions Inc	Chester, Fairfield, Lancaster, Union, York	Non-Profit	Community Action Agency
4	Chesterfield-marlboro County Economic Opportunity Council, Inc.	Chesterfield, Marlboro	Non-Profit	Community Action Agency
5	Darlington County Community Action Agency	Darlington	Non-Profit	Community Action Agency
6	Gleams Human Resource Commission Inc	Greenwood, Laurens, Edgefield, Abbeville, McCormick, Newberry, Saluda	Non-Profit	Community Action Agency
7	Low Country Community Action Agency Inc	Colleton, Hampton	Non-Profit	Community Action Agency
8	Orangeburg-calhoun-allendale-bamberg Community Action Agency Inc	Allendale, Bamberg, Calhoun, Orangeburg	Non-Profit	Community Action Agency
9	Charleston County Human Services Commission	Charleston, Berkeley, Dorchester	Non-Profit	Community Action Agency
10	Pee Dee Community Action Partnership	Dillon, Florence, Marion	Non-Profit	Community Action Agency
11	Piedmont Community Actions, Inc.	Spartanburg, Cherokee	Non-Profit	Community Action Agency
12	Sunbelt Human Advancement Resources, Inc.	Greenville, Oconee, Pickens, Anderson	Non-Profit	Community Action Agency
13	Waccamaw Economic Opportunity Council, Inc.	Horry, Georgetown, Williamsburg	Non-Profit	Community Action Agency
14	Wateree Community Actions, Inc.	Clarendon, Kershaw, Lee, Sumter, Richland	Non-Profit	Community Action Agency

5.2. Total number of CSBG eligible entities 14

5.3. Changes to Eligible Entities List:

Within the tables below, describe any changes that have occurred to the Eligible Entities within the state since the last federal fiscal Year (FFY), as applicable.

One or more of the following changes were made to the eligible entity list: [Check all that apply].

- Designation and/or Re-Designation
- De-designations and/or Voluntary Relinquishments
- Mergers
- No Changes to Eligible Entities List

5.3a. Designation and Re-Designation: Identify any new entities that have beendesignated as eligible entities, as defined under Section 676A of the Act, since the last federal fiscal year.Include any eligible entities designated to serve an area previously not served by CSBG as well as any entities designated to replace another eligible entity that was terminated (de-designated) or that voluntarily relinquished its status as a CSBG eligible entity.

CSBG Eligible Entity	Type	Start Date	Geographical Area Served	Delete

5.3b. Designation and Voluntary Relinquishments: Identify any entities that are no longer receiving CSBG funding. Include any eligible entities that have been terminated (de-designated) as defined under Section 676(c) and Section 676C of the Act, or voluntarily relinquished their CSBG eligible entity status since the last Federal Fiscal Year (FFY). Include any eligible entities designated to serve an area previously not served by CSBG as well as any entities designated to replace another eligible entity that was terminated (de-designated)

CSBG Eligible Entity	Reason	Delete

5.3c. Mergers: In the table below, provide information about any **mergers or other combinations** of two or more eligible entities that were each listed in the prior year State Plan.

Original CSBG Eligible Entities	Surviving CSBG Eligible Entity	New Name (as applicable)	DUNS No.	Delete

Section 6: Organizational Standards for Eligible Entities

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Community Services Block Grant (CSBG)

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SECTION 6 Organizational Standards for Eligible Entities

Note: Reference IM 138, *State Establishment of Organizational Standards for CSBG Eligible Entities*, for more information on Organizational Standards. Click [HERE](#) for IM 138.

6.1. Choice of Standards: Confirm whether the state will implement the CSBG Organizational Standards Center of Excellence (COE) organizational standards (as described in IM 138) or an alternative set during the federal fiscal year(s) of this planning period

COE CSBG Organizational Standards Modified version of COE CSBG Organizational Standards Alternative set of Organizational Standards

6.1a. Modified Organizational Standards: In the case that the state is requesting to use modified COE-developed organizational standards, provide the proposed modification for the FFY of this planning period including the rationale.

6.1b. Alternative Organizational Standards: If using an alternative set of organizational standards, attach the complete list of alternative organizational standards.

6.1c. Alternative Organizational Standards Changes: If using an alternative set of organizational standards:

- 1) provide any changes from the last set provided during the previous State Plan submission;
- 2) describe the reasons for using alternative standards; and
- 3) describe how they are at least as rigorous as the COE- developed standards

There were no changes from the previous State Plan submission

Provide reason for using alternative standards

Describe rigor compared to COE-developed Standards

6.2. Implementation: Check the box that best describes how the state officially adopt(ed) organizational standards for eligible entities in the state in a manner consistent with the state's administrative procedures act. If "Other" is selected, provide a timeline and additional information, as necessary. *[Check all that apply and narrative where applicable]*

Regulation

Policy

Contracts with eligible entities

Other, describe:

6.3. Organizational Standards Assessment: Describe how the state assess eligible entities against organizational standards this federal fiscal year (s). *[Check all that apply.]*

Peer-to-peer review *(with validation by the State or state-authorized third party)*

Self-assessment *(with validation by the State or state-authorized third party)*

Self-assessment/peer review with state risk analysis

State-authorized third party validation

Regular, on-site CSBG monitoring

Other

6.3a. Assessment Process: Describe the planned assessment process.

South Carolina also developed an approval system, utilizing our statewide database, to review and provide real-time feedback on the achievement of standards.

6.4. Eligible Entity Exemptions: Will the state make exceptions in applying the organizational standards for certain eligible entities due to special circumstances or organizational characteristics (as described in IM 138)? Yes No

6.4a. Provide the specific eligible entities the state will exempt from meeting organizational standards, and provide a description and a justification for each exemption

Section 7: State Use of Funds

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Community Services Block Grant (CSBG)**

Form Approved
OMB No: 0970-0382
Expires:06/30/2021

SECTION 7 State Use of Funds

Eligible Entity Allocation (90 Percent Funds) [Section 675C(a) of the CSBG Act]

7.1. Formula:

Select the method (formula) that best describes the current practice for allocating CSBG funds to eligible entities.

Formula Alone

7.1a. Formula Description: Describe the current practice for allocating CSBG funds to eligible entities.

Eligible entities are allocated CSBG funds based on the pro rata share of the state's poverty population of each county the entity serves. Example: If five percent of the state's poverty population resides within Richland county, the entity serving Richland county will be allocated five percent of the 90 percent of CSBG funds allocated to eligible entities.

7.1b. Statute: Does a state statutory or regulatory authority specify the formula for allocating "not less than 90 percent" funds among eligible entities? Yes No

7.2. Planned Allocation:

Specify the percentage of your CSBG planned allocation that will be funded to eligible entities and "not less than of 90 percent funds" as described under Section 675C(a) of the CSBG Act.

In the table, provide the planned allocation for each eligible entity receiving funds for the fiscal year(s) covered by this plan.

Note: This information pre-populates the state's Annual Report, Module 1, Table E.2.

Year One	90.00%	Year Two
-----------------	--------	-----------------

Planned CSBG 90 Percent Funds

CSBG Eligible Entity	Year One Funding Amount \$	Delete
Aiken/barnwell Counties Community Action Agency, Inc.	\$840,436	
Beaufort Jasper Economic Opportunity Commission Inc	\$305,384	
Carolina Community Actions Inc	\$837,512	
Chesterfield-marlboro County Economic Opportunity Council, Inc.	\$267,386	
Darlington County Community Action Agency	\$210,478	
Gleams Human Resource Commission Inc	\$645,671	
Low Country Community Action Agency Inc	\$195,074	
Orangeburg-calhoun-allendale-bamberg Community Action Agency Inc	\$485,948	
Charleston County Human Services Commission	\$1,269,418	
Pee Dee Community Action Partnership	\$596,009	
Piedmont Community Actions, Inc.	\$724,469	
Sunbelt Human Advancement Resources, Inc.	\$1,658,607	
Waccamaw Economic Opportunity Council, Inc.	\$907,242	
Wateree Community Actions, Inc.	\$1,296,359	
Total	\$10,239,993	

7.3. Distribution Process:

Describe the specific steps in the state's process for distributing 90 percent funds to the eligible entities and include the number of days each step is expected to take; include information about state legislative approval or other types of administrative approval (such as approval by a board or commission).

Projected allocations to the agencies are determined based on the prior year CSBG awarded to South Carolina. Ninety percent of the projected award is then allocated based on the percentage of poor population in each county. These funds are then allocated to the CAA which serves the county. Notification

of the estimate is provided to the CAA in mid-summer, so the agencies may begin work on budgets and work plans for the year. Because OEO has set a program year of January 1 to December 31, the grant awards are mailed to each agency in mid-November. Signed grant agreements are due back to OEO in early December. The first cash disbursement is scheduled to reach the CAA prior to January 1 of the program year so that each agency has sufficient cash to continue operations without interruption. The time line to distribute funds to subgrantees is as follows: The subgrantee requests funds electronically through the statewide database, as needed, within two days, the request is processed by OEO's fiscal staff and signed off on by the Director. The request is then submitted to the Department of Administration's Fiscal Services to be entered as an invoice. The request is processed within five business days. The invoice must be approved by a supervisor within Fiscal Services, which could take up to 10 business days. Once approved, the payment request flows electronically to the Comptroller General's (CG) Office for approval. The CG's Office may take up to 10 business days. Once approved by the CG, the payment request flows to the State Treasurers Office for payment. Electronic Funds are processed within two business days. Paper checks requested by the subgrantee are processed within 3 business days. Subgrantees have been notified that requests for funds can take up to 30 days to process, and that they should plan their funds requests accordingly. There is no limit on how often a subgrantee may request funds.

7.4. Distribution Timeframe:

Does the state plan to make funds available to eligible entities no later than 30 calendar days after OCS distributes the federal award? Yes No

7.4a. Distribution Consistency: If no, describe state procedures to ensure funds are made available to eligible entities consistently and without interruption.

Note: Item 7.4 is associated with State Accountability Measure 2Sa and may prepopulate the state's annual report form.

Because OEO has set a program year of January 1 to December 31, the grant awards are mailed to each agency in mid November. Signed grant agreements are due back to OEO in early December. The first cash disbursement is scheduled to reach the CAA prior to January 1 of the program year so that each agency has sufficient cash to continue operations without interruption.

7.5. Performance Management Adjustment:

Describe the state's strategy for improving grant and/or contract administration procedures under this State Plan as compared to past plans. Any improvements should be based on analysis of past performance, and should consider feedback from eligible entities, OCS, and other sources, such as the public hearing. If the state is not making any improvements, provide further detail.

Note: This information is associated with State Accountability Measure 2Sb and may prepopulate the state's annual report form.

South Carolina's eligible entities have a desire to expand their individual/family level work to address community needs. The State is currently focused on assisting the network identify comparable community partners and initiatives to meet the unique needs of the state and each individual community. OEO will also work toward improving the application process to make it more efficient for constituents and agency personnel alike. The state office will research avenues for constituents to apply for services online.

Administrative Funds [Section 675C(b)(2) of the CSBG Act]

Note: This information pre-populates the state's Annual Report, Module 1, Table E.4.

7.6. Allocated Funds: Specify the percentage of your CSBG planned allocation for administrative activities for the FFY(s) covered by this State plan.

Year One (0.00%)	5.00	Year Two (0.00%)
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7.7. State Staff: Provide the number of state staff positions to be funded in whole or in part with CSBG funds for the FFY(s) covered by this State Plan

Year One	14.00	Year Two
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7.8. State FTEs: Provide the number of state Full Time Equivalents (FTEs) to be funded with CSBG funds for the FFY(s) covered by this State Plan

Year One	13.00	Year Two
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7.9. Remainder/Discretionary Funds Use: Does the state have remainder/discretionary funds, as described in Section 675C(b)(1) of the CSBG Act? Yes No

If yes, provide the allocated percentage and describe the use of the remainder/discretionary funds in the table below.

Year One (0.00%)	5.00%	Year Two (0.00%)
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Use of Remainder/Discretionary Funds(See Section 675C(b)(1) of the CSBG Act)

Note: This response will link to the corresponding assurance, Item 14.2.

If a funded activity fits under more than one category in the table, allocate the funds among the categories. For example, if the state provides funds under a contract with the State Community Action association to provide training and technical assistance to eligible entities and to create a statewide data system, the funds for that contract should be allocated appropriately between Items 7.9a. - 7.9c. If allocation is not possible, the state may allocate the funds to the main category with which the activity is associated.

Note: This information is associated with State Accountability Measures 3Sa and pre-populates the annual report Module 1, Table E.7.

Remainder/Discretionary Fund Uses	Year One Planned \$	Brief description of services/activities and/or activities
7.9a. Training/technical assistance to eligible entities	\$50,000.00	These planned services/activities will be described in State Plan Item 8.1.
7.9b. Coordination of state-operated programs and/or local programs	\$0.00	These planned services/activities will be described in State Plan Section 9, state Linkages and Communication.
7.9c. Statewide coordination and communication among eligible entities	\$0.00	These planned services/activities will be described in State Plan Section 9, state Linkages and Communication.

7.9d. Analysis of distribution of CSBG funds to determine if targeting greatest need	\$0.00	
7.9e. Asset-building programs	\$0.00	
7.9f. Innovative programs/activities by eligible entities or other neighborhood groups	\$50,000.00	Remaining funds will be provided to eligible entities to fund innovative OEO approved projects/activities.
7.9g. State charity tax credits	\$0.00	
7.9h. Other activities, specify in column 3	\$0.00	
Total	\$100,000.00	

7.10. Remainder/Discretionary Funds Partnerships: Select the types of organizations, if any, the State Plans to work with (by grant or contract using remainder/discretionary funds) to carry out some or all of the activities in table 7.9.

[Check all that apply and narrative where applicable]

- The state directly carries out all activities (No Partnerships)
- The state partially carries out some activities
- CSBG eligible entities *(if checked, include the expected number of CSBG eligible entities to receive funds)* **14**
- Other community-based organizations
- State Community Action association
- Regional CSBG technical assistance provider(s)
- National technical assistance provider(s)
- Individual consultant(s)
- Tribes and Tribal Organizations
- Other

Note: This response will link to the corresponding CSBG assurance, item 14.2.

7.11. Performance Management Adjustment:

Describe any adjustments the state will make to the use of remainder/discretionary funds under this State Plan as compared to past plans. Any adjustment should be based on the state's analysis of past performance, and should consider feedback from eligible entities, OCS, and other sources, such as the public hearing. If the state is not making any adjustments, provide further detail.

Note: This information is associated with [State Accountability Measures 3Sb](#), and may pre-populate the State's annual report form.

In accordance with Section 675C(b), the State will use Discretionary funds to make grants to Community Action Agencies for the purpose of supporting locally-operated youth leadership programs, technology of CAAs and State CAP Association. Additional discretionary funds will be utilized to provide training and technical assistance, and for the flexibility to provide competitive grant opportunities to agencies who would like to create innovative programs, approved by OEO. Creating competitive grant opportunities to eligible entities not only provides a beneficial supplement to the agency's annual grant, it affords an additional method for developing innovative programming that supports community-based initiatives throughout the state.

Section 8: State Training and Technical Assistance

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Community Services Block Grant (CSBG)**

Form Approved
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SECTION 8 State Use of Funds

8.1. Describe the State's plan for delivering CSBG-funded training and technical assistance to eligible entities under this State Plan by completing the table below.

(CSBG funding used for this activity is referenced under item 7.9(a), Remainder/Discretionary Funds. States should also describe training and technical assistance activities performed directly by state staff, regardless of whether these activities are funded with remainder/discretionary funds.)

Note: This information is associated with State Accountability Measure 3Scand pre-populates the Annual Report, Module 1, Table F.1.

Training and Technical Assistance - Year One

	Planned Timeframe	Training, Technical Assistance, or Both	Topic	Brief Description of "Other"
1	FY1-Q1	Both	Governance/Tripartite Boards	
2	Ongoing / Multiple Quarters	Both	ROMA	
3	Ongoing / Multiple Quarters	Both	Organizational Standards - General	
4	Ongoing / Multiple Quarters	Both	Organizational Standards for eligible entities with unmet TAPs and QIPs	
5	Ongoing / Multiple Quarters	Both	Reporting	
6	Ongoing / Multiple Quarters	Both	Monitoring	
7	Ongoing / Multiple Quarters	Both	Fiscal	
8	Ongoing / Multiple Quarters	Both	Communication	
9	Ongoing / Multiple Quarters	Both	Technology	

Training and Technical Assistance - Year Two

8.1a. Training and Technical Assistance Budget: The planned budget for the training and technical assistance plan (as indicated in the Remainder /Discretionary Funds table in item 7.9):

Year One	\$50,000	Year Two	
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8.1b. Training and Technical Assistance Collaboration: Describe how the state will collaborate with the state association and other stakeholders in the planning and delivery of training and technical assistance.

The State Association is tasked with leveraging resources to coordinate T/TA activities, identifying avenues to build capacity among the network, assisting the State and local CSBG eligible entities to meet organizational standards and support the continued understanding and implementation of ROMA. OEO continues to support the Association and areas of training identified by South Carolina's CAA network and RPIC, to include strategies that support building human capacity and community transformation.

8.2. TAPs and QIPs: Does the state have Technical Assistance Plans (TAPs) or Quality Improvement Plans (QIPs) in place for all eligible entities with unmet organizational standards, if appropriate? Yes No

Note: This information is associated with State Accountability Measure 6Sb.QIPs are described in Section 678C(a)(4) of the CSBG Act. If the State, according to their corrective action procedures, does not plan to put a QIP in place for an eligible entity with one or more unmet organizational standards, the State should put a TAP in place to support the entity in meeting the standard(s).

8.2a. Address Unmet Organizational Standards: Describe the state's plan to provide T/TA to eligible entities to ensure they address unmet Organizational Standards. OEO will provide additional Training and Technical Assistance to eligible entities with unmet Organizational Standards, as well as encourage peer-to-peer assistance throughout the network. OEO will continue to communicate to the network the achievement of standards while highlighting standards that are unmet. South Carolina will continue to utilize COE's Self-Assessments and our statewide database to monitor.

8.3. Training and Technical Assistance Organizations: Indicate the types of organizations through which the State Plans to provide training and /or technical assistance as described in item 8.1, and briefly describe their involvement. [Check all that apply.]

- CSBG eligible entities (if checked, provide the expected number of CSBG eligible entities to receive funds) **14**
- Other community-based organizations
- State Community Action association
- Regional CSBG technical assistance provider(s)
- National technical assistance provider(s)
- Individual consultant(s)

Tribes and Tribal Organizations

Other

8.4. Performance Management Adjustment: Describe adjustments the state made to the training and technical assistance plan under this State Plan as compared to past plans. Any adjustment should be based on the state's analysis of past performance, and should consider feedback from eligible entities, OCS, and other sources, such as the public hearing. If the state is not making any adjustments, provide further detail.

Note: This information is associated with State Accountability Measures 3Sd may pre-populate the state's annual report form

OEO will encourage its State Association and the Community Action network to develop Complete Count Committees to increase awareness of and to support residents to respond to the 2020 Census. OEO also offers its support to help identify entities that will provide reciprocal partnerships that lead to the start of outcome-based community level initiatives. T/TA will be provided to help develop such initiatives, along with additional discretionary funds to support identified needs, when necessary.

Section 9: State Linkages and Communication

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Community Services Block Grant (CSBG)**

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SECTION 9 State Linkages and Communication

Note: This section describes activities that the state may support with CSBG remainder/discretionary funds, described under Section 675C(b)(1) of the CSBG Act. The state may indicate planned use of remainder/discretionary funds for linkage/communication activities in Section 7, State Use of Funds, items 7.9(b) and (c).

9.1. State Linkages and Coordination at the state Level:

Describe the linkages and coordination at the state level that the State plans to create or maintain to ensure increased access to CSBG services to low-income people and communities under this State Plan and avoid duplication of services (as required by the assurance under Section 676(b)(5)).

Describe or attach additional information as needed. [Check all that apply and narrative where applicable]

Note: This response will link to the corresponding CSBG assurance, item 14.5. In addition, this item is associated with State Accountability Measure 7Sa and may pre-populate the State's Annual Report, Module 1, Item G.1.

- State Low Income Home Energy Assistance Program (LIHEAP) office
- State Weatherization office
- State Temporary Assistance for Needy Families (TANF) office
- State Head Start office
- State public health office
- State education department
- State Workforce Innovation and Opportunity Act (WIOA) agency
- State budget office
- Supplemental Nutrition Assistance Program (SNAP)
- State child welfare office
- State housing office
- Other

State Emergency Solutions (ESG) Office

9.2. State Linkages and Coordination at the Local Level:

Describe the linkages and coordination at the local level that the state to create or maintain with governmental and other social services, especially antipoverty programs, to assure the effective delivery of and coordination of CSBG services to low-income people and communities and avoid duplication of services, (and as required by assurances under Sections 676(b)(5) - (6))

Note: This response will link to the corresponding CSBG assurances, items 14.5 and 14.6., and pre-populates the Annual Report, Module 1, Item G.2.

Linkages will be developed with local entities to fill identified gaps in services through the provision of information, referrals, case management and follow-up consultations. Funds made available to eligible entities will be coordinated with other public and private resources and may be used to support innovative community and neighborhood-based initiatives with the goal of strengthening families. Services shall seek to promote social and economic self-sufficiency through the acquisition and development of knowledge, skills and abilities that will enable low-income individuals to effectively respond to and manage those life circumstances that negatively impact their well-being and accomplishment of life goals. Through the strengthening of individual and family competencies, services shall enable low-income persons to mobilize the resources and support necessary to deal with existing problems, needs and future aspirations.

9.3. Eligible Entity Linkages and Coordination

9.3a. State Assurance of Eligible Entity Linkages and Coordination:

Describe how the state will assure that the eligible entities will coordinate and establish linkages to assure the effective delivery of and coordination of CSBG services to low-income people and communities and avoid duplication of services (as required by the assurance under Section 676(b)(5)).

Note: This response will link to the corresponding CSBG assurance, item 14.5.

Eligible entities are required to submit to OEO a Community Action Plan that includes a description of how the agency will establish and/or maintain linkages. Memorandums of Understanding (MOUs) and letters of support echo the relationships developed with local entities to fill identified gaps in services. Funds made available to eligible entities will be coordinated with other public and private resources and may be used to support innovative community and neighborhood-based initiatives with the goal of strengthening families.

9.3b State Assurance of Eligible Entity Linkages to Fill Service Gaps:

Describe how the eligible entities will develop linkages to fill identified gaps in the services, through the provision of information, referrals, case management, and follow-up consultations, according to the assurance under Section 676(b)(3)(B) of the CSBG Act.

Note: This response will link to the corresponding CSBG assurance, item 14.3b., and pre-populates the Annual Report, Module 1, Item G.3b.

Eligible entities are required to submit to OEO a Community Action Plan that includes a description of how the agency will establish and/or maintain linkages per Section 675(b) (5). Eligible entities develop linkages to fill identified gaps in services through the provision of information, referrals, case

management and follow-up consultations. Some eligible entities develop linkages with local private organizations, such as financial institutions, to develop individual savings and money management programs. Others contract with local non-profit agencies to provide specific services not offered by the Subgrantee, such as food banks, job training and education programs. While some partnerships are informal, others operate under Memorandums of Understanding (MOUs).

9.4. Workforce Innovation and Opportunity Act (WIOA) Employment and Training Activities:
Does the state intend to include CSBG employment and training activities as part of a WIOA Combined State Plan, as allowed under the Workforce Innovation and Opportunity Act (as required by the assurance under Section 676(b)(5) of the CSBG Act)? Yes No

Note: This response will link to the corresponding CSBG assurance, item 14.5.

9.4a. WIOA Combined Plan: If the state selected "yes" under item 9.4, provide the CSBG-specific information included in the state's WIOA Combined Plan. This information includes a description of how the state and the eligible entities will coordinate the provision of employment and training activities through statewide and local WIOA workforce development systems. This information may also include examples of innovative employment and training programs and activities conducted by community action agencies or other neighborhood-based organizations as part of a community antipoverty strategy.

9.4b. Employment and Training Activities: If the state selected "no" under item 9.4, describe the coordination of employment and training activities, as defined in Section 3 of WIOA, by the state and by eligible entities providing activities through the WIOA system.

Eligible entities are required to submit an annual Community Action Plan outlining a description of how WIOA coordination activities is conducted at the local level. While some agencies structure their employment programs with the help of their local WIOA office, others who lack the capacity to maintain employment programs make referrals directly to the nearest WIOA office. Case management files are reviewed during monitoring site visits regarding the details of WIOA activities.

9.5. Emergency Energy Crisis Intervention:
Describe how the state will assure, where appropriate, that emergency energy crisis intervention programs under Title XXVI (relating to Low-Income Home Energy Assistance) are conducted in each community in the state, as required by the assurance under Section 676(b)(6) of the CSBG Act.

Note: This response will link to the corresponding CSBG assurance, item 14.6.

The coordination of Emergency Energy Crisis programs will be carried out at the local level and approved by the Office of Economic Opportunity. As the State administering agency for the Community Services Block Grant Programs, the OEO shall, through grants with Subgrantees, require a cross-referral of participants in the above-mentioned program to further provide the opportunity for eligible households to participate in these and other agency services for comprehensive case management to enhance client outcomes. Eligible entities are required to provide a description of how they will provide energy crisis services through their annual Community Action Plan. OEO will assure coordination of services during monitoring.

9.6. Faith-based Organizations, Charitable Groups, Community Organizations:
Describe how the state will assure local eligible entities will coordinate and form partnerships with other organizations, including faith-based organizations, charitable groups, and community organizations, according to the state's assurance under Section 676(b)(9) of the CSBG Act.

Note: this response will link to the corresponding assurance, item 14.9.

The roles and coordination of Faith-based Organizations, Charitable Groups and Community Organizations will be carried out and defined at the local level by way of an approved Community Action Plan submitted to OEO. As the State administering agency, the OEO shall, through grants with Subgrantees, require a cross-referral of the above-mentioned participants in the CSBG program to further provide the opportunity for eligible households to participate in these and other agency services for comprehensive case management to enhance client outcomes. OEO will assure coordination of services with the aforementioned groups during monitoring by reviewing constituent files. Agencies also submit narratives to the State outlining coordination of efforts for the purpose of the annual CSBG report.

9.7. Coordination of Eligible Entity 90 Percent Funds with Public/Private Resources:
Describe how the eligible entities will coordinate CSBG 90 percent funds with other public and private resources, according to the assurance under Section 676(b)(3)(C) of the CSBG Act.

Note: this response will link to the corresponding assurance, item 14.3c.

A total of ninety percent (90%) of the State's total CSBG allocation shall be awarded through grants for the purpose of implementing anti-poverty projects to address CSBG legislative goals as set forth in Section 675(C)(1) and Section 672 of the Act. The State will use not less than ninety percent (90%) of the funds allocated under section 674 of the Act to make grants to eligible entities, as defined in Section 673(1). Funds under this assurance will be allocated to local initiative projects by eligible entities to meet Outcome Statement 1, and to fund emergencies as described in Outcome Statement 2 of this plan. At the local level, eligible entities work in partnership with a variety of groups, organizations, and institutions outlined in their annual Community Action Plans. OEO will verify the coordination of funds during monitoring.

9.8. Coordination among Eligible Entities and State Community Action Association:
Describe state activities for supporting coordination among the eligible entities and the state community action association.

Note: This information will pre-populate the Annual Report, Module 1, Item G.5.

In an effort to further facilitate the State's goal of creating innovative approaches to address the issues of poverty, the State awarded five percent (5%) of the CSBG allocation to community action agencies and the state association for discretionary projects to include the statewide youth leadership project. A portion of CSBG discretionary funding will be awarded to the SCACAP for the purpose of building the capacity of the state association to assist in addressing the concerns and impact of poverty in communities throughout South Carolina. The allocation shall be used to offer collaborative trainings, develop community initiatives, enhance public awareness and increase visibility to bring the issues of poverty to the forefront to affect change and develop workable solutions. Other funds will be utilized for statewide youth leadership initiatives.

9.9. Communication with Eligible Entities and the State Community Action Association:
In the table below, detail how the state intends to communicate with eligible entities, the state community action association, and other partners identified under this State Plan on the topics listed below. For any topic that is not applicable, select "Not Applicable" under Expected Frequency.

Communication Plan

Subject Matter	Expected Frequency	Format	Brief description of "Other"
Upcoming Public and/or Legislative Hearings	Annually	Other	Meetings/presentations, email, website(s) and public notice

State Plan Development	Annually	Other	A series of workshops, round tables, and additional correspondence is provided to develop the state plans. To provide timely and meaningful participation, South Carolina allows approximately 90 days for public comment preceding the submission of South Carolina's plan.	
Organizational Standards Progress	As needed	Other	Subgrantee's are made aware of their progress via the approval of standards utilizing South Carolina's statewide database. As agencies submit standards, OEO has the ability to approve, not approve, or request additional information to ensure each standard is met.	
State Accountability Measures Progress	As needed	Email	N/A	
Community Needs Assessments /Community Action Plans	As needed	Other	Emails, meetings /presentations, phone calls.	
State Monitoring Plans and Policies	As needed	Other	State monitoring plans and policies are communicated via email, round tables, statewide conferences and Memorandums.	
Training and Technical Assistance (T /TA) Plans	As needed	Other	T/TA is often communicated and scheduled via email. Utilizing feedback provided by evaluations and surveys, presentations and workshops are developed to address individual agency and the needs of the network.	
ROMA and Performance Management	As needed	Meetings/Presentation	N/A	
State Interagency Coordination	As needed	Other	Meetings, email and phone calls	
CSBG Legislative/Programmatic Updates	As needed	Other	Email, meetings /presentations, Memorandums, phone calls	
Tripartite Board Requirements	Annually	Meetings/Presentation	N/A	
	Topic	Expected Frequency	Format	Brief Description of "Other"
1	N/A	Not Applicable		
9.10. Feedback to Eligible Entities and State Community Action Association:				
Describe how the state will provide information to local entities and state community action associations regarding performance on state accountability measures.				
<i>Note: This information is associated with State Accountability Measure 5S(iii), and will pre-populate the Annual Report, Module 1, Item G.6</i>				
The State will monitor and evaluate the performance of the Subgrantee in the implementation and completion of all CSBG projects in accordance with State and Federal monitoring guidelines. Feedback in overall performance in resource allocation, fiscal and program implementation and operations will be communicated to each eligible entity and the State Association through a monitoring report. The State will provide open and transparent access to final monitoring, program, fiscal and annual reports; technical assistance/corrective action plans; and assessments regarding agency performance. The achievement of the State's accountability measures outlined by way of National Performance Indicators (NPIs) will be communicated through the OEO's public website and direct emailing with local entities and State Community Action Association.				
9.11. Performance Management Adjustment:				
Describe any adjustments the state made to the Communication Plan in this State Plan as compared to past plans. Any adjustment should be based on the state's analysis of past performance, and should consider feedback from eligible entities, OCS, and other sources, such as the public hearing. If the state is not making any adjustments, provide further detail.				
<i>Note: This information is associated with State Accountability Measures 7Sb; this response may pre-populate the state's annual report form.</i>				
To ensure Subgrantees can communicate their suggestions, OEO provides platforms for feedback to include trainings, evaluations, surveys and one-on-one opportunities during monitoring. Feedback will ensure the state is managing the expectations of the Subgrantee and allows OEO to focus its efforts on projects most beneficial to the state.				

Section 10: Monitoring, Corrective Action, and Fiscal Controls

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Community Services Block Grant (CSBG)**

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SECTION 10 State Use of Funds

Monitoring, Corrective Action and Fiscal Controls (Section 678B(a) of the Act)

10.1. Specify the proposed schedule for planned monitoring visits - including full on-site reviews; on-site reviews of newly designated entities; follow-up reviews - including return visits to entities that failed to meet State goals, standards, and requirements; and other reviews as appropriate.

This is an estimated schedule to assist states in planning. States may indicate "no review" for entities the state does not plan to monitor in the performance period.

Note: This information is associated with State Accountability Measure 4Sa(i); this response pre-populates the Annual Report, Module I, Table H.1.

	CSBG Eligible Entity	Monitoring Type	Review Type	Target Quarter	Start Date of Last Full Onsite Review	End Date of Last Full Onsite Review	Brief Description of "Other"
1	Aiken/barnwell Counties Community Action Agency, Inc.	Full On-site	Onsite Review	FY1 Q3	07/06/2020	07/10/2020	
2	Beaufort Jasper Economic Opportunity Commission Inc	Full On-site	Onsite Review	FY1 Q3	09/21/2020	09/25/2020	
3	Carolina Community Actions Inc	Full On-site	Onsite Review	FY1 Q3	08/17/2020	08/21/2020	
4	Chesterfield-marlboro County Economic Opportunity Council, Inc.	Full On-site	Onsite Review	FY1 Q3	09/07/2020	09/11/2020	
5	Darlington County Community Action Agency	Full On-site	Onsite Review	FY1 Q1	03/30/2020	04/03/2020	
6	Gleams Human Resource Commission Inc	Full On-site	Onsite Review	FY1 Q2	06/01/2020	06/05/2020	
7	Low Country Community Action Agency Inc	Full On-site	Onsite Review	FY1 Q1	03/04/2020	03/08/2020	
8	Orangeburg-calhoun-allendale-bamberg Community Action Agency Inc	Full On-site	Onsite Review	FY1 Q3	08/24/2020	08/28/2020	
9	Charleston County Human Services Commission	Full On-site	Onsite Review	FY1 Q4	10/19/2020	10/23/2020	
10	Pee Dee Community Action Partnership	Full On-site	Onsite Review	FY1 Q1	03/16/2020	03/20/2020	
11	Piedmont Community Actions, Inc.	Full On-site	Onsite Review	FY1 Q2	06/22/2020	06/26/2020	
12	Sunbelt Human Advancement Resources, Inc.	Full On-site	Onsite Review	FY1 Q3	07/20/2020	07/24/2020	
13	Waccamaw Economic Opportunity Council, Inc.	Full On-site	Onsite Review	FY1 Q4	10/05/2020	10/09/2020	
14	Wateree Community Actions, Inc.	Full On-site	Onsite Review	FY1 Q3	08/03/2020	08/08/2020	

10.2. Monitoring Policies:

Provide a copy of state monitoring policies and procedures by attaching and/or providing a hyperlink.

Attached.

10.3. Initial Monitoring Reports:

According to the state's procedures, by how many calendar days must the State disseminate initial monitoring reports to local entities?

Note: This item is associated with State Accountability Measure 4Sa(ii) and may pre-populate the state's annual report form.

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Corrective Action, Termination and Reduction of Funding and Assurance Requirements (Section 678C of the Act)

10.4. Closing Findings:

Are state procedures for addressing eligible entity findings/deficiencies and documenting the closure of findings, included in the State monitoring protocols attached above? Yes No

10.4a. Closing Findings Procedures: If no describe state procedures for addressing eligible entity findings/deficiencies, and documenting the

closure of findings.
10.5. Quality Improvement Plans (QIPs): Provide the number of eligible entities currently on QIPs, if applicable.
<i>Note: The QIP information is associated with State Accountability Measures 4Sc.</i>
0
10.6. Reporting of QIPs: Describe the state's process for reporting eligible entities on QIPs to the Office of Community Services within 30 calendar days of the State approving a QIP
<i>Note: This item is associated with State Accountability Measures 4Sa(iii).</i>
South Carolina will notify its assigned Program Specialist within 30 days of the State issuing a Quality Improvement Plan to an eligible entity to correct an identified deficiency or deficiencies. The Act requires States to allow the eligible entity to develop and implement their plan within 60 days after being informed of a deficiency. The State will review quality improvement plans and issue decisions on whether the plans are approved within 30 days of receiving the submission. All correspondence will be provided to OCS via email to include status updates of the eligible entity's approval/disapproval and progress toward meeting the QIP.
10.7. Assurance on Funding Reduction or Termination: The state assures,"that any eligible entity that received CSBG funding the previous fiscal year will not have its funding terminated or reduced below the proportional share of funding the entity received in the previous fiscal year unless, after providing notice and an opportunity for a hearing on the record, the State determines that cause exists for such termination or such reduction, subject to review by the Secretary as provided in Section 678C(b)" per Section 676(b)(8). <input checked="" type="radio"/> Yes <input type="radio"/> No
<i>Note: This response will link with the corresponding assurance under item 14.8.</i>
Policies on Eligible Entity Designation, De-designation, and Re-designation
10.8. Eligible Entity Designation: Do the State CSBG statute and/or regulations provide for the designation of new eligible entities? <input type="radio"/> Yes <input checked="" type="radio"/> No
10.8a. New Designation Citation: If yes, provide the citation(s) of the law and/or regulation.
10.8b. New Designation Procedures: If no, describe state procedures for the designation of new eligible entities and how the procedures were made available to eligible entities and the public
If the State terminates the designation of an organization as an eligible entity, or otherwise reduces funds, any resulting funding may be awarded only to an organization that is an eligible entity for CSBG funds. Section 676A of the CSBG Act outlines procedures for designation and re-designation of eligible entities in un-served areas. In accordance with the CSBG Act, a State may solicit applications and designate as an eligible entity either: A A private nonprofit organization that is geographically located in the un-served area that can provide a broad range of services designed to eliminate poverty and foster self-sufficiency and meets the requirements of the CSBG Act; or A A private nonprofit eligible entity that is geographically located in an area contiguous to or within reasonable proximity of the un-served area and is already providing related services in the un-served area. States must grant the designation to an organization of demonstrated effectiveness in meeting the goals of the CSBG Act and may give priority to an eligible entity in a contiguous area that is already providing related services in the un-served area. If no private, nonprofit organization is identified or determined to be qualified as an eligible entity to serve the area, the State may designate an appropriate political subdivision of the State to serve as an eligible entity for the area. Any nonprofit or public agency receiving CSBG funds must meet the tripartite board requirements specified in Section 676B of the CSBG Act. The process of soliciting applications to select a new eligible entity may take place during the period in which the Department of Health and Human Services is reviewing a State decision to terminate an organization's eligibility for CSBG funds. However, the State may not award the funds to a new eligible entity until the Department confirms the State's finding for cause or the 90-day period for Federal review has passed. Procedures are outlined in the State Plan posted on OEO's website.
10.9. Eligible Entity Termination: Do State CSBG statute and/or regulations provide for termination of eligible entities <input type="radio"/> Yes <input checked="" type="radio"/> No
10.9a. Termination Citation: If yes, provide the citation(s) of the law and/or regulation.
10.9b. Termination Procedures: If no, describe state procedures for termination of new eligible entities and how the procedures were made available to eligible entities and the public
South Carolina will follow the IM 116 process for de-designation and re-designation of eligible entities. A state (CSBG) office must initiate proceedings to terminate or reduce funding if a CAA fails to correct a deficiency. However, the state may do so only after it has met the following responsibilities: A Adequate notice and A An opportunity for a hearing on the record. It is within the state's discretion to determine the format of the notice and hearing it will provide a CAA. Any notice and hearing provided should be consistent with applicable state policies, rules or statutory requirements, including the state's administrative procedures act (APA). The notice and hearing procedures should also be made available to the CAA. After giving notice and conducting a hearing, if a state finds cause to reduce or terminate funding, the state must initiate proceedings to do so unless the CAA corrects the deficiency. A Cause to Reduce or Terminate Funding Following the hearing, the state determines if a cause exists to reduce or terminate a CAA's CSBG funding. The federal CSBG Act explains that a cause for which a state CSBG office may initiate a reduction in or termination of a CAA's funding includes: The failure of a CAA to comply with the terms of its CSBG agreement with the state, the state plan or to meet a state requirement. If the state finds a cause exists and the CAA disagrees with the state's finding, the CAA should request a review by HHS of the state's finding. A state CSBG office may also initiate a reduction in funding for a cause if: A statewide redistribution of CSBG funds is needed to respond to one of the following: A The results of the most recently available census or other appropriate date, A The designation of a new CAA, or A Severe economic dislocation. Reference attachment, SC OEO Policies on Entity Designation.
10.10. Does the State CSBG statute and/or regulations specify a process the State CSBG agency must follow to re-designate an existing eligible entity? <input type="radio"/> Yes <input checked="" type="radio"/> No
10.10a. If Yes, provide the citation(s) of the law and/or regulation.
10.10b. If No, describe State procedures for re-designation of existing eligible entities. Under Sections 676(c)(1)(B) and 676(c)(2) of the CSBG Act, States may reduce funding or terminate eligibility for CSBG funding based on an eligible entity's failure to comply with the terms of an agreement or a State plan, or to meet a State requirement, to provide services, or to meet appropriate standards, goals, and other requirements established by the State, including performance objectives. The procedure for re /designation shall be as follows: 1. Solicitation of application from eligible entities through a Request for Proposal for Designation as a

Community Action Agency (RFP) process; 2. Review and rating of the submitted applications by a review team utilizing objective criteria that include, but are not limited to, the following: A Proof that applicant is a non-profit organization in good standing in the State of South Carolina; A Proof that applicant has current Federal 501c (3) status; A Evidence that applicant maintains ongoing partnerships with other non-profit and /or governmental entities in the service area; A Provision by applicant of audited financial statements that indicate fiscal soundness and adequate liquidity; A Proof that applicant currently provides multiple programs and services; A Description of entity's current sources of funding and current budget; A Evidence of applicant's ability to provide services based on the unmet needs in the community and description of the applicant method of ascertaining those unmet needs; A Applicant demonstrates that expected outcomes for current programs are achieved; A Applicant provides all other documentation as required by the RFP. 3. Requirement. In order to serve as the area's designated eligible entity, an entity shall agree to add additional members to the board of the entity to ensure adequate representation: (a) In each of the three required categories described in the CSBG Act, 42 U.S.C. A§9901 et seq. by members who reside in the community comprised by the unserved area; and (b) In the category relating to low income individuals by members that reside in the neighborhood to be served. 4. Special Consideration. The designation shall be granted to an organization of demonstrated effectiveness in meeting the goals and purposes of CSBG. Priority may be given to eligible entities that are providing related services in the unserved area. Reference attachment, SC OEO Policies on Entity Designation.

Fiscal Controls and Audits and Cooperation Assurance

10.11. Fiscal Controls and Accounting:

Describe how the state's fiscal controls and accounting procedures will a) permit preparation of the SF-425 Federal fiscal reports (FFR) and b) permit the tracing of expenditures adequate to ensure funds have been used appropriately under the block grant, as required by Block Grant regulations applicable to CSBG at 45 CFR 96.30(a).

The OEO will follow the States established fiscal policies and procedures. To accomplish this, the OEO will coordinate these policies with various other branches of state government, including but not limited to: the Office of the Comptroller General, the General Services Division, the State Treasurer's Office, the State Auditor and other units of the Governor's Office. Financial areas addressed in these procedures consist of fiscal management controls, the accounting system, fund controls, personnel and payroll management, property management, procurement, and the disbursement of funds.

10.12. Single Audit Management Decisions:

Describe state procedures for issuing management decisions for eligible entity single audits, as required by Block Grant regulations applicable to CSBG at 45 CFR 75.521.

Note: This information is associated with State Accountability Measure 4Sd.

The threshold for Single Audit requirement increased to \$750,000 per 45 CFR A§75.501. The OEO will ensure that audits of Subgrantees expending \$750,000 for federally funded programs, activities and services associated with CSBG will be performed in accordance with per 45 CFR A§75.501. OEO will review the single audit filed with FAC and issue a management decision on findings reported that relate to CSBG within six months from the FAC acceptance date.

10.13. Assurance on Federal Investigations:

The state will "permit and cooperate with Federal investigations undertaken in accordance with Section 678D" of the CSBG Act, as required by the assurance under Section 676(b)(7) of the CSBG Act. Yes No

Note: This response will link with the corresponding assurance, Item 14.7.

10.14. Performance Management Adjustment:

Describe any adjustments the state made to monitoring procedures in this State Plan as compared to past plans. Any adjustment should be based on the state's analysis of past performance, and should consider feedback from eligible entities, OCS, and other sources, such as the public hearing. If the state is not making any adjustments, provide further detail.

Note: This item is associated with State Accountability Measure 4Sb and may pre-populate the state's annual report form.

OEO will continue to monitor as a team (program and fiscal) and issue a combined monitoring report. While OEO is required to monitor once every three years, it is the state's goal to monitor annually. In lieu of a full on-site review each program year, CSBG program monitors may perform desk monitorings and/or onsite reviews of CAAs.

Section 11: Eligible Entity Tripartite Board

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families Community Services Block Grant (CSBG)	Form Approved OMB No: 0970-0382 Expires:06/30/2021
SECTION 11 State Use of Funds	
11.1. Tripartite Board Verification: Verify which of the following measures are taken to ensure that the state verifies CSBG Eligible Entities are meeting Tripartite Board requirements under Section 676B(a)(2) of the CSBG Act[Check all that applies and narrative where applicable]	
<input type="checkbox"/> Attend Board meetings	
<input checked="" type="checkbox"/> Organizational Standards Assessment	
<input checked="" type="checkbox"/> Monitoring	
<input checked="" type="checkbox"/> Review copies of Board meeting minutes	
<input checked="" type="checkbox"/> Track Board vacancies/composition	
<input checked="" type="checkbox"/> Other Statewide Board Training	
11.2. Tripartite Board Updates: Provide how often the state require eligible entities (which are not on TAPs or QIPs) to provide updates regarding their Tripartite Boards. This includes but is not limited to copies of meeting minutes, vacancy alerts, changes to bylaws, low-income member selection process, etc.,[Select one and narrative where applicable]	

As it Occurs	

11.3. Tripartite Board Representation Assurance: Describe how the state will verify that eligible entities have policies and procedures by which individuals or organizations can petition for adequate representation on an eligible entity's Tripartite Board as required by the assurance under Section 676(b)(10) of the CSBG Act	
<i>Note: This response will link with the corresponding assurance, item 14.10.</i>	
To serve as the area's designated eligible entity, an entity shall agree to add additional members to the board of the entity to ensure adequate representation. Agency policies will be reviewed with the submission of each subgrantee's annual application. Actual representation will be verified during monitoring and through the periodic review of agency's board roster, composition forms and meeting minutes.	
11.4. Tripartite Board Alternative Representation: Does the state permit public eligible entities to use, as an alternative to a Tripartite Board, "another mechanism specified by the state to assure decision-making and participating by low income individuals in the development, planning, implementation, and evaluation of programs" as allowed under Section 676B(b)(2) of the CSBG Act. <input type="radio"/> Yes <input checked="" type="radio"/> No	
11.4a. Tripartite Board Alternative Mechanism: If yes, describe the mechanism used by public eligible entities as an alternative to a Tripartite Board.	

Section 12: Individual and Community Eligibility Requirements

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families Community Services Block Grant (CSBG)	Form Approved OMB No: 0970-0382 Expires:06/30/2021
SECTION 12 Individual and Community Income Eligibility Requirements	

12.1. Required Income Eligibility:
 Provide the income eligibility threshold for services in the state.
[Check one item below.]

125% of the HHS poverty line
 X% of the HHS poverty line (fill in the threshold)
 Varies by eligible entity

0%		% <i>[Response Option: numeric field]</i>
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12.1a. Income Eligibility Policy and Procedures: Describe any state policy and/or procedures for income eligibility, such as treatment of income and family/household composition.

The Federal Poverty Guidelines must be used as the primary criterion in determining income eligibility. In order to receive assistance under any CSBG project involving direct services, an applicant's total household income must not exceed 125% of the poverty level. Household is defined by the Bureau of Census as consisting of all persons who occupy a housing unit (i.e., house or apartment), whether they are related to each other or not. Total household income is based on income at the time of application. Total household monthly or annualized gross income should be used to determine eligibility. The monthly income should be calculated for the thirty (30) day period preceding and including the date of application. Income requirements can also be referenced in the State's Administrative Guide.

12.2. Income Eligibility for General/Short-Term Services:
 Describe how the state ensures eligible entities generally verify income eligibility for those services with limited in-take procedures (where individual income verification is not possible or practical),An example of these services is emergency food assistance.

The Subgrantee shall be responsible for determining the eligibility of each applicant. Self-certification will be permitted, provided there is complete written information in the client file about the applicant household, confirming efforts to obtain documentation from former employers, the client, and other social services agencies. The "Declaration of Zero Income" certification (OEO intake form) must be signed by applicants reporting zero income and /or individuals living in the household who are 18 years or older reporting zero income.

12.3. Community-targeted Services: Describe how the state ensures eligible entities' services target and benefit low-income communities for services that provide a community-wide benefit (e.g., development of community assets/facilities, building partnerships with other organizations).

Eligible entities are required to utilize members representing the low-income community to participate in the agency's planning process, via the Board of Directors and community involvement, to ensure that community development benefits and/or partnerships benefit existing communities. Some agencies offer community-targeted services by providing access to CSBG programs utilizing senior centers or by hosting community events in low-income neighborhoods. However, for community-targeted services that are intended to increase community awareness or involvement in poverty issues, agencies are not limited to include income eligible constituents, so as not to discourage community-wide participation (ex. performing the Comprehensive Community Needs Assessment). OEO ensures community-targeted services by approving the agency's Community Action Plan. Services are verified during monitoring.

Section 13: Results Oriented Management and Accountability (ROMA) System

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families Community Services Block Grant (CSBG)	Form Approved OMB No: 0970-0382 Expires:06/30/2021
SECTION 13 Results Oriented Management and Accountability (ROMA) System	
13.1. Performance Measurement System: Identify the performance measurement system that the state and all eligible entities use, as required by Section 678E(a) of the CSBG Act and the assurance under Section 676(b)(12) of the CSBG Act.	
<i>Note: This response will also link to the corresponding assurance, Item 14.12. and will pre-populate the Annual Report, Module 1, Item 1.1.</i>	
The Results Oriented Management and Accountability (ROMA) System	
Section 678E(b) of the CSBG Act	
13.1a. ROMA Description: If ROMA was chosen in Item 13.1, describe the state's written policies, procedures, or guidance documents on ROMA.	
Results-Oriented Management and Accountability (ROMA) System - Eligible entities will participate in and comply with the ROMA System, which the Secretary facilitated development of pursuant to Section 678E, utilizing SCROMA and provide a description of specific measures to be used to substantiate the outcomes of each funded program and eligible entity performance in promoting self-sufficiency, family stability, and community revitalization. South Carolina's client management software system will include long-range development and improved customization for better tracking and outcomes reporting. Efforts will also include targeted training of CAA system administrators to encourage network ownership and to increase system use for live intake by agency program staff.	
13.1b. Alternative System Description: If an alternative system was chosen in Item 13.1, describe the system the state will use for performance measurement.	
(Empty response area)	
13.2. Outcome Measures: Indicate and describe the outcome measures the state will use to measure eligible entity performance in promoting self-sufficiency, family stability, and community revitalization, as required under Section 676(b)(12) of the CSBG Act.	
<i>Note: This response will also link to the corresponding assurance, Item 14.12.</i>	
<input checked="" type="checkbox"/> CSBG National Performance Indicators (NPIs)	
<input type="checkbox"/> NPIs and others	
<input type="checkbox"/> Others	
CSBG National Performance Indicators (ROMA Next Generation NPIs)	
13.3. Eligible Entity Support: Describe how the state supports the eligible entities in using the ROMA or alternative performance measurement system.	
<i>Note: The activities described under Item 13.3 may include activities... listed in "Section 8: State Training and Technical Assistance." If so, mention briefly, and/or cross-reference as needed. This response will also link to the corresponding assurance, item 14.12.</i>	
The State funds a Statewide database designed to capture quantitative and qualitative information for the purpose of reporting. The State can measure the overall performance in resource allocation, fiscal and program implementation and operations through the real-time catalog of information. While having a Certified ROMA trainer is encouraged at each eligible entity, COE's Organizational Standards also require the participation of a Certified ROMA trainer as it relates to the planning and implementation of programs.	
13.4. Eligible Entity Use of Data: Describe how is the state plan to validate the eligible entities that are using data to improve service delivery?	
<i>Note: This response will also link to the corresponding assurance, Item 14.12.</i>	
To accomplish anti-poverty goals, the State requires CSBG funds be used for projects having a measurable and potentially major impact on the causes of poverty in the local community using a Community Action Plan. During the review of eligible entities Community Action Plans, OEO compares projected target data to final results of the previous years' service delivery performance. Agencies are encouraged to set attainable goals based on need, agency capacity and funds. OEO monitors service delivery data during annual monitoring and by reviewing eligible entities monthly and quarterly program and fiscal reports.	
Community Action Plans and Needs Assessments	
13.5. Community Action Plan: Describe how the state will secure a Community Action Plan from each eligible entity, as a condition of receipt of CSBG funding by each entity, as required by Section 676(b)(11) of the CSBG Act.	
<i>Note: this response will link to the corresponding assurance, Item 14.11.</i>	
To accomplish anti-poverty goals, yet allow for maximum flexibility among agencies in meeting locally identified needs, the State shall require that CSBG funds be used for projects having a measurable and potentially major impact on the causes of poverty in the local community using a Community Action Plan which shall include: 1. a current community needs assessment; 2. a description of the service delivery system targeted to low-income individuals and families in the service area; 3. a description of how linkages, to the maximum extent possible, will be developed with other organizations including faith-based, charitable groups, and community organizations to fill identified gaps in services through information, comprehensive case management, and follow-up consultations; 4. a description of how funding under the Act will be coordinated with other public and private resources; and 5. a description of outcome measures to be used to evaluate success in promoting self-sufficiency, family stability and community revitalization. The State will secure and approve a Community Action Plan from each eligible entity, as a condition of funding.	

13.6. Community Needs Assessment:

Describe how the State will assure that each eligible entity includes a community needs assessment for the community served (which may be coordinated with community needs assessments conducted by other programs) in each entity's Community Action Plan, as required by [Section 676\(b\)\(11\)](#) of the CSBG Act.

Note: this response will link to the corresponding assurance, Item 14.11.

As a condition of funding, eligible entities are contractually required to conduct a comprehensive needs assessment every three years. While a comprehensive assessment is required every three years, an updated assessment may be submitted the following two years, as needed. The current needs assessment should identify the need and community involvement and should avoid duplication of services when possible, also identified in the entity's Community Action Plan.

Section 14: CSBG Programmatic Assurances and Information Narrative

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Community Services Block Grant (CSBG)

Form Approved
OMB No: 0970-0382
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SECTION 14 State Use of Funds

14.1 Use of Funds Supporting Local Activities

CSBG Services

14.1a. 676(b)(1)(A): Describe how the state will assure "that funds made available through grant or allotment will be used -

(A) to support activities that are designed to assist low-income families and individuals, including families and individuals receiving assistance under title IV of the Social Security Act, homeless families and individuals, migrant or seasonal farm workers, and elderly low-income individuals and families, and a description of how such activities will enable the families and individuals--

(i) to remove obstacles and solve problems that block the achievement of self sufficiency (particularly for families and individuals who are attempting to transition off a State program carried out under part A of title IV of the Social Security Act);

(ii) to secure and retain meaningful employment;

(iii) to attain an adequate education with particular attention toward improving literacy skills of the low-income families in the community, which may include family literacy initiatives;

(iv) to make better use of available income;

(v) to obtain and maintain adequate housing and a suitable living environment;

(vi) to obtain emergency assistance through loans, grants, or other means to meet immediate and urgent individual and family needs;

(vii) to achieve greater participation in the affairs of the communities involved, including the development of public and private grassroots partnerships with local law enforcement agencies, local housing authorities, private foundations, and other public and private partners to -

(I) document best practices based on successful grassroots intervention in urban areas, to develop methodologies for widespread replication; and

(II) strengthen and improve relationships with local law enforcement agencies, which may include participation in activities such as neighborhood or community policing efforts;

Funds will be made available by way of contractual agreements with eligible entities to coordinate with other public and private resources and may be used to support innovative community and neighborhood-based initiatives with the goal of strengthening families. Services shall seek to promote social and economic self-sufficiency through the acquisition and development of knowledge, skills and abilities that will enable low-income individuals to effectively respond to and manage those life circumstances that negatively impact their well-being and accomplishment of life goals. Through the strengthening of individual and family competencies, services shall enable low-income persons to mobilize the resources and support necessary to deal with existing problems, needs and future aspirations. In accordance with the needs of their local community based on a needs assessment, OEO will monitor activities approved with the submission of each entity's Community Action Plan.

Needs of Youth

14.1b. 676(b)(1)(B) Describe how the state will assure "that funds made available through grant or allotment will be used -

(B) to address the needs of youth in low-income communities through youth development programs that support the primary role of the family, give priority to the prevention of youth problems and crime, and promote increased community coordination and collaboration in meeting the needs of youth, and support development and expansion of innovative community-based youth development programs that have demonstrated success in preventing or reducing youth crime, such as--

(i) programs for the establishment of violence-free zones that would involve youth development and intervention models (such as models involving youth mediation, youth mentoring, life skills training, job creation, and entrepreneurship programs); and

(ii) after-school child care programs;

Funds will be made available by way of contractual agreements to facilitate the State's goal of creating innovative approaches to address the issues of poverty, the State awarded five percent (5%) of the CSBG allocation to community action agencies and the state association for discretionary projects to include the statewide youth leadership project. In accordance with the needs of their local community based on a needs assessment, OEO will monitor activities approved with the submission of each entity's Community Action Plan.

Coordination of Other Programs

14.1c. 676(b)(1)(C) Describe how the state will assure "that funds made available through grant or allotment will be used -

(C) to make more effective use of, and to coordinate with, other programs related to the purposes of this subtitle (including state welfare reform efforts)

Eligible entities are required to submit to OEO a Community Action Plan that includes a description of how the agency will establish and/or maintain linkages. Memorandums of Understanding (MOUs) and letters of support echo the relationships developed with local entities to fill identified gaps in services. Funds made available by way of contractual agreements to eligible entities will be coordinated with other public and private resources and may be used to support innovative community and neighborhood-based initiatives with the goal of strengthening families. In accordance with the needs of their local community based on a needs assessment, OEO will monitor activities approved with the submission of each entity's Community Action Plan.

State Use of Discretionary Funds

14.2 676(b)(2) Describe "how the state intends to use discretionary funds made available from the remainder of the grant or allotment described in section 675C(b) in accordance with this subtitle, including a description of how the state will support innovative community and neighborhood-based initiatives related to the purposes of this subtitle."

Note: The State describes this assurance under "State Use of Funds: Remainder/Discretionary," items 7.9 and 7.10

Eligible Entity Service Delivery, Coordination, and Innovation

14.3. 676(b)(3) "Based on information provided by eligible entities in the state, a description of..."

14.3a. 676(b)(3)(A) Describe "the service delivery system, for services provided or coordinated with funds made available through grants made under 675C(a), targeted to low-income individuals and families in communities within the state;

Eligible entities are required to submit to OEO a Community Action Plan that includes a description of how the agency will establish and/or maintain linkages. Memorandums of Understanding (MOUs) and letters of support echo the relationships developed with local entities to fill identified gaps in services. Funds made available to eligible entities will be coordinated with other public and private resources and may be used to support innovative community and neighborhood-based initiatives with the goal of strengthening families. In accordance with the needs of their local community based on a needs assessment, OEO will monitor activities approved with the submission of each entity's Community Action Plan.

Eligible Entity Linkages - Approach to Filling Service Gaps

14.3b. 676(b)(3)(B) Describe "how linkages will be developed to fill identified gaps in the services, through the provision of information, referrals, case management, and followup consultations."

Note: The state describes this assurance in the state linkages and communication section, item 9.3b.

Eligible entities are required to submit to OEO a Community Action Plan that includes a description of how the agency will establish and/or maintain linkages per Section 675(b) (5). Eligible entities develop linkages to fill identified gaps in services through the provision of information, referrals, case management and follow-up consultations. Some eligible entities develop linkages with local private organizations, such as financial institutions, to develop individual savings and money management programs. Others contract with local non-profit agencies to provide specific services not offered by the Subgrantee, such as food banks, job training and education programs. While some partnerships are informal, others operate under Memorandums of Understanding (MOUs).

Coordination of Eligible Entity Allocation 90 Percent Funds with Public/Private Resources

14.3c. 676(b)(3)(C) Describe how funds made available through grants made under 675C(a) will be coordinated with other public and private resources."

Note: The state describes this assurance in the state linkages and communication section, item 9.7.

A total of ninety percent (90%) of the State's total CSBG allocation shall be awarded through grants for the purpose of implementing anti-poverty projects to address CSBG legislative goals as set forth in Section 675(C)(1) and Section 672 of the Act. The State will use not less than ninety percent (90%) of the funds allocated under section 674 of the Act to make grants to eligible entities, as defined in Section 673(1). Funds under this assurance will be allocated to local initiative projects by eligible entities to meet Outcome Statement 1, and to fund emergencies as described in Outcome Statement 2 of this plan. At the local level, eligible entities work in partnership with a variety of groups, organizations, and institutions outlined in their annual Community Action Plans. OEO will verify the coordination of funds during monitoring.

Eligible Entity Innovative Community and Neighborhood Initiatives, Including Fatherhood/Parental Responsibility

14.3d. 676(b)(3)(D) Describe "how the local entity will use the funds [made available under Section 675C(a)] to support innovative community and neighborhood-based initiatives related to the purposes of this subtitle, which may include fatherhood initiatives and other initiatives with the goal of strengthening families and encouraging parenting."

Note: The description above is about eligible entity use of 90 percent funds to support these initiatives. States may also support these types of activities at the local level using State remainder/discretionary funds, allowable under Section 675C(b)(1)(F). In this State Plan, the State indicates funds allocated for these activities under item 7.9(f).

Eligible entities are required to submit to OEO a Community Action Plan that includes a description of how the agency will establish and/or maintain linkages. Memorandums of Understanding (MOUs) and letters of support echo the relationships developed with local entities to fill identified gaps in services. Funds made available to eligible entities will be coordinated with other public and private resources and may be used to support innovative community and neighborhood-based initiatives with the goal of strengthening families. In accordance with the needs of their local community based on a needs assessment, OEO will monitor activities approved with the submission of each entity's Community Action Plan.

Eligible Entity Emergency Food and Nutrition Services

14.4. 676(b)(4) Describe how the state will assure "that eligible entities in the state will provide, on an emergency basis, for the provision of such supplies and services, nutritious foods, and related services, as may be necessary to counteract conditions of starvation and malnutrition among low-income individuals."

The coordination of Emergency Energy Crisis programs will be carried out at the local level and approved by the Office of Economic Opportunity. As the State administering agency for the Community Services Block Grant Programs, the OEO shall, through grants with Subgrantees, require a cross-referral of participants in the above-mentioned program to further provide the opportunity for eligible households to participate in these and other agency services for comprehensive case management to enhance client outcomes. Eligible entities are required to provide a description of how they will provide energy crisis services through their annual Community Action Plan. OEO will assure coordination of services during monitoring.

State and Eligible Entity Coordination/linkages and Workforce Innovation and Opportunity Act Employment and Training Activities

14.5. 676(b)(5) Describe how the state will assure "that the state and eligible entities in the state will coordinate, and establish linkages between,

governmental and other social services programs to assure the effective delivery of such services, and [describe] how the State and the eligible entities will coordinate the provision of employment and training activities, as defined in section 3 of the Workforce Innovation and Opportunity Act, in the state and in communities with entities providing activities through statewide and local workforce development systems under such Act."

Note: The state describes this assurance in the state linkages and communication section, items 9.1, 9.2, 9.3a, 9.4, 9.4a, and 9.4b.

State Coordination/Linkages and Low-income Home Energy Assistance

14.6. 676(b)(6) Provide "an assurance that the state will ensure coordination between antipoverty programs in each community in the state, and ensure, where appropriate, that emergency energy crisis intervention programs under title XXVI (relating to low income home energy assistance) are conducted in such community."

Note: The state describes this assurance in the state linkages and communication section, items 9.2 and 9.5.

Federal Investigations

14.7. 676(b)(7) Provide "an assurance that the state will permit and cooperate with Federal investigations undertaken in accordance with [section 678D](#)." **Yes**

Note: The state addresses this assurance in the Fiscal Controls and Monitoring section, item 10.13.

Funding Reduction or Termination

14.8. 676(b)(8) Provide "an assurance that any eligible entity in the state that received funding in the previous fiscal year through a community services block grant made under this subtitle will not have its funding terminated under this subtitle, or reduced below the proportional share of funding the entity received in the previous fiscal year unless, after providing notice and an opportunity for a hearing on the record, the state determines that cause exists for such termination or such reduction, subject to review by the Secretary as provided in [section 678C\(b\)](#)." **Yes**

Note: The state addresses this assurance in the Fiscal Controls and Monitoring section, item 10.7.

Coordination with Faith-based Organizations, Charitable Groups, Community Organizations

14.9. 676(b)(9) Describe how the state will assure "that the state and eligible entities in the state will, to the maximum extent possible, coordinate programs with and form partnerships with other organizations serving low-income residents of the communities and members of the groups served by the state, including religious organizations, charitable groups, and community organizations."

Note: The state describes this assurance in the state Linkages and Communication section, item 9.6.

Eligible Entity Tripartite Board Representation

14.10. 676(b)(10) Describe how "the state will require each eligible entity in the state to establish procedures under which a low-income individual, community organization, or religious organization, or representative of low-income individuals that considers its organization, or low-income individuals, to be inadequately represented on the board (or other mechanism) of the eligible entity to petition for adequate representation."

Note: The state describes this assurance in the Eligible Entity Tripartite Board section, 11.3.

To serve as the area's designated eligible entity, an entity shall agree to add additional members to the board of the entity to ensure adequate representation. Agency policies will be reviewed with the submission of each subgrantee's annual application. Actual representation will be verified during monitoring and through the periodic review of agency's board roster, composition forms and meeting minutes.

Eligible Entity Community Action Plans and Community Needs Assessments

14.11. 676(b)(11) Provide "an assurance that the state will secure from each eligible entity in the services block grant made under this subtitle for a program, a community action plan (which shall be submitted to the Secretary, at the request of the Secretary, with the State plan) that includes a community-needs assessment for the community served, which may be coordinated with community-needs assessments conducted for other programs."

Note: The state describes this assurance in the ROMA section, items 13.5 and 13.6.

State and Eligible Entity Performance Measurement: ROMA or Alternate system

14.12. 676(b)(12) Provide "an assurance that the state and all eligible entities in the State will, not later than fiscal year 2001, participate in the Results Oriented Management and Accountability System, another performance measure system for which the Secretary facilitated development pursuant to [678E\(b\)](#), or an alternative system for measuring performance and results that meets the requirements of that section, and [describe] outcome measures to be used to measure eligible entity performance in promoting self-sufficiency, family stability, and community revitalization."

Note: The state describes this assurance in the ROMA section, items 13.1, 13.2, 13.3, and 13.4.

Validation for CSBG Eligible Entity Programmatic Narrative Sections

14.13. 676(b)(13) Provide "information describing how the state will carry out the assurances described in this section."

Note: The state provides information for each of the assurances directly in section 14 or in corresponding items throughout the State Plan, which are included as hyperlinks in section 14.



By checking this box, the state CSBG authorized official is certifying the assurances set out above.

Section 15: Federal Certifications

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Community Services Block Grant (CSBG)

Form Approved
OMB No:0970-0382
Expires:06/30/2021

SECTION 15 Federal Certifications

15.1. CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The box after each certification must be checked by the state CSBG authorized official.

15.1. Lobbying

After assurance select a check box:



By checking this box, the state CSBG authorized official is providing the certification set out above.

15.2. CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

This certification is required by the regulations implementing the Drug-Free Workplace Act of 1988: 45 CFR Part 76, Subpart, F. Sections 76.630(c) and (d)(2) and 76.645 (a)(1) and (b) provide that a Federal agency may designate a central receipt point for STATE-WIDE AND STATE AGENCY-WIDE certifications, and for notification of criminal drug convictions. For the Department of Health and Human Services, the central point is: Division of Grants Management and Oversight, Office of Management and Acquisition, Department of Health and Human Services, Room 517-D, 200 Independence Avenue, SW Washington, DC 20201.

Certification Regarding Drug-Free Workplace Requirements (Instructions for Certification)

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification set out below.
2. The certification set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the agency, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. For grantees other than individuals, Alternate I applies.
4. For grantees who are individuals, Alternate II applies.
5. Workplaces under grants, for grantees other than individuals, need to be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or state highway department while in operation, state employees in each local unemployment office, performers in concert halls or radio studios).
7. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).
8. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

Controlled substance means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

Conviction means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the federal or state criminal drug statutes;

Criminal drug statute means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

Employee means the employee of a grantee directly engaged in the performance of work under a

grant, including: (i) All direct charge employees; (ii) All indirect charge employees unless their impact or involvement is insignificant to the performance of the grant; and, (iii) Temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

Certification Regarding Drug-Free Workplace Requirements

Alternate I. (Grantees Other Than Individuals)

The grantee certifies that it will or will continue to provide a drug-free workplace by:

(a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

(b) Establishing an ongoing drug-free awareness program to inform employees about--

(1) The dangers of drug abuse in the workplace;

(2) The grantee's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

(c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);

(d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will - -

(1) Abide by the terms of the statement; and (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

(e) Notifying the agency in writing, within 10 calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

(f) Taking one of the following actions, within 30 calendar days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted - -

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency;

(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

Check if there are workplaces on file that are not identified here.

Alternate II. (Grantees Who Are Individuals)

(a)The grantee certifies that, as a condition of the grant, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant;

(b)If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, he or she will report the conviction, in writing, within 10 calendar days of the conviction, to every grant officer or other designee, unless the Federal agency designates a central point for the receipt of such notices. When notice is made to such a central point, it shall include the identification number(s) of each affected grant.

[55 FR 21690, 21702, May 25, 1990]

15.2. Drug-Free Workplace Requirements

After assurance select a check box:



By checking this box, the state CSBG authorized official is providing the certification set out above.

15.3. CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

Certification Regarding Debarment, Suspension, and Other Responsibility Matters - - Primary Covered Transactions

Instructions for Certification

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.

6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusive-Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

Certification Regarding Debarment, Suspension, and Other Responsibility Matters - - Primary Covered Transactions

(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (federal, state or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

**Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - -
Lower Tier Covered Transactions**

Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other

3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.

4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph five of these instructions,

if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - - Lower Tier Covered Transactions

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

15.3. Debarment

After assurance select a check box:



By checking this box, the state CSBG authorized official is providing the certification set out above.

15.4. CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103227, Part C Environmental Tobacco Smoke, also known as the Pro Children Act of 1994, requires that smoking not be permitted in any portion of any indoor routinely owned or leased or contracted for by an entity and used routinely or regularly for provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through state or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1000 per day and/or the imposition of an administrative compliance order on the responsible entity by signing and submitting this application the applicant/grantee certifies that it will comply with the requirements of the Act.

The applicant/grantee further agrees that it will require the language of this certification be included in any subawards which contain provisions for the children's services and that all subgrantees shall certify accordingly.

15.4. Environmental Tobacco Smoke

After assurance select a check box:



By checking this box, the state CSBG authorized official is providing the certification set out above.

THE PAPERWORK REDUCTION ACT OF 1995 (Pub. L. 104-13)

Public reporting burden for this collection of information is estimated to average 10 hours per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

List of Cell Level Attachments

	File Name	Location
1	Miller_ 2020 State Model P Lan.pdf	Section 1: CSBG Lead Agency, CSBG Authorized Official, CSBG Point of Contact, and Official State Designation Letter CSBG designation letter. A new designation letter is required if the chief executive officer of the state and/or the designated agency has changed.
2	McMaster_ 2020 CSBG.pdf	Section 1: CSBG Lead Agency, CSBG Authorized Official, CSBG Point of Contact, and Official State Designation Letter CSBG designation letter. A new designation letter is required if the chief executive officer of the state and/or the designated agency has changed.
3	Public Hearing_ The State Newspaper _Receipt of Advertisement.pdf	Section 4: CSBG Hearing RequirementsÂ documentation or a hyperlink for the public and legislative hearings.
4	2020 Public Hearing Sign In Sheet 8.9.19.pdf	Section 4: CSBG Hearing RequirementsÂ documentation or a hyperlink for the public and legislative hearings.
5	FY 2020 Public Hearing Transcript. pdf	Section 4: CSBG Hearing RequirementsÂ documentation or a hyperlink for the public and legislative hearings.
6	Fiscal Guidance and Procedural Manual April 2019.pdf	Section 10: Monitoring, Corrective Action, and Fiscal Controls 10.2. Monitoring Policies: Provide a copy of state monitoring policies and procedures by attaching and/or providing a hyperlink.
7	OEO State Guide to Monitoring Protocol .pdf	Section 10: Monitoring, Corrective Action, and Fiscal Controls 10.2. Monitoring Policies: Provide a copy of state monitoring policies and procedures by attaching and/or providing a hyperlink.



Henry McMaster, Governor
Marcia S. Adams, Executive Director

OFFICE of ECONOMIC OPPORTUNITY
James Miller, Director
1205 Pendleton Street, Suite 349
Columbia, SC 29201
803.734.0662
803.734.0356 Fax

July 10, 2019

Mr. Clarence H. Carter
Acting Director of the Office of Community Services
Administration for Children and Families
U.S. Department of Health and Human Services
370 L'Enfant Promenade, S.W.
Washington, D.C. 20447

Dear Mr. Carter,

I, James Miller, Director of South Carolina's Department of Administration Office of Economic Opportunity delegate my authority to the Senior Manager to certify the assurances outlined in the Community Services Block Grant and Low-Income Home Energy Assistance Program, as amended, and otherwise perform all necessary functions to properly administer the Community Services Block Grant and Low-Income Home Energy Assistance Program except for signing for grant funds.

If you have any questions or concerns, please contact me at your earliest convenience. I may be reached at (803) 734-0425 or by email at james.miller@admin.sc.gov.

Sincerely,

James E. Miller
Director



HENRY McMASTER
GOVERNOR

July 3, 2019

Mr. Clarence H. Carter
Acting Director of the Office of Community Services
Administration for Children and Families
U.S. Department of Health and Human Services
370 L'Enfant Promenade, S.W.
Washington, D.C. 20447

Dear Mr. Carter,

I hereby designate Mr. James E. Miller, Director of the Office of Economic Opportunity, to sign South Carolina's annual application and certifications for the Community Services Block Grant (CSBG). Mr. Miller is authorized to sign assurances and to administer the 2020 CSBG in the State of South Carolina.

Thank you for your time and consideration. If you have any questions, please contact Mr. Miller at 803.734.0425.

Yours very truly,

A handwritten signature in blue ink, which appears to read "Henry McMaster".

Henry McMaster

cc: Mr. James Miller, Director, Office of Economic Opportunity

HM/II

Order Confirmation

Customer

SC DEPARTMENT OF ADMINISTRATION

Customer Account

130836

Customer Address

1200 SENATE ST STE 409
COLUMBIA SC 29201 USA

Customer Phone

803-737-0500

Customer Fax

Sales Rep

jjeffries@charlotteobserver

Payor Customer

SC DEPARTMENT OF ADMINISTRATION

Payor Account

130836

Payor Address

1200 SENATE ST STE 409
COLUMBIA SC 29201 USA

Payor Phone

803-737-0500

Customer EMail

kem.williams@admin.sc.gov

Order Taker

tpennington@charlotteobserver

<u>PO Number</u>	<u>Payment Method</u>	<u>Blind Box</u>	<u>Tear Sheets</u>	<u>Proofs</u>	<u>Affidavits</u>
Sandra Edmond	Check		0	0	1

<u>Net Amount</u>	<u>Tax Amount</u>	<u>Total Amount</u>	<u>Payment Amount</u>	<u>Amount Due</u>
\$1,627.71	\$0.00	\$1,627.71	\$0.00	\$1,627.71

<u>Ad Order Number</u>	<u>Order Source</u>	<u>Ordered By</u>	<u>Special Pricing</u>
0004316341		Sandra Edmond	
			<u>Promo Type</u>
			<u>Materials</u>

Invoice Text
Public Hearing 8/9

Package Buy

Ad Order Information

Ad Number **Ad Type** **Production Method** **Production Notes**
0004316341-01 COL-Legal-Liner AdBooker

External Ad Number **Ad Attributes** **Ad Released** **Pick Up**
 No 0003793882

Ad Size **Color**
1 X 102 li

Product **Placement** **Times Run** **Schedule Cost**
COL- The State 0300 - Legals Classified 3 \$1,612.71

Run Schedule Invoice Text **Position**
NOTICE OF PUBLIC HEARING A combined Publ 0301 - Legals & Public Notices

Run Dates
08/06/2019, 08/07/2019, 08/08/2019

Product **Placement** **Times Run** **Schedule Cost**
COL-upsell.ST.com 0300 - Legals Classified 7 \$15.00

Run Schedule Invoice Text **Position**
NOTICE OF PUBLIC HEARING A combined Publ 0301 - Legals & Public Notices

Run Dates
08/06/2019, 08/07/2019, 08/08/2019, 08/09/2019, 08/10/2019, 08/11/2019, 08/12/2019

NOTICE OF PUBLIC HEARING

A combined Public Hearing, as required by the Community Services Block Grant (Section 676(a)(3)) and the Low-Income Home Energy Assistance Program (Section 2605(a)(2) and 2605(b)(12)), will be conducted by the Office of Economic Opportunity in the Edgar A. Brown Building, 1205 Pendleton Street, Room 364, Columbia, South Carolina, at 10 a.m., Friday, Aug. 9, 2019. At that time, public comments will be received on the proposed 2020 State Plans for CSBG and the LIHEAP Block Grants.

The U.S. Department of Health and Human Services (HHS), Administration for Children and Families, Office of Community Services administers the CSBG Program and the USHHS Division of Energy Assistance administers the LIHEAP Program. Federal governing regulations for CSBG are P.L. 105-285 and the Community Services Block Grant (42 U.S.C. 9901 et seq.), as amended; and for LIHEAP, the Low-Income Home Energy Assistance Act, Title XXVI of the Omnibus Budget Reconciliation Act of 1981, P.L. 97-35, as amended and more recently, the 2005 Energy Policy Act.

The CSBG State Plan identifies the state's intent to fund local community initiatives and statewide programs designed to reduce poverty, increase self-sufficiency and revitalize low-income communities. The plan provides eligibility requirements, benefit levels and the projected program allocation.

The LIHEAP State Plan outlines eligibility requirements, benefit levels and the projected funds for each category of LIHEAP assistance. LIHEAP funds are used to assist eligible households with home energy costs, energy crisis intervention and low-cost residential weatherization.

The proposed CSBG and LIHEAP 2020 State Plans are available and may be reviewed at the main office of each of the Community Action Agencies located throughout the state of South Carolina or at the Office of Economic Opportunity, 1205 Pendleton Street, Columbia, South Carolina.

Persons desiring to submit comments on the CSBG and/or the LIHEAP 2020 State Plans may do so in writing before this hearing. Comments may be mailed or hand-delivered to the Office of Economic Opportunity at the above-mentioned address. Comments on the 2020 CSBG and LIHEAP State Plans should be directed to Senior Manager Kelly Buckson.
4316341

South Carolina Office of Economic Opportunity
Public Hearing for PY 2020 CSBG and LIHEAP State Plans

Friday, August 9, 2019 | 10:00 AM
 Edgar A. Brown Building 1205 Pendleton Street, Suite 364 Columbia, SC 29201

NAME	AGENCY	TITLE	EMAIL
Kimberly Cosare	OEO		kimberly.cosare@admin.sc.gov
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South Carolina Office of Economic Opportunity
Public Hearing for PY 2020 CSBG and LIHEAP State Plans

Friday, August 9, 2019 | 10:00 AM
 Edgar A. Brown Building 1205 Pendleton Street, Suite 364 Columbia, SC 29201

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**FY 2020 Community Services Block Grant (CSBG) and
Low-Income Home Energy Assistance Program (LIHEAP) Public Hearing Transcript**

Good morning and thank you for participating in the combined FY 2020 Community Services Block Grant program and the Low-Income Home Energy Assistance Program Block Grant Public Hearing. This hearing is required by Federal legislation.

For the record today is Friday, August 9, 2019, and it is 10:00 AM. This hearing is being held in Room 364 of the Edgar Brown Office Building, located at 1205 Pendleton Street in Columbia, SC. This Public Hearing is being conducted by the SC Department of Administration Office of Economic Opportunity.

I am Kelly Buckson, Senior manager of CSBG and LIHEAP grants with the Office of Economic Opportunity. Buckson acknowledged the presence of OEO staff and guests attending the hearing (attendees also referenced in the Public Hearing sign-in sheet attached).

Each Community Action agency and the State Association were provided copies of both plans on May 9, 2019 and were afforded the opportunity to submit comments and edits. The announcement of today's combined Public Hearing was communicated to subgrantees on June 27, July 9 and again on August 7, 2019.

As required, a notice appeared in The State newspaper on Tuesday, August 6 through Thursday, August 8, 2019 announcing today's hearing. Any additional comments and/or questions may be expressed here today.

The mission of the Office of Economic Opportunity is to address the needs of the economically and socially disadvantaged citizens of SC. At this time, I will provide an overview of the Community Service Block Grant.

South Carolina operates a statewide anti-poverty program in accordance with the Community Services Block Grant (CSBG) Act through funds allocated by the US Department of Health and Human Services. These funds were first made available in 1982 and are expected to continue to be available through FY 2020. **SECTION 58-37-50 of SC's code of laws** names Community Action Agencies as the exclusive administrator of CSBG, LIHEAP and Weatherization programs.

In FY 2019, the State received a CSBG award totaling \$10,988,881. The projected allocation for FY 2020 is \$10,000,000 based on the 2019 award. Funds will be distributed to the community

action agencies responsible for serving each of the counties in their service area. Currently, each of the 46 counties in SC is being served.

CSBG is flexible in that it allows agencies to assess the overall needs of the communities they serve and then offer various types of assistance intended to encourage low-income families and individuals toward self-sufficiency. To be income eligible for CSBG assistance, the total household income cannot exceed 125% of the Federal Poverty Guidelines.

1. In accordance with the CSBG Act, 90% of the funds will be used to fund general emergency assistance programs and local initiative projects which address the anti-poverty goals and may include projects in the areas of employment, education, income management, housing, nutrition or other areas which contribute to poverty.
2. The State's Discretionary projects will be funded up to 5% totaling \$500,000 of the CSBG allocation. Discretionary funds totaling \$350,000 will be used by the community action agencies for the purpose of supporting locally-operated youth leadership programs targeting low-income youth.

Utilizing CSBG Discretionary dollars, OEO also funds the State Association which was awarded \$185,000 in 2019.

3. The final 5% of the total allocation is retained by the State for Administration.

The 2010 Census Data, which was identified from the 2010 American Community Survey, is being used to determine county allocations based upon the number of low-income households in each county as compared to the state's total poverty population.

The Community Services Block Grant shall be coordinated with other human service and faith-based agencies and units of local government to better address the total needs of eligible customers and to hopefully avoid and, at a minimum, reduce assistance duplication.

The Results-Oriented Management & Accountability concept for reporting program outcomes will continue during FY 2020, as mandated by Federal legislation. And South Carolina Community Action Agencies will continue to implement the 58 Organizational Standards established by the Center of Excellence, as required by HHS.

For LIHEAP the total projected award for FY 2020 is \$45,000,000 based on South Carolina's FY 2019 award of \$45,497,728. Funding and programs are again provided through a network of community action agencies that serve eligible households throughout the state's 46 counties.

LIHEAP is designed to assist eligible households with home heating and cooling needs through the provision of energy assistance, home weatherization and intervention with energy providers. Income eligibility for assistance under this plan will be limited to households whose total gross monthly income does not exceed 150% of the Federal Poverty Income Guidelines which is published in the Federal Register. OEO allocates LIHEAP funds based upon the number of low-income households in each county as compared to the state's total poverty population.

The goals of LIHEAP for the 2020 Program Year are to expand outreach to previously un-served households, target energy assistance to eligible households with the highest energy needs and lowest incomes, increase energy efficiency, and identify resources to broaden the reach of LIHEAP funds.

In 2020, in coordination with the Community Services Block Grant and the Weatherization Assistance Program, LIHEAP will continue to support individuals in achieving energy self-sufficiency.

There are two components of LIHEAP. The first component provides a non-emergency Direct Assistance benefit. The second addresses residential heating and cooling emergencies within 18 to 48 hours, as required by federal statute. The state allows each household to receive up to two services during the program year.

- The Direct Assistance maximum benefit will remain at \$750
- The Emergency Crisis Intervention Program will remain at a maximum of \$1,000
- Where a crisis is identified, home heating/cooling window units may be purchased up to \$700 per unit, at a maximum of two units per household, to sustain the winter cold or summer heat.

Please note these limits are subject to change depending on the state's final allocations and need.

To help supplement the LIHEAP program, Project Share is private dollars funded by Dominion Energy, Duke Energy and Piedmont Natural Gas. Project Share funds must be used in accordance with LIHEAP or rules established by the individual vendor, and only in the counties in which these vendors offer service.

The State of South Carolina allocates up to 15% of LIHEAP funds to supplement the Weatherization Assistance Program which is funded by the US Department of Energy.

South Carolina's CSBG and LIHEAP 2020 Program Year will operate on the calendar year from January 1 through December 31.

Please be aware that this plan is a working document and may be amended anytime during the Program Year. If this happens, an amendment will be submitted to US HHS, the Federal awarding agency and once approval is given, this office will make the Community Action Agencies aware of any changes.

2020 State plans are due to HHS, no later than September 1, 2019. OEO subgrantees, to include the State Association, are required to submit Community Action Plans for both CSBG and LIHEAP, electronically through the statewide database no later than 5:00 PM on Friday, August 30, 2019. Subgrantee Community Action Plans are required prior to receiving a grant award.

At this time, we will acknowledge comments submitted and any additional updates to be made to the 2020 CSBG and LIHEAP State Plans:

OEO did receive a comment from Ms. Mary Lynne Diggs who represents South Carolina's Head Start Collaboration Office, encouraging the OEO to include the 2020 census initiative as part of its goals in the CSBG State Plan. OEO will encourage its State Association and the Community Action network to develop Complete Count Committees to increase awareness of and to support residents to respond to the 2020 Census. Count committees are instrumental in planning for and supporting participation for hard-to-count populations which include households with low-incomes, renters, rural populations, single-parent head of households, and ethnic or minority populations.

Are there any additional questions or comments at this time?

Mr. Arnold Collins, Executive Director of Palmetto Community Action Partnership wanted it to be entered in the record that the state (of South Carolina) has a coalition of 55 different agencies made up of private and non-profits to help with the census. He asked OEO to advocate on behalf of South Carolina's Community Action network to get connected to that coalition for reasons indicated by Mary Lynne. Mr. Collins said, "I would like for us to be publicly known for working with this initiative."

OEO acknowledged the presence of South Carolina's State Association (SCACAP). Kelly Buckson recognized them as the proper entity to advocate and take the lead on making South Carolina's CAA network part of the coalition.

No further comments were made.

Kelly Buckson said proposed comments and edits will be considered prior to the submission of South Carolina's 2020 State Plans due to HHS September 1. Once approved by HHS, OEO will distribute the final State Plans to the network.

The FY 2020 CSBG and LIHEAP State Plans Public Hearing adjourned at 10:14 AM.

FISCAL GUIDANCE AND PROCEDURAL MANUAL

(April 2019)

Office of Economic Opportunity
1205 Pendleton Street, Suite 349
Columbia, SC 29201



1. Purpose. The Fiscal Guidance and Procedural Manual (manual) serves to document fiscal requirements and provide guidance to Subgrantees of federal grants administered by the Office of Economic Opportunity (OEO). Every effort has been made to ensure the accuracy of the material in this manual; however, if any discrepancy exists between the language in this manual and in any applicable statute, regulation, or policy issuance, please contact OEO for clarification. This manual establishes general and uniform standards for budgeting, financial reporting, procurement, grant compliance, internal controls, disposal of property and fiscal monitoring. This manual in conjunction with each grant's state plan, grant agreement, work plan, budget and/or all relevant federal and state statutes and regulations will apply to all OEO administered grants. OEO administers the following grants:
 - Community Services Block Grant (CSBG) made available under public law 106-133;
 - Low Income Home Energy Assistance program (LIHEAP) made available under Public Law 105-78;
 - Weatherization Assistance Program (WAP) established under Title IV of the Energy Conservation and Production Act and amended by the National Energy Conservation Policy Act, the Energy Security Act, the Human Services Reauthorization Act of 1984, and the State Energy Efficiency Programs Improvement Act of 1990;
 - Emergency Solutions Grants Program (ESGP) authorized by Subtitle B of Title IV of the McKinney-Vento Homeless Assistance Act, 42 USC 11301 (1988); and
 - Project Share funds.
2. Supersession. This manual supersedes all previous policy and procedural manuals distributed by OEO.
3. Applicability and Inclusion of Documents. All Subgrantees are required to adhere to the guidance set forth in this manual in conjunction with all federal, state and local regulations as it relates to each grant and executed grant agreement. Subgrantees shall also refer to the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost and Audit Requirements for Federal Awards, codified at 2 CFR Part 200 and made a part of this manual by reference.

The U.S. Department of Health and Human Services adopted and codified the Omni Circular at 45 CFR Part 75. The U.S. Department of Energy (DOE) adopted the Omni Circular (see 2 CFR §910), but also chose to expand the definition of non-Federal entity to include for-profit organizations. Regulations specific to for-profit organizations found at 10 CFR part 600 remain applicable to for-profit entities. The U.S. Department of Housing and Urban Development (HUD) adopted 2 CFR Part 200, see 2 CFR §2400.101 and 24 CFR §84.1.

4. Contact Information. If you have any questions or concerns regarding this manual, please contact OEO at 1205 Pendleton Street, Columbia, SC 29201. Other contact information: phone number (803) 734-0662, web address <http://o eo.sc.gov/>.
5. Effective Date. The guidance and procedures established in this manual will become effective April 2019.

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I. DEFINITIONS

- 1) **Accrued expenditures** are charges incurred by the Subgrantee during a given period requiring the provision of funds for: 1) goods and other tangible property received; 2) services performed by employees, contractors, Subgrantees, and other payees; and 3) other amounts becoming owed under programs for which no current services or performance is required.
- 2) **Acquisition cost** is the net invoice price plus any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable. Taxes, transit insurance, freight and installation may be included or excluded in accordance with the Subgrantee's capitalization policy. (2 CFR § 200.2, 45 CFR § 75.2)
- 3) **Actual budget** refers to the actual federal award for the current program year and any re-allocated prior program year unexpended funds.
- 4) **Applicable credits** are those receipts, or reduction of expenditures which operate to offset or reduce expense items that are allocable to awards as direct or indirect costs. Typical examples of such transactions are purchase discounts, rebates, or allowances, recoveries or indemnities on losses, insurance refunds, and adjustments of overpayments or erroneous charges. To the extent that such credits accruing or received by the Subgrantee relate to allowable cost, they shall be credited to the federal government either as a cost reduction or cash refund, as appropriate. (2 CFR § 200.406, 45 CFR § 75.406)
- 5) **Application budget** is the projected funding based on the prior program year's actual federal award used to develop the Subgrantee's initial budget.
- 6) **Award** means financial assistance that provides support or stimulation to accomplish a public purpose. Awards include grants and other agreements in the form of money or property in lieu of money, by the federal government to an eligible recipient. The term does not include technical assistance, which provides services instead of money; other assistance in the form of loans, loan guarantees, interest subsidies, or insurance; direct payments of any kind to individuals; or contracts which are required to be entered into and administered under procurement laws and regulations.
- 7) **Budget** means the financial plan for the project or program that either the federal awarding agency or pass-through entity approves during the award process or in subsequent amendments to the federal award. It may include federal and non-federal shares.
- 8) **Budget package** consists of all required budget forms as listed in the budget instructions found in DBA and all support documentation. A checklist is included in the budget instructions for Subgrantees to use to ensure completion of the budget package. Budget forms must be signed by the Subgrantee's Executive Director and Board Chair.
- 9) **Capital expenditure** is the acquisition cost of equipment or expenditures for capital improvements that materially increase the asset's value or useful life. (2 CFR § 200.13, 45 CFR § 75.2)
- 10) **Carry forward funds** are unused funds, which are transferred to the budget for the following year.

- 11) **Cash on hand** are funds that are immediately available for spending.
- 12) **Closeout** is the process by which a federal awarding agency determines that all applicable administrative actions and all required work of the award have been completed by the recipient and federal awarding agency.
- 13) **Computing devices** are machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information.
- 14) **Contract** refers to a procurement contract under an award or sub award, and a procurement subcontract under a recipient’s or subrecipient’s contract. A contract is generally an agreement between the Subgrantee and a vendor.
- 15) **Continuing resolution** is an agreement by both houses of Congress to allow the federal government to continue operating at current funding levels, generally through a fiscal year.
- 16) **DBA FACSPRO™** is the proprietary non-profit audit software developed by DBA Technologies, LLC used by OEO for Subgrantee reporting.
- 17) **Depreciation** is a cost allocation that represents the physical deterioration of property due to age, wear or market conditions.
- 18) **Direct costs** are those costs that can be specifically traced to a final cost objective, i.e., a particular award, project, service, or other direct activity of a Subgrantee. Some examples include:
 - a) Maintenance of membership rolls, subscriptions, publications, and related functions.
 - b) Providing services and information to members, legislative or administrative bodies, or the public.
 - c) Promotion, lobbying, and other forms of public relations.
 - d) Meetings and conferences except those held to conduct the general administration of the Subgrantee.
 - e) Maintenance, protection, and investment of special funds not used in operation of the Subgrantee.
 - f) Administration of group benefits on behalf of members or clients, including life and hospital insurance, annuity or retirement plans, financial aid, etc.
- 19) **Disallowed costs** are charges to an award that the federal awarding agency or pass-through entity determines to be unallowable, in accordance with the applicable state and federal cost principles or other terms and conditions contained in the award or grant agreement.
- 20) **Equipment** means tangible, nonexpendable personal property, including exempt property charged directly to the award having a useful life of more than one year and an acquisition

cost of \$2,500 or more per unit. However, consistent with the Subgrantee's policy, lower limits may be established.

- 21) **Excess property** means property under the control of any federal awarding agency that, as determined by the head thereof, is no longer required for its needs or the discharge of its responsibilities.
- 22) **Federal Award Identification Number (FAIN)** is the unique number assigned to a federal award.
- 23) **Financial Status Report (FSR)** is the monthly revenue and expenditure report documenting the Subgrantee's use of grant funds.
- 24) **Fixed asset** may be a tangible or intangible nonexpendable property having a useful life of more than one year such as equipment, machinery, vehicles, furniture, and real property. (2 CFR § 200.12, 45 CFR § 75.2) For OEO purposes, a fixed asset has an acquisition cost equal to or greater than the lesser of \$2,500 or the Subgrantee's capitalization policy threshold.
- 25) **General purpose equipment** is equipment, which is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles.
- 26) **High Risk status** refers to a Subgrantee experiencing financial instability, inadequate financial management systems, and/or is programmatically performing poorly.
- 27) **Indirect costs** are those costs that are incurred for common or joint objectives and cannot be readily identified with a particular final cost objective. Indirect costs shall be classified as "Facilities" or "Administration." Facilities is defined as depreciation and use allowances on buildings, equipment and capital improvement, interest on debt associated with certain buildings, equipment and capital improvements, and operations and maintenance expenses. Administration is defined as general administration and general expenses such as the director's office, accounting, personnel, library expenses and all other types of expenditures not listed specifically under one of the subcategories of Facilities (including cross allocations from other pools, where applicable).
- 28) **Management decision** is the assessment of the audit findings and corrective action plan by the pass-through entity or federal awarding agency. The management decision must clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments, or take other action.
- 29) **Merit/Cola/FB/IDC** refers to particular categories within a Subgrantee's budget (merit increase/adjustment, cost of living allowance, fringe benefits, and indirect costs).
- 30) **Modified Total Direct Costs (MTDC)** means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Other items may only be excluded when necessary

to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

- 31) **Non-federal entity** is a state, local government, Indian tribe, institution of higher education (IHE), or nonprofit Subgrantee that carries out a federal award as a recipient/grantee or Subrecipient/Subgrantee. The Department of Energy expanded the non-federal definition to include for-profit entities, unless otherwise noted at 2 CFR § 910.
- 32) **OMB** refers to the Office of Management and Budget, which has the authority to issue guidelines for federal awards.
- 33) **Obligations** means the amount of orders placed, contracts and grants awarded, services received and similar transactions during a given period that requires payment by the Subgrantee during the same or a future period.
- 34) **Prior approval** refers to the requirement of obtaining written permission before the Subgrantee may undertake certain activities (whether performance of a new or modification of a previously approved activity), expend funds for specific direct costs, or exceed a certain aggregate dollar level.
- 35) **Professional services** are infrequent, technical, or unique functions performed by independent contractors or by consultants whose occupation is the rendering of such services. Costs of professional and consultant services rendered by persons who are members of a particular profession or possess a special skill, and who are not officers or employees of the agency, are allowable when reasonable in relation to the services rendered.
- 36) **Program income** means gross income earned by the Subgrantee that is directly generated by a supported activity or earned as a result of the award. Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under federally-funded projects, the sale of commodities or items fabricated under an award, license fees and royalties on patents and copyrights, and interest on loans made with award funds.
- 37) **Project** is defined as the set of activities described in an application, state plan, or other document that is approved by DOE for financial assistance, whether such financial assistance represents all or only a portion of the support necessary to carry out those activities.
- 38) **Project costs** means all allowable costs, as set forth in the applicable federal cost principles, incurred by a Subgrantee and the value of the contributions made by third parties in accomplishing the objectives of the award during the project period.
- 39) **Project period** is the total period of time indicated in an award during which DOE expects to provide financial assistance. A project period may consist of one or more budget periods and may be extended by DOE. It is the total time for which federal support has been programmatically approved as shown in the Notice of Award; however, it does not constitute a commitment by the federal government to fund the entire period.
- 40) **Project Share** is a program consisting of subscriber and corporate contributions from utility companies. These contributions provide funds to supplement the Low-Income Home Energy Assistance Program (LIHEAP).

- 41) **Protected personally identifiable information (Protected PII)** means an individual's first name or first initial and last name in combination with any one or more types of information, including, but not limited to, social security number, passport number, credit card numbers, clearances, bank numbers, biometrics, date and place of birth, mother's maiden name, criminal, medical and financial records, educational transcripts. This does not include personally identifiable information that is required to be disclosed by law.
- 42) **Reasonable costs** are costs, if in its nature or amount, do not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs. The reasonableness of specific costs must be scrutinized with particular care in connection with the Subgrantee or separate divisions thereof which receive the preponderance of their support from awards made by federal agencies. See also Procurement, Policies and Procedures.
- 43) **Rental income** is income generated when equipment is rented out at the fair market rate. WAP is generally the main grant that produces rental income. Rental income should be recorded as program income (see program income).
- 44) **Severance Pay**, also commonly referred to as dismissal wages, is a payment in addition to regular salaries and wages, by Subgrantees to workers whose employment is being terminated.
- 45) **Single Audit** is the required audit of federal awards as described in 2 CFR § 200.514 and 45 CFR § 75.514, which includes the entity's financial statements and required schedules related to federal awards.
- 46) **Subgrantee** or **Subrecipient** means the legal entity, non-federal entity, or agency to which a subaward is made and which is accountable to the Subgrantee for the use of the funds provided. The term may include foreign or international Subgrantees (such as agencies of the United Nations) at the discretion of the federal awarding agency.
- 47) **Supplies** are all personal property, excluding equipment, intangible property, and debt instruments as defined in this section, and inventions of a contractor conceived or first actually reduced to practice in the performance of work under a funding agreement ("subject inventions"), as defined in 37 CFR part 401, "Rights to Inventions Made by Nonprofit Subgrantees and Small Business Firms Under Government Grants, Contracts, and Cooperative Agreements."
- 48) **Uniform Administrative Requirements, Cost Principles, and Audit Requirements** for federal awards codified at 2 CFR Part 200, which is OMB's guidance consolidating the A-21, A-87, A-89, A-102, A-110, A-122, A-133 and sections of A-50 Circulars. The U.S. Department of Health and Human Services and the U.S. Department of Energy codified this OMB guidance at 45 CFR § 75 et al and 2 CFR §900 et al, respectively. Unless there are significant differences between 45 CFR § 75, 2 CFR §900 and 2 CFR § 200, the citation in this manual will be directed to 2 CFR § 200.

II. Pre-Award

This section is intended to provide guidance on requirements that must be complied with prior to receiving any federal awards.

Budget Process

This section describes the grant budgeting process and OEO oversight of Subgrantee budgets for the CSBG, LIHEAP and WAP grants.

Application and Actual Budgets

Generally, in the fall, the OEO develops a projected award budget based on information, including but not limited to, previous federal awards and any unused funds at the end of each program year. The projected budget is used to determine initial Subgrantee allocations for the new program year. The OEO fiscal staff will notify each Subgrantee of their funding level for the new program year, load the allocation into the DBA system, and inform the Subgrantees of the deadline for application budget submissions. No spending shall take place until the OEO receives the actual federal award notification from the federal funding source.

The OEO's projected award budget and application budget of Subgrantees are utilized until such time that the OEO receives notification of actual federal awards. Upon notice of actual federal awards, the OEO will revise its award budget and any allocations to Subgrantees. The OEO fiscal staff will notify each Subgrantee of their revised funding level for the program year, load the updated allocations into the DBA system and inform the Subgrantees of the deadline for actual budget submissions.

Budget Approval

A Subgrantee's Board of Directors must review the grant application and actual budget for each program year. The actual budget will be based on the actual award from the funding source and may include prior program year unexpended funds. A completed Community Action Agency Budget Approval Form must be submitted to OEO for documentation of the budget review and approval. The acknowledgement of the budget review will represent the total allocation of all awards budgeted, note specific approval of salary/wage increases, new positions, as well as procurements that require approval. The budget package submitted to OEO for approval must include all documents to support compliance with procedural requirements. The budget package must be submitted through DBA. This online budget submission process requires an authorized user with signature authority.

Salaries

Each Subgrantee is responsible for establishing employee salaries and any salary increases. Salary increases are to be based on each Subgrantee's available funds, sustainability, reasonableness, and documented board approval. Salary increases must be compliant with federal and state regulations, and with the agency's policies and procedures. This documentation, as well as position descriptions, must be maintained in accordance with the Subgrantee's approved policies and procedures. OEO's Fiscal Monitoring staff will review the Subgrantee's

approved policies and procedures during monitoring visits and may request a copy of them as needed.

All salary increases planned or anticipated for the new program year should be included in the Subgrantee's grant application. A detailed explanation supporting the proposed increase must also be presented. All salary and wage adjustments must be administered within the timeframe reflected in the approved budget. When OEO receives the actual federal award and subsequently notifies the Subgrantee of their actual award, the appropriate adjustments to the Salary and/or Merit/Cola/FB/IDC line items must be made using the actual award amounts. The Subgrantee will be permitted to amend the originally established Salary and/or Merit/Cola/FB/IDC line items for salary increases based on the actual award. However, only salary increases included in the grant application and application budget may be made retroactive to the beginning of the grant period. Documentation of Board approval must accompany the revised budget. Once the actual award has been received, wage and salary increases may be revised within the Merit/Cola/FB/IDC line items without additional OEO approval.

Documentation standards for personnel expenses are explicitly provided for at 2 CFR § 200.430 (i) and 45 CFR § 75.430 (i).

Subgrantees must:

- 1) Have a system of internal controls able to provide reasonable assurance that the charges for personnel expenses are accurate, allowable and properly allocated. This system must also be able to properly track, support and document the distribution of employee's salary or wages among specific activities or cost objectives if the employee works on more than one federal award;
- 2) Incorporate personnel expense records into the Subgrantee's official records;
- 3) Maintain records that account for the total activity for which employees are compensated by the Subgrantee and that are required in fulfillment of their obligations to the Subgrantee;
- 4) Comply with its established accounting policies and procedures; and
- 5) Provide after-the-fact determination of the actual activity of each employee. Budget estimates (i.e., estimates determined before services are performed) do not alone qualify as support for charges to federal awards.

OEO also requires that all charges to grants for salaries and wages have documented approval by an authorized personnel of the Subgrantee, regardless whether the charges are direct or indirect costs. Records reflecting the distribution of activity of each employee must be maintained for all staff members (professionals and nonprofessionals) whose compensation is charged, in whole or in part, directly to awards. In addition, in order to support the allocation of indirect costs, such records must also be maintained for other employees whose work involves two or more functions or activities if a distribution of their compensation between such functions or activities is needed in the determination of the Subgrantee's indirect cost rate(s).

Cost of Severance

As provided for in 2 CFR § 200.431 (i) and 45 CFR § 75.431 (i), costs of severance pay are allowable only to the extent that in each case, it is required by:

- 1) Law;
- 2) Employer-employee agreements;
- 3) Established policy that constitutes, in effect, an implied agreement on the Subgrantee's part; or
- 4) Circumstances of the particular employment.

Severance payments are divided into two categories as follows:

- 1) Actual normal turnover severance payments shall be allocated to all activities; or, where the Subgrantee provides for a reserve for normal severances, such method will be acceptable if the charge to current operations is reasonable in light of payments actually made for normal severances over a representative past period, and if amounts charged are allocated to all activities of the Subgrantee.
- 2) Measurement of costs of abnormal or mass severance pay by means of an accrual will not achieve equity to both parties, which is why accruals for this purpose are not allowable. However, the federal government recognizes its obligation to participate, to the extent of its fair share, in any specific payment. Prior approval by the federal awarding agency or cognizant agency for indirect cost, as appropriate, is required.

Costs incurred in certain severance pay packages (commonly known as "a golden parachute" payment) which are in excess of the normal severance pay paid by the Subgrantee to an employee upon termination of employment and are paid to the employee contingent upon a change in management control over, or ownership of, the Subgrantee's assets are unallowable.

Fringe Benefits (2 CFR § 200.431, 45 CFR § 75.431)

Fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as vacation leave, sick leave, military leave, and the like, are allowable only when all of the following criteria are met:

- 1) They are provided under established written leave policies;
- 2) The costs are equitably allocated to all related activities, including federal awards; and
- 3) The accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the Subgrantee or specified grouping of employees.
 - a. Under the cash basis of accounting, the cost of leave is recognized in the period that the leave is taken and paid for. Payment for unused leave when an employee retires or terminates employment is allowable in the year of payment.
 - b. Under the accrual basis of accounting, the allowable leave costs are the lesser of the amount accrued or the amount funded. The accrual basis may only be used for those types of leave for which a liability as defined by GAAP exists when the leave is earned.

Fringe benefits in the form of employer contributions or expenses for social security, employee insurance, workmen's compensation insurance, pension plan costs (see 2 CFR § 200.431 (g), 45 CFR § 75.431 (g)), and the like, are allowable, provided such benefits are granted in accordance with established written Subgrantee policies. Such benefits whether treated as indirect costs or as direct costs, shall be distributed to particular awards and other activities in a manner consistent with the pattern of benefits accruing to the individuals or group of employees whose salaries and wages are chargeable to such awards and other activities.

Provisions for a reserve under a self-insurance program for unemployment compensation or workers' compensation are allowable to the extent that the provisions represent reasonable estimates of the liabilities for such compensation, and the types of coverage, extent of coverage, and rates and premiums would have been allowable if the insurance was purchased to cover the risks. However, provisions for self-insured liabilities which do not become payable for more than one year after the provision is made shall not exceed the present value of the liability.

Where a Subgrantee follows a consistent policy of expensing actual payments to, or on behalf of, employees or former employees for unemployment compensation or workers' compensation, such payments are allowable in the year of payment with the prior approval of the awarding agency, provided they are allocated to all activities of the Subgrantee.

Budget Items to Review

Listed below are items to consider regarding your agency's budget:

- Are documents properly signed?
- Did the board review and approve the budget? Board review is required when submitting the application budget, actual budget and when funding is increased during the program year or if otherwise required by OEO.
- Were new positions listed on the completed Community Action Agency Budget Approval Form?
- Does the budget salary detail or Merit/Cola budget line items list all current salaries and planned/anticipated increases?
- Has all procurement requiring approval by the Board and/or Executive Director been properly documented for review and approval? (Also, refer to Procurement, page 24)
- Was the agency's allocation accurately budgeted and reflected on the completed Community Action Agency Budget Approval Form and/or Board minutes?
- Have all budgets, supporting documentation, and purchases requiring OEO approval been sent to the OEO Fiscal Services Department?
- Are the position titles and employee IDs and county of work of all employees charged to the grant listed on the Salary Detail Form, which must be included in the final approved budget?
- Are the non-personnel expense categories (all budget line items except salary/wages, fringes, and indirect costs) reported on FSR's within the fifteen (15) percent variance

range? Variances of more than fifteen (15) percent may be permitted with OEO approval prior to the expenditure of funds.

NOTE: Any budget line item variance must be offset by another non-personnel expense category and cannot cause the total budget to exceed the Subgrantee's total allocation or grant award. Additionally, Admin., T&TA, and Health and Safety cannot exceed approved budget allocations for the DOE Weatherization and LWAP programs.

- Are periodic reviews of budget line item balances being conducted to ensure a budget revision is submitted when needed? See guidance on budget revisions on page 18.
- Have all the budget amendments been submitted to OEO prior to the last thirty (30) days of the program year?
- Have salary adjustments moving budget out of the Merit/Cola/FB/IDC line items and into the appropriate salary/wage detail been completed prior to the final budget submission for the program year?

Specific Conditions (2 CFR § 200.207, 45 CFR § 75.207)

OEO or the federal awarding agency may impose additional requirements on the Subgrantee as necessary. Such circumstances where additional requirements may be imposed include, but are not limited to, when the Subgrantee has a history of poor performance, is not financially stable, has a management system that does not meet the standards prescribed in 2 CFR § 200.205 and 45 CFR § 75.205, has not complied with the terms and conditions of a federal award, or is not otherwise responsible.

Special conditions that may be imposed include, but are not limited to the following:

- 1) Placing the Subgrantee under the cost reimbursement method of payment;
- 2) Requiring additional, more detailed financial reports;
- 3) Requiring additional project monitoring;
- 4) Requiring the Subgrantee to obtain technical or management assistance; or
- 5) Establishing additional prior approvals.

When special conditions are imposed, the Subgrantee will be informed of the following:

- 1) The nature of the additional requirements;
- 2) The reason why the additional requirements are being imposed;
- 3) The nature of the action needed to remove the additional requirements, if applicable;
- 4) The time allowed for completing the actions if applicable; and
- 5) The method for requesting reconsideration of the additional requirements imposed.

Conflict of Interest

Personnel and other officials connected with this Grant shall adhere to the requirements given below. Furthermore, Subgrantees are required to establish its own conflict of interest policies for federal awards incorporating these requirements (2 CFR § 200.112 and 45 CFR § 75.112).

- 1) **Advice:** No employee, officer, board member or agent of the Subgrantee may participate in the selection, award, or administration of a contract supported by a federal award if he/she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, board member or agent, any member of his/her immediate family, his/her partner, or an Subgrantee which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, board members and agents of the Subgrantee may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, a Subgrantee may set standards for situations in which the financial interest is not substantial, or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, board members or agents of the Subgrantee.

No official or employee of the state or a unit of local government or of non-government Grantees/Subgrantees shall participate personally through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise in any proceeding, application, request for a ruling or other determination, contract, grant, cooperative grant, claim controversy, or other particular matter in which these funds are used, where to his knowledge their immediate family, partners, Subgrantee other than a public agency in which he is servicing as officer, director, trustee, board member, partner, or employee or any person or Subgrantee with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest.

- 2) **Appearance:** In the use of these grant funds, officials or employees of the state or a local unit of government and non-governmental Subgrantees shall avoid any action which might result in, or create the appearance of:
 - a. Using an official position for private gain;
 - b. Giving preferential treatment to any person;
 - c. Losing complete independence or impartiality;
 - d. Making an official decision outside official channels; or
 - e. Affecting adversely the confidence of the public in the integrity of the government or the program.
- 3) **Subgrantee conflict of interest:** The Subgrantee shall avoid conflict of interest involving relationships with a parent company, affiliate, or subsidiary Subgrantee that could cause the Subgrantee to appear or act impartially.

Mandatory Disclosure (2 CFR § 200.113, 45 CFR § 75.113)

The Subgrantee **must disclose**, in a timely manner, in writing, to the federal awarding agency or pass-through entity all violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award. Failure to make required disclosures can result in any of the remedies described at 2 CFR § 200.338 or 45 CFR § 75.371.

The Subgrantee must also disclose, in a timely manner, in writing to OEO all potential or pending litigation involving the Subgrantee, which could potentially affect the award.

Nepotism

Subgrantees must comply with the South Carolina Ethics, Governmental Accountability and Campaign Reform Act of 1991 and are restricted from the hiring of relatives within the same office, program area, or the equivalent work unit.

- 1) No supervisory employee of the Subgrantee may cause the employment, appointment, promotion, transfer or advancement of a family member to a position in which the employee supervises or manages. Employees may also not participate in an action relating to discipline of their family members.
- 2) Definitions: The Ethics Act defines family member as an individual who is (a) the spouse, parent, brother, sister, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild; or (b) a member of the individual's immediate family.

Immediate family is further defined as:

- A child residing in an employee's household;
- The spouse of an employee;
- An individual claimed by the employee or employee's spouse as a dependent for income tax purposes.

Furthermore, for the purposes of this policy, OEO has defined a relative to be a spouse, parent, sibling, child, parent in-law, grandparent, grandchild, sibling in-law, grandparent in-law, step-grandchild, step-child, child in-law, aunt, uncle, niece, or nephew of the employee or a member of the employee's household. OEO and state recognizes common-law marriages and the relationships that are created as a result.

Employees are expected to disclose relationships covered by this policy to the agency Executive Director and supervisor whenever the relationships come into existence. Employees have up to ninety (90) days after marriage to find employment in either a suitable unit within the agency or outside the agency. An employee's failure to disclose such information will lead to discipline up to and including termination. Supervisors shall not recommend the hiring of an individual if it results in violation of this requirement.

III. Post Award Requirements

This section addresses the standards and requirements of a financial management system, payments, program income, budget revisions, and property and procurement.

Financial Management System

Per 2 CFR § 200.302 (b) and 45 CFR § 75.302 (b), a Subgrantee's financial management system is required to provide the following:

- 1) Identification, in its accounts, of all federal awards received and expended and the federal programs under which they were received. Federal program and federal award identification must include, as applicable, the CFDA title and number, federal award identification number and year, name of the federal agency, and name of the pass-through entity, if any.
- 2) Accurate, current, and complete disclosure of the financial results of each federal award or program in accordance with the reporting requirements set forth in 2 CFR §§ 200.327 - 200.328 and 45 CFR §§ 75.341 - 75.342.
- 3) Records that must adequately identify the source and application of funds for federally funded activities. These records must contain information pertaining to federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.
- 4) Effective control over, and accountability for, all funds, property, and other assets. The non-federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes. See 2 CFR § 200.303 and 45 CFR § 75.303.
- 5) Comparison of expenditures with budget amounts for each federal award.
- 6) Written procedures to implement the requirements of 2 CFR § 200.305 and 45 CFR § 75.305.
- 7) Written procedures for determining the allowability of costs in accordance with 2 CFR and 45 CFR Subpart E – Cost Principles.

Payments

OEO is required to comply with 2 CFR § 200.305 (a) and 45 CFR § 75.305 (a), which includes the Cash Management Improvement Act (CMIA). Payment guidelines are set forth in § 200.305 (b) and 45 CFR § 75.305 (b), for all Subgrantees. More specifically, payment methods must minimize the time elapsing between the transfer of funds from the OEO and the disbursement of funds by the Subgrantee.

During the program year, it is the Subgrantee's responsibility to track its expenditures and submit a Certification of Advancement of Funds requesting funds needed and the reason for the request through DBA. The Certification of Advancement of Funds must be signed and dated by the Subgrantee's Executive Director, Finance Officer, and Program Officer. A separate form is required for each grant. The OEO Senior Fiscal Manager must review the request, and if

approved, a disbursement request will be submitted to Accounts Payable within the Department of Administration's Finance Office for processing. OEO maintains the right to request additional information from the Subgrantee prior to disbursing advance payments.

Payment requests may be submitted as frequently as biweekly but should be made at least monthly. In determining the payment request, Subgrantees should take into consideration:

- The amount of funds that have been obligated;
- Commitments and other funds needed to continue daily operations; and
- Time for the OEO to process and release funds requested. It **may take up to thirty (30) days** for OEO to process and release the requested disbursement.

Initial Disbursements

At the beginning of each program year, OEO will disburse payments as follows:

- For CSBG and LIHEAP, OEO will release a one-time advancement of funds as the initial disbursement for each grant. This advancement of funds is to cover the first two to four months of expenses of the grant, which will be calculated based on each Subgrantee's allocation and grant award for the respective program year.
- For WAP and LWAP, the amount of funds disbursed will be based on the request submitted by the Subgrantee, which must be in accordance with the actual, immediate cash requirements of the Subgrantee in carrying out the purpose of the weatherization program.

Initial disbursements are subject to change at the discretion of OEO, due to but not limited to, on-going federal funding concerns. A Subgrantee should request additional cash payments throughout the program year using the Certification of Advancement of Funds form.

Conditions of Payment

OEO will observe the following payment conditions in addition to other requirements set forth:

- If federal funding is awarded to the states based on a Continuing Resolution and/or federal authority is withheld, OEO will calculate advance payments to Subgrantees based on the amount of the federal authority received.
- Prior to the disbursement of any funds, Subgrantees must have an executed grant agreement, approved work plan and an approved current budget.
- Disbursements may be delayed until OEO has received a Subgrantee's approved budget revision based on the current program allocation.
- Payments will be made in compliance with all conditions of each grant and in compliance with all applicable state and federal statutes and regulations.
- Subgrantees placed on "High-Risk" status may be subject to additional payment conditions.

- The state's fiscal year ends on June 30, which may cause delays in processing June and/or July disbursements.

Emergency Solutions Grant (ESG) Program Disbursements

The ESG Program is a cost-reimbursement grant. As such, Subgrantees must submit a Request for Reimbursement (RFR) to the OEO ESG Program Coordinator along with all supporting documentation. The Program Coordinator will review the RFR and request additional supporting documentation, information, and adjustments if necessary. The RFR must be signed and dated by the Subgrantee's Executive Director or authorized staff.

ESG Program (HUD) Matching Requirement

- a) **Required amount of matching contributions.**
The applicant must make dollar for dollar matching contributions to supplement its ESG Program. Matching contributions must equal the total ESG funds awarded by OEO.
- b) **Eligible sources of matching contributions.**
Matching contributions may be obtained from any source, including any federal source other than the ESG program, as well as state, local, and private sources. However, the following requirements apply to matching contributions from a federal source of funds:
 - 1) The Subgrantee must ensure the laws governing any funds to be used as matching contributions do not prohibit those funds from being used to match ESG funds.
 - 2) If ESG funds are used to satisfy the matching requirements of another federal program, then funding from that program may not be used to satisfy the matching requirements under this section.
 - 3) Cash contributions. Cash deposits received and subsequently expended on allowable costs per 2 CFR Part 200 Subpart E: Cost Principles and that are also ESG eligible expenditures.
 - 4) Noncash contributions. The value of any donated property, equipment, goods, or services contributed to the Subgrantee's ESG program, provided that if the Subgrantee had to pay for them with grant funds, the costs would have been allowable. Noncash contributions may also include the purchase value of any donated building.
- c) **Recognition of matching contributions.**
 - 1) To meet the matching requirement, matching contributions must be compliant with all requirements applicable to the ESG funds provided by HUD, except for the expenditure limits in 24 CFR § 576.100.
 - 2) Matching contributions must be provided during the program year for which they apply. Contributions used to match a previous ESG grant may not be used to match a subsequent ESG grant.
 - 3) To count toward the required match for the Subgrantee's fiscal year grant, cash contributions must be expended within the grant period, and noncash contributions must be made within the grant period.

- 4) Contributions that have been or will be counted as satisfying a matching requirement of another federal grant or award may not count as satisfying the matching requirement of this section.

Note: The Subgrantee must maintain records and supporting documentation for such contributions e.g. logs, volunteer reports, letters, appraisals, etc. OEO will require support documentation to determine whether such match contributions and expenditures are eligible and compliant with all applicable requirements.

d) **Calculating the amount of non-cash contributions.**

- 1) To determine the value of any donated material or building, or of any lease, the Subgrantee must use a method reasonably calculated to establish the fair market value. Fair market value is allowed; however, equity cannot be used as match.
- 2) Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work employed by the Subgrantee. If the Subgrantee does not have employees performing similar work, the rates must be consistent with those ordinarily paid by other employers for similar work in the same labor market.
- 3) Some noncash contributions are real property, equipment, goods, or services that, if the Subgrantee had to pay for them with grant funds, the payments would have been indirect costs. Matching credit for these contributions must be given only if the Subgrantee has established, along with its regular indirect cost rate, a special rate for allocating to individual projects or programs the value of those contributions.

The above referenced payment procedures may require modification and payments may vary when extenuating circumstances occur.

Re-Allocation of Undisbursed Program Funds

1) **CSBG – US HHS**

RECAPTURE PROVISION - P.L. 108-447 mandates, that to the extent Community Services Block grant funds are distributed as grant funds by a state to an eligible entity, that is provided under the (CSBG) Act, and have not been expended by such entity, they shall remain with such entity for carryover into the next fiscal year for expenditure by such entity consistent with program purposes. However, unspent funds awarded as discretionary funds shall not be carried over and must be returned to OEO.

Thus, Subgrantees are allowed at the beginning of the grant period to retain funds from the close of the previous grant period (unless instructed otherwise). Agencies are allowed to expend against prior year unexpended funds (cash on hand). Expenditures must comply with the agency's most current program year's approved work plan, budget, and signed grant agreement. This should ease the burden on agencies to sustain programs during periods of delayed federal awards and allow the immediate expending against prior year funds (cash on hand.) Prior year unexpended funds will be incorporated into the current program year in the Actual Allocation and will be based on the fund balance represented on the final FSR.

2) **ESG – US HUD**

All ESG funds are distributed using the cost reimbursement payment method. All ESG funds must be obligated and expended in the program year they were intended to qualify for reimbursement. All unallowable reimbursed funds must be returned to OEO to be refunded to HUD. All unexpended and unobligated ESG funds must be refunded to HUD and/or retained by HUD. Subgrantees are required to submit their final request for reimbursement and matching support documentation by close of business on August 15.

Interest Income (2 CFR §200.305(b)(8) and (9) and 45 CFR §75.305(b)(8) and (9))

Funds **advanced from OEO to Subgrantees must be placed in an interest bearing account.** The procedures regarding the monitoring, reporting and use of interest are as follows:

- 1) Confirm that all federal funds are placed in an interest bearing account.
- 2) The first \$500 of interest earned on federal funds per Subgrantee per year (**not per grant**) may be retained to offset administrative costs in the program year the interest was earned. Per 2 CFR § 200.305 (b)(5) and 45 CFR § 75.305 (b)(5), Subgrantees must utilize interest earned before requesting additional cash payments. See also item number 5 below.
- 3) All interest earned over \$500 is required to be tracked on financial documents in an account separate from OEO grant revenue and other program income.
- 4) Interest earned over the allowable \$500 to be retained by the Subgrantee must be remitted to the U.S. Department of Health and Human Services Payment Management System using either the Automated Clearing House network or a Fedwire Funds Service payment. Refer to 2 CFR §200.305 (b)(9) and 45 CFR §75.305(b)(9) for more detailed instructions. Proof of administrative cost offset may be requested by OEO and reviewed as part of OEO's monitoring activities.
- 5) Some bank charges are an allowable cost, but they must be cost shared, reasonable, and not related to investments. Refer to 2 CFR § 200.305 and 45 CFR § 75.305.

Program Income

Costs attributed to the generation of program income may be deducted from gross income if allowed by the federal award or federal regulations. This is generally performed when calculating program income, on the condition that such costs were not already charged to the federal award.

If the use of program income is not addressed in the federal awarding agency's regulations, terms and conditions of the federal award, or the federal awarding agency does not give prior approval, program income must be deducted from current costs. Program income not anticipated at the time of the federal award must be used to reduce the federal award and the Subgrantee's contributions rather than increase the funds committed to the project or program objectives. Program income must be accounted for separately in the Subgrantee's financial records.

Moreover, per the Department of Energy (DOE) Weatherization Program Notice 07-1, section 1.6 – Program Income, income generated must be used to complete dwelling units in accordance with DOE Rules. This should be incorporated in the appropriate section of the updated WAP budget (budget narrative only).

OEO may sample program income to ensure revenue is properly recorded, supported with adequate documentation and is compliant with OEO procedures, grant agreement, budget and FSR requirements. While the Subgrantee is encouraged to earn program income to defray costs, the Subgrantee must retain separate records for program income generated and the costs that are offset. As such, program income is to be identified in the chart of accounts and financial documentation (trial balance).

Equipment purchased with program income and subsequently disposed of will be handled in accordance with current OEO disposal procedures.

Equipment purchased with federal funds may not be rented out at a rate less than what a private company would normally charge (rental income) for such equipment rental unless otherwise authorized by federal statute. (2 CFR § 200.313 (c)(3), 45 CFR § 75.320 (c)(3))

Refunds

When a Subgrantee receives a refund from a vendor for direct assistance and/or client services provided in a prior program year, the refund must be returned to OEO. See Appendix A for the Client Refund Form.

Program Changes

During the program year, the Subgrantee may need to make revisions affecting the initial work plan approved by OEO. In these instances, Subgrantees are required to submit a written request for a program change, in advance, to the appropriate OEO Senior Program Manager for review and written approval. As part of this review process, OEO may request additional information, supporting documents or justification associated with the requested program change(s). If approved, the OEO Senior Program Manager will then provide written notification of approval to OEO Fiscal Services to coordinate the program changes with the Subgrantee's budget revision. **If these procedures are not followed, the expenditures associated with the program change shall be disallowed.**

Budget Revisions

A Subgrantee is required to report deviations from budget and program plans and request prior approval for revisions to the Subgrantee's budget and program plan. A request for approval of changes must be submitted to OEO prior to any revisions being implemented. Examples of changes include, but are not limited to the following:

- 1) Changes in the scope or the objective of the grant's project or program, which also require prior written approval when revising the work plan and the budget;
- 2) Changes to comply with the fifteen (15) percent line item variance allowed on certain budget line items;

NOTE: Any budget line item variance must be offset by another non-personnel expense category and cannot cause the total budget to exceed the Subgrantee's total allocation or grant award. Additionally, Admin., T&TA, and Health and Safety cannot exceed approved budget allocations for the DOE Weatherization and LWAP programs.

- 3) Changes due to funding level adjustments;

- 4) Change in key personnel specified in the application or the federal award;
- 5) Disengagement from the project for more than three (3) months, or a twenty-five (25) percent reduction in time devoted to the project, by the approved project director or principal investigator;
- 6) The transfer of funds budgeted for participant support costs, as defined at 2 CFR § 200.75 and 45 CFR § 75.2, to other categories of expense; and
- 7) The inclusion of costs that require prior approval, as specified in 2 CFR Part 200 and 45 CFR Part 75, Subpart E: Cost Principles.

All changes to a Subgrantee's approved work plan for CSBG, LIHEAP and WAP requiring OEO approval must be submitted to the appropriate OEO Senior Program Manager. OEO Fiscal Services will coordinate the program changes with the Subgrantee's budget revision. Should a Subgrantee's revision request impact their allocation as it is presently loaded in the DBA system, the Subgrantee will be required to complete an Allocation Revision Form and return it to the OEO prior to completing any revisions. Subgrantees must contact OEO Fiscal Services to obtain an Allocation Revision Form as it will vary by grant.

Property Standards

The following policies are established to address the acquisition, identification, assignment, usage and maintenance of vehicles/property. Through these policies, OEO seeks to achieve maximum cost-effective management of property purchased in support of the Subgrantee's performance targets and objectives for OEO funded programs. OEO also seeks to eliminate unofficial and unauthorized use of grant vehicles/property.

a) Acquisition

- **Approval:** Provide a copy of the signed Community Action Agency Budget Approval Form and/or board minutes listing the vehicles/property purchase information.
- **Justification:** Provide criteria and cost analysis based on how the vehicles/property will be utilized for grant purposes and indicate the number of program operators. The justification will document how the vehicles/property will clearly benefit the grant's intent and will ensure compliance with all federal, state and local regulations.
- **Purchase:** Agencies will follow all procurement procedures and maintain adequate insurance.

b) Identification

The Subgrantee will maintain a current inventory of OEO funded property, which will indicate the make, model, acquisition date and cost, the manufacturer's identifying serial number, location, and estimated disposal date. The Subgrantee will ensure that all OEO funded vehicles are clearly identified by the use of affixed license plates and seal decals. Vehicle identification will not be removed until the vehicle is processed for disposal. Decals must be replaced if they become unrecognizable. No OEO funded vehicle shall be exempt from this identification requirement.

c) **Assignment**

The Subgrantee will develop policies and procedures that ensure vehicle/property are used in the most cost-effective manner. Vehicles/properties purchased with OEO funds are not for personal use and assigned based on the following criteria:

- 1) Vehicles/properties are only authorized for use in the performance of program related tasks necessary to accomplish program objectives.
- 2) Subgrantee employee has received document approval for the use of the vehicle/property.

Assignment of a Subgrantee vehicle/property purchased with OEO funds is prohibited as a prerequisite of employment.

d) **Usage**

Vehicles are intended for Subgrantee employees required to travel in the performance of official program related business. All Subgrantee employees utilizing vehicles will log each trip on a form providing the following information: date of travel, staff traveling in vehicle, beginning and ending odometer reading, purpose of trip, and specific program related function performed. Refer to the Record Retention section of this manual for a more detailed discussion on the required retention period of vehicle logs. Current program year logs are to include the beginning and ending odometer reading for the program year and are to be maintained in an active file and readily available upon request during OEO Fiscal and Program Monitoring visits.

- Any mileage incurred for personal use is prohibited. An employee “on-call” does not justify personal use or sole use of an OEO funded vehicle.
- Official miles must be appropriate for the program related travel.
- The recipient of federal funds will not use equipment, vehicles, and property acquired with federal funds to provide services or use by non-federal outside Subgrantees. If federally acquired equipment/vehicles/property are allowed to be utilized by outside Subgrantees, a fee, that is not less than the fee a private company would charge (market rate) for the equal service, must be collected. The fees earned for the use of equipment/vehicles/property acquired with federal funds must be classified as Program Income in the grant of the original acquisition.

e) **Maintenance**

OEO will monitor the cost-effectiveness of OEO funded vehicles/property. The Subgrantee will provide records, which supply sufficient and accurate maintenance information to evaluate compliance when and if requested by OEO.

Equipment/Asset Disposal (Surplus Property)

Subgrantees must obtain OEO’s approval prior to disposing any equipment or asset purchased with OEO funds. Subgrantees may use the old equipment as trade-in or dispose of it through the state’s Surplus Property Office. A written request must be submitted to the OEO Senior Manager for Fiscal Monitoring explaining the reason for requesting the disposal of the equipment and the means by which the Subgrantee wishes to dispose of the equipment (trade-in or Surplus Property Office).

When disposing of computing devices, the Subgrantee is required to sanitize or destroy the hard drive to ensure that all protected PII are properly erased. This includes all copiers that have a hard drive. The Subgrantee must maintain sanitization records for a minimum of three (3) years.

As the administering agent, OEO is authorized to utilize the State of South Carolina's Office of General Services for disposal of surplus property. The following are procedures for disposing of property:

- 1) The Subgrantee will submit a written request to dispose of property, including supplies such as insulation, to the OEO Senior Manager for Fiscal Monitoring. The written request must include the condition of the asset, reason for disposal, location of the property, description of property with serial number, year purchased, quantity, and acquisition cost per unit. In addition to the preceding list, the written request must include the date and method of sanitization, and who performed the sanitization for all computing devices. For vehicles, the written request must include the condition of the asset, photos of the asset, acquisition cost, reason for disposal, year purchased, VIN number, mileage, book value and market value when desiring to transfer property.
- 2) The Subgrantee must complete a Turn-In Document (TID) and submit the completed form to OEO. The form will then be forwarded to the Office of General Services, Surplus Property Office. OEO will retain a copy of this document for tracking purposes. Questions regarding a request to surplus property should be directed to OEO Senior Manager for Fiscal Monitoring.
- 3) The Surplus Property Office will review the TID and send a screener out to determine if the property is of any value. They will arrange for pick-up of the property and determine if the property will be sold at public auction or by competitive sealed bid. Please note, agencies are allowed to stipulate a minimum amount required before a bid will be accepted.
- 4) The Office of General Services will deposit the proceeds from the sale less the expense of the sale in the fund designated on the TID.

When liquidation occurs for any property purchased with federal funds, (for example, an insurance check for a totaled vehicle) proceeds must be returned to the source of funds from which the property was originally purchased to offset the purchase of replacement property. If the Surplus Property Office determines that OEO program inventory is of no resale value, the Subgrantee must then assume responsibility for timely and proper disposal.

Once a final determination is reached and the Subgrantee is notified by the Surplus Property Office, within ten (10) working days, the Subgrantee's Executive Director must inform OEO Senior Manager for Fiscal Monitoring in writing of the final disposal.

Asset Rules and Regulations

These procedures were developed to assist the Subgrantees in establishing proper procedures for obtaining effective internal control and record maintenance for assets (capitalized-fixed and non-capitalized assets) purchased with OEO funds. The Subgrantee must be able to account for all property whether sold or traded.

1) **Assets Management Standards**

Titles shall vest with the Subgrantee on the condition the Subgrantee uses the assets for the authorized purpose of the project as long as is needed. In compliance with OEO grant agreement, Subgrantee's management systems shall provide for effective control over and accountability for all funds, property and other assets. The Subgrantee shall adequately safeguard all such assets and assure they are used solely for authorized purposes. Adequate written procedures must be in place to determine the reasonableness and allowability of costs and to guard against loss, damage and theft. Loss, damage and/or theft are to be reported immediately to OEO (OEO notification applies to fixed assets and computing devices).

2) **Insurance Coverage**

The Subgrantee shall provide adequate insurance coverage for all assets/property acquired with federal funds in compliance with 2 CFR § 200.310 and 45 CFR § 75.317 and as outlined in OEO procurement procedures, see page 32. The Subgrantee shall terminate insurance coverage once the Subgrantee has properly disposed of the insured assets in accordance with OEO surplus property and equipment disposal procedures.

3) **Other Use**

A Subgrantee may make all assets available for use to other projects that have purposes consistent with those authorized by the Subgrantee (see 2 CFR § 200.313 (c)(1) - (4) and 45 CFR § 75.320 (c)(1) - (4)). Preference shall be given first to other OEO-sponsored projects and programs, then to other federally funded programs and lastly to non-federal programs/Subgrantees whose purpose is consistent with those authorized by the Subgrantee. A Subgrantee must obtain OEO's written approval prior to using an asset for trade-in purposes, disposing of the asset and prior to transferring asset(s) to other federally sponsored programs (approval applies to fixed assets and computing devices).

Other CAA's and non-federal programs and Subgrantees shall be charged a fee equal to that charged by private companies for similar services. These fees are to be charged as "Program Income" and accounted for separately from OEO disbursed "grant revenue" on financial records. This revenue is to be returned and/or used solely for OEO program for which the equipment/property was initially purchased.

4) **Asset/Inventory Records**

The Subgrantee must maintain records to verify the existence and current utilization of all OEO-funded assets for all periods in which the asset is in use and to account for all assets sold or traded-in in compliance with OEO grant agreement and 2 CFR § 200.313 (d)(1) - (5) and 45 CFR § 75.320 (d)(1) - (5). Records shall be retained in compliance with 2 CFR §§ 200.333, 200.335, and 200.336 and 45 CFR §§ 75.361, 75.363 and 75.364.

The Subgrantee must ensure that asset records contain the following information: asset description, serial and model number, FAIN, acquisition date and cost, depreciation method and useful life (for fixed assets), asset location, condition, disposal date and revenue generated from said disposal, in compliance with 2 CFR § 200.313 (d)(1) - (4) and 45 CFR § 75.320 (d)(1) - (4). Assets are to be capitalized according to 2 CFR § 200.439, 45 CFR § 75.439 and the Subgrantee's capitalization policy.

In accordance with OEO procedures, based in part on 2 CFR §§ 200.313 - 200.314 and 45 CFR §§ 75.320 - 75.321, the Subgrantee must conduct an annual physical inventory of computing devices and capitalized (fixed) assets, document the asset's location and condition, and reconcile the results as of the end of the Subgrantee's fiscal year.

Subgrantees must submit the final inventory list to OEO no later than April 30. Subgrantees must also track and monitor non-capitalized assets that are purchased in the current period (i.e. printers, office furniture, and tools). OEO requires that all assets with an acquisition value of \$2,500 or greater be included on the inventory listing unless the Subgrantee's policies and procedures require a lower limit. **OEO also requires that all computing devices be recorded and tracked, regardless of the amount of acquisition.** The final inventory list will be compared to the depreciation schedule prepared as part of the Subgrantee's external audit (at Subgrantee's fiscal year end, for fixed assets only). Any differences shall be documented and explained in the Subgrantee's fixed asset reconciliation. OEO reserves the right to inspect non-capitalized assets on this listing to ensure the listing's accuracy.

All computing devices, regardless of the amount of acquisition, must be recorded and tracked.

OEO requires the Subgrantee to maintain the following supporting documents, including but not limited to:

- Copy of depreciation schedule;
- Copy of documented asset locations and conditions;
- Asset reconciliation sheet;
- Documents to support asset purchases; and
- Documents to support asset disposals.

Capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except with the prior written approval of the federal awarding agency or pass-through entity.

5) **Depreciation**

Depreciation computation shall be based on the asset's acquisition cost (invoice price) and directly attributable costs necessary to bring the asset into working condition. Adequate depreciation records must be maintained indicating the amount of depreciation taken each period and the total amount of accumulated depreciation (2 CFR § 200.436 (e), 45 CFR § 75.436 (e)). OEO requests that a copy of the depreciation schedule be attached to the Subgrantee's single audit report upon submission to OEO.

6) **Intangible Property**

The federal awarding agency reserves a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use the patent or copyright for federal purposes, and to authorize others to do so when such property was developed or ownership was acquired under a federal award.

Procurement

Policies and Procedures

It is the intent of OEO to maximize program efficiency, ensure the application of appropriate procedures, and maintain the integrity of grant funds. These guidelines will assist Executive Directors, Board of Directors and Subgrantee personnel in conducting procurement transactions in a timely manner and in maximizing each Subgrantee's purchasing effectiveness. Subgrantees must comply with all applicable federal and state statutes and regulations.

Prices must be considered reasonable and in determining the reasonableness of a given cost, consideration shall be given to:

- 1) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the Subgrantee or the performance of the award;
- 2) The restraints or requirements imposed by such factors as generally accepted sound business practices, arms-length bargaining, federal and state laws and regulations, and terms and conditions of the award;
- 3) Whether the individuals concerned acted with prudence in the circumstances, considering their responsibilities to the Subgrantee, its members, employees, clients, the public at large, and the federal government;
- 4) Significant deviations from the established practices of the Subgrantee, which may unjustifiably increase the award costs; and
- 5) Market prices for comparable goods or services for the geographical area.

Below are procurement policies and procedural guidelines for Subgrantees:

- 1) Additional fees charged to items or services purchased for administrative operations due to late payments are unallowable costs to OEO federal grant awards.
- 2) Procurement documentation of equipment, furniture and fixtures, supplies and services will be based upon clear and accurate written descriptions, including any applicable technical specifications.
- 3) All professional/consultant services in excess of \$600 must receive prior OEO approval.
- 4) Where possible, priority should be given to services from vendors who are selected from the current State Procurement Contract database, which can be found at <http://procurement.sc.gov/PS/PS-index.phtml>.
- 5) All procurement expenditures must be adequately documented with a voucher/check, invoice, endorsed delivery receipt, requisition/purchase order for each transaction and applicable approval as may be required within the Subgrantee's procedures.
- 6) The Subgrantee must incorporate these guidelines into its respective procurement procedures.

- 7) OEO Fiscal Monitoring Department will review the Subgrantee's procurement procedures and purchases during the fiscal monitoring. Inconsistencies and non-compliance issues will be noted for corrective action.
- 8) OEO may request, at any time, justification and documentation supporting any purchase as a direct cost of OEO funded programs.
- 9) Agencies must ensure that all transactions associated with OEO grant funds are in compliance with conflict of interest requirements, including but not limited to: using an official position for private gain, giving preferential treatment to any person or vendor, losing complete independence or impartiality, making official decisions outside official channels, or adversely affecting the confidence of the public in the integrity of the government or the program.
- 10) Agencies must ensure that all officers, employees and agents neither solicit nor accept gratuities, favor, or anything of monetary value from contractors, or parties to the Subgrantee.
- 11) All property and equipment acquired with OEO award funds must have adequate insurance coverage that safeguards against loss and/or damage.
- 12) All items budgeted and processed as an obligation/encumbrance against program funds must be received, earned and/or completed by the end of the programs grant period.
- 13) Sound accounting principles will be practiced when establishing accruals at the end of each program. Expenditures being accrued such as salaries, utilities, and travel must be transactions within the program year, based on clear and justifiable documentation, and paid to the vendor when "normally due" or within 30 days from the close of the grant.

WAP subcontractor agreements and contracts are required to follow the above referenced procurement guidelines. (Also, refer to Weatherization Contractor Procurement on page 27 and Contractor/Subcontractor Payments (WAP Only) on page 34 for requirements specific to the weatherization program.)

Factors Affecting Allowability of Costs

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under OEO administered grant awards:

- Be necessary and reasonable for the performance of the federal award and be allocable thereto under these principles.
- Conform to any limitations or exclusions set forth in these principles or in the federal award as to types or amount of cost items.
- Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the non-federal entity.
- Be accorded consistent treatment. A cost may not be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to a federal award as an indirect cost.

- Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.
- Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period.
- Be adequately documented.
- DOE and HHS have established additional guidelines regarding weatherization measures that may be paid for, and the types and composition of materials that are allowable within the weatherization program. Information on these items is available in the SC Weatherization Assistance Program State Plan, LIHEAP State Plan, South Carolina Weatherization Assistance Program Policies and Procedures Manual, and the DOE Weatherization web site (<https://energy.gov/eere/wipo/weatherization-assistance-program>). In addition, the DOE portion of the weatherization grant agreement is governed by 10 CFR Part 440 – Weatherization Assistance for Low-Income Persons.

Purchases

Subgrantee shall establish written procurement procedures in accordance with federal and state procurement regulations, including written standards for conduct covering conflicts of interest and governing the actions of employees, officers and agents.

S.C. Code Ann. §11-35-1550 shall be utilized in conducting procurements up to \$50,000 unless the proposed purchase is from a vendor who is selected from the current State Procurement Contract, which must be verified through the State's Materials Management Office (MMO). OEO reserves the right to question any procurement during fiscal and/or programmatic monitoring that it considers to be unreasonable. OEO staff may approve the purchase or may request additional information to assist with clarifying the justification of the purchase as it relates to program need. Larger purchases of like goods or services may not be subdivided in order to circumvent procurement requirements.

1) **Small Purchases less than \$2,500**

Small purchases not exceeding \$2,500 may be made without securing competitive quotations if the prices are considered reasonable. The purchasing office must annotate the purchase requisition: "Price is fair and reasonable" and sign. The purchases must be distributed equitably among qualified suppliers. When practical, a quotation must be solicited from other than the previous supplier before placing a repeat order. The administrative cost of verifying the reasonableness of the price of purchase "not in excess of" may more than offset potential savings in detecting instances of overpricing. Action to verify the reasonableness of the price need be taken only when the procurement officer of the governmental body suspects that the price may not be reasonable, comparison to previous price paid, or personal knowledge of the item involved.

2) **Purchases over \$2,500 up to \$10,000**

Solicitation of written quotes from a minimum of three (3) qualified sources of supply must be obtained and documentation of the quotes attached to the purchase requisition for purchases over \$2,500, but not exceeding \$10,000. The award must be made to the lowest responsive and responsible sources.

3) Purchases over \$10,000 up to \$50,000

Written solicitation of written quotes, bids, or proposals must be made for purchases over \$10,000 but not in excess of \$50,000. The procurement must be advertised at least once in the South Carolina Business Opportunities publication (scbo@mmo.sc.gov). A copy of the written solicitation and written quotes must be attached to the purchase requisition. The award must be made to the lowest responsive and responsible source or, when a request for proposal process is used, the highest ranking source.

4) Contracts greater than \$50,000

Such contracts must be awarded by competitive sealed bidding as described in S.C. Code Ann. § 11-35-1520. In addition, prior OEO approval and a cost or price analysis are required for purchases of over \$150,000 (2 CFR § 200.323, 45 CFR § 75.332). The Subgrantee must also make an independent estimate before receiving bids or proposals, and make available upon request, pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates for procurements over \$150,000 (2 CFR § 200.324, 45 CFR § 75.333).

5) Sole Source

Sole source contracts are highly discouraged. However, when there is only one source for a supply, service, information technology, or construction item without competition, a sole source procurement may be transacted. In cases of reasonable doubt, competition must be solicited to support the sole source decision. A written explanation as to why no other vendor will be suitable or acceptable to meet the need, in addition to supporting documents, must be forwarded to OEO for review and approval prior to entering into a sole source contract.

6) Purchases Using Gift Cards

Gift cards are a financing tool. Money loaded on the card cannot be recognized as expenditure in an OEO administered grant until the money is actually exchanged for goods or services. Receipts from purchases with a gift card must be retained as documentation of expenditures. Purchases using a gift card are required to comply with allowable cost and procurement policies. Records must be maintained to document the employee issued the card, when the card was issued and transaction/balance detail.

7) Emergency Procurements

Procurement may be made when there is an immediate threat to public health, welfare, critical economy or efficiency, or safety, and provided that such an emergency procurement is made with as much competition as is practical under the circumstances, with a follow-up written report from the Executive Director on the basis of the emergency and the selection of the vendor.

8) Weatherization Contractor Procurement

When procuring contractors to provide weatherization services, Subgrantees will follow S.C. Code Ann. §11-35-1525 competitive fixed price bidding. Public notice shall be given through the South Carolina Business Opportunities. This notice does not require a closing date to allow additional participants throughout the grant cycle. This contract is eligible for multiple renewal periods. Eligible contractors must provide appropriate license and insurance as required by the Department of Energy and OEO. In addition, prior to awarding a contract to the vendor, the Subgrantee is required to have the vendor complete the Certification Regarding Debarment, Suspension and Other Responsibility Matters Primary Covered Transactions form (SBA Form 1623) found at Appendix B. The

Subgrantee is required to verify the subcontracts having any active exclusion through the federal government's System for Awards Management (SAM) at www.SAM.gov.

All procurement transactions must be conducted in a manner to provide, to the maximum extent practicable, open and free competition. The Subgrantee shall be alert to Subgrantee conflicts of interest and noncompetitive contract practices among contractors that may restrict or eliminate competition or otherwise restrain trade. Contractors that develop or draft specifications, requirements, statements of work, invitation for bids and/or requests for proposals shall be excluded from competing for such procurements. (2 CFR § 200.319, 45 CFR § 75.328) Solicitations shall clearly set forth all requirements that the bidder or offer shall fulfill. Any and all bids or offers may be rejected by the Subgrantee when it is in the Subgrantee's interest to do so. Also, refer to the Conflict of Interest section on page 11 of this manual.

Annual Equipment, Furniture & Fixtures Budget Requirements

Allowable "equipment" is tangible non-expendable personal property charged directly to the federal award. Equipment should be documented as either capitalized or non-capitalized, have a useful life of more than one (1) year and with a unit acquisition cost equal to or greater than two thousand five hundred dollars (\$2,500). If the Subgrantee's policy requires a lower amount, the Subgrantee will adhere to the lower amount. Examples of equipment are vehicles, copiers, phone systems, etc. Furniture and fixtures are moveable items such as desks, chairs, storage cabinets, lighting, copiers, fax machines, computers, printers and telephones. In addition, the WAP grant may require additional items such as blower doors, generators, trailers, etc. For the purpose of OEO funded grants, all purchases of the items listed above are to be listed on the Annual Equipment, Furniture & Fixtures Budget form if the acquisition cost is equal to or greater than \$2,500 per unit.

This form is a budgeting tool, which assists the OEO Fiscal Monitoring Department in monitoring assets purchased with OEO administered grant funds. The items listed on the Annual Equipment, Furniture and Fixtures Budget form may not be representative of your Subgrantee's capitalization policy for fixed assets. Proper inventory records of both non-capitalized and capitalized assets purchased with OEO grant funds will be reviewed during OEO Fiscal Monitoring field visits. During the site visit, OEO will also require an inventory of tangible property purchased with OEO grant funds that do not meet the \$2,500 (classified as supplies) budget threshold.

When submitting a program budget, all anticipated purchases for the program year will be listed on the Annual Equipment, Furniture & Fixtures Budget form. Items listed will require procurement documentation, specifications, bid/quotes and justification upon the submission of the budget when procurement guidelines require or OEO requests supporting documentation. Subgrantees must obtain board approval when required. When OEO approves a Subgrantee's budget, the identified items will be reviewed and approved for procurement within the program year. Once this process is accomplished and all provisions are satisfied, the Subgrantee is ready to complete the procurement, which must be executed and items received prior to the close of the grant period.

Certification of Cost Allocation Plan or Indirect (F&A) Cost Rate Proposal

Each proposal to establish a cost allocation plan or an indirect (F&A) cost rate must be certified by the Subgrantee using the Certificate of Cost Allocation Plan or Certificate of Indirect Costs as set forth in Appendix IV of 2 CFR Part 200 and 45 CFR Part 75. The certificate must be signed by an individual at a level no lower than vice president or chief financial officer of the Subgrantee. Unless the Subgrantee has elected a de minimis rate of 10% of modified total direct costs (2 CFR

§ 200.414 (f), 45 CFR § 75.414 (f)) and has never had a federally negotiated indirect cost rate, the federal government may either disallow all indirect (F&A) costs or unilaterally establish such a plan or rate when the Subgrantee fails to submit a certified proposal for establishing such a plan or rate in accordance with the requirements.

Indirect Costs

A cost that benefits more than one cost objective, is incurred for a common or joint purpose, and is not readily assignable to a final cost objective that specifically benefited from it without undue effort is considered an indirect cost. Examples of indirect costs include depreciation or use allowances on buildings and equipment, the costs of operating and maintaining facilities, and general administration and general expenses, such as the salaries and expenses of executive officers, personnel administration, and accounting.

No revisions to the FINAL (Closeout) FSR will be allowed after the closeout period due to federal reporting requirements. Any changes to fund balance after the closeout period due to indirect cost over-recoveries and/or disallowed cost will be determined by OEO Fiscal Monitoring and collected from the Subgrantee during the Fiscal Monitoring process.

Negotiation and Approval of Indirect Cost Rates

The cognizant agency for indirect costs is the federal agency with the largest dollar value of awards with a Subgrantee, unless a different arrangement is made with the federal agencies concerned. The assigned cognizant agency for indirect costs to a Subgrantee will not change unless there is a change in the dollar volume of federal awards to the Subgrantee for at least three (3) years. When the Subgrantee receives an approved federally negotiated indirect cost rate from its cognizant agency, the Subgrantee must provide OEO Fiscal Services and OEO Fiscal Monitoring a copy of the negotiated rate document within thirty (30) days.

In certain situations, OEO may become the cognizant agency for indirect costs for the Subgrantee. As such, the Subgrantee must submit its indirect cost rate proposal to OEO for approval. The Subgrantee must also refer to Appendix IV of 2 CFR Part 200 and 45 CFR Part 75 for instructions on methods in calculating the indirect cost rate. Indirect costs must comply with 2 CFR §§ 200.403 - 200.405 and 45 CFR §§ 75.403 - 75.405 regarding reasonableness and allowability. The dollar amount of indirect costs allocable to a grant will be determined by multiplying the approved indirect cost rate by the applicable financial base of the grant period.

Indirect Cost Rate Adjustments

Adjustments to rates due to disallowed costs are adjusted as follows:

- 1) For rates covering a future fiscal year of the non-federal entity, the unallowable costs will be removed from the indirect (F&A) cost pools and the rates appropriately adjusted.
- 2) For rates covering past fiscal years, the federal share of the disallowed costs will be calculated and refund sent to OEO.
- 3) For rates covering the current fiscal period, the method of adjustment is decided by the cognizant agency.

Subgrantees are advised to review the Subgrantee's indirect costs on a quarterly basis. At the end of an OEO program year, indirect costs on the final FSR are to be adjusted to the most current indirect cost rate.

Direct Costs

When a cost benefits two or more projects or activities and can be allocated to the project or activity based on the proportional benefit without undue effort or cost, it is a direct cost and should be allocated to all programs benefitted. The direct cost must be allocated based on the proportional benefit to the project or activity. If the proportions of the direct cost cannot be determined because of the interrelationship of the work involved, the cost may be allocated or transferred to the projects that benefitted from the cost based on any reasonable documented basis. This should not be done, however, to overcome fund deficiencies, avoid restrictions imposed by federal statutes, regulations, or terms and conditions of the federal award or grant agreement, or for other reasons. (2 CFR § 200.405 (c) - (d), 45 CFR § 75.405 (c) - (d)) Where the purchase of equipment or other capital asset is specifically authorized under a federal award, such costs must be charged direct to the federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required.

A cost may not be assigned to an award as a direct cost if similar cost in other programs incurred for the same purpose, in like circumstance, has been allocated to an award as an indirect cost. Costs identified specifically with other final cost objectives of the Subgrantee are direct costs of those cost objectives and are not to be assigned to other awards directly or indirectly.

The costs of certain activities are not allowable as charges to federal awards. However, all direct costs regardless of whether chargeable or not to a federal award must be treated as direct costs to determine the indirect cost rate of the Subgrantee and to allocate the Subgrantee's share of indirect costs if they represent activities which include the salaries of personnel, occupy space, or benefit from the Subgrantee's indirect costs. (2 CFR § 200.413 (e), 45 CFR § 75.413 (e)) Direct costs of minor amounts may be treated as indirect costs under the conditions described at 2 CFR § 200.413 (d) and 45 CFR § 75.413 (d).

After direct costs have been determined and assigned directly to awards or other work as appropriate, indirect costs are those remaining to be allocated to benefiting cost objectives. A cost may not be allocated to an award as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to an award as a direct cost.

Specific Expenditures

There are certain expenditures that Subgrantees must pay close attention to as there are certain requirements that must be met in order for these expenditures to be supported and justified. This section addresses such expenditures and explains the various requirements that the Subgrantee must adhere to or have in place. Subgrantees must be aware that this is not an all-inclusive list.

Per Diem/Travel Rates

If a Subgrantee does not have its own written travel policy, the following rates apply, which are the rates established by the State of South Carolina.

1) Mileage

Every year the South Carolina Office of Comptroller General updates the mileage rate in effect for the year. The memorandum issued by the Comptroller General may be found at the Office of Comptroller General's website. The link is provided below for your convenience.

<https://cg.sc.gov/guidance-and-forms-state-agencies/travel-forms-and-mileage-rate>

It is the Subgrantee's responsibility to ensure that the rate in effect during the time of travel is applied.

2) Meals

Refer to the regulations promulgated by the South Carolina Office of Comptroller General under Disbursement Regulations, Regulations for Reimbursement and Subsistence Expenses found at this link:

<https://cg.sc.gov/guidance-and-forms-state-agencies/cgs-accounting-policies-and-procedures>

It is the Subgrantee's responsibility to ensure that the rates in effect at the time of travel are applied.

3) Lodging

Refer to the U.S. General Services Administration website at www.gsa.gov for applicable rates.

If a Subgrantee chooses to develop its own travel policy, travel costs may be charged based on actual costs, on a per diem or mileage basis, or on a combination of the two. The method applied must result in charges consistent with those normally allowed by the Subgrantee in its regular operations regardless of whether the travel costs incurred are associated with federal or non-federal activities (2 CFR § 200.474 (b), 45 CFR § 75.474 (b)). Rates adopted by a Subgrantee in its travel policy must not exceed the federal per diem rates. It is the responsibility of the Executive Director as the head of the agency to ensure that charges for lodging follow maximum lodging rates established by the U.S. General Services Administration. However, exceptions may be made, with the written approval of the Executive Director, when extenuating circumstances occur. The location and purpose of travel in addition to the extenuating circumstances must be documented. The Subgrantee must include language in its written travel policy allowing for such exceptions if it chooses to allow exceptions for extenuating circumstances.

All travel costs charged to OEO administered grants must be reasonable and properly documented, directly benefit the program, and follow established policies.

Rent

Rent paid for administrative or program activities must:

- Be reasonable and comparable to other available properties in the same market area.

- Obtain prior approval from OEO prior to entering into a rental or lease agreement on space charging \$500 or more per month. The Subgrantee must provide OEO with supporting documentation of comparable properties.
- Include a termination clause in all rental and/or lease agreements.
- Shall be charged in a cost allocation method according to program requirements. Refer to individual grant agreements.
- See 2 CFR § 200.465 and 45 CFR § 75.465 for additional guidance.

Insurance

At a minimum, Subgrantees shall provide insurance coverage for real property and equipment acquired or improved with federal funds equivalent to the insurance coverage the Subgrantee provides its own property (2 CFR § 200.310, 45 CFR § 75.317) and ensure sufficient coverage of officers.

- Types of insurance coverage are Building & Personal Property, Data Processing, Automobile Liability and Collision, General Liability and Workers' Compensation and Employee Health.
- Fidelity (Tort) coverage is required to insure against financial loss.
- WAP requires Pollution Occurrence Insurance.
- All subcontractors must provide agencies and OEO with certificates of insurance representing adequate general liability coverage and when applicable, workers' compensation coverage.
- Insurance rates and premiums should be reasonable.
- Insurance, including Employee Health, will comply with procurement standards.

Contractual/Professional Services

Costs for contractual/professional and consultant services rendered by a person who possesses a special skill (excluding maintenance or repair agreements) and who is not an officer or employee of the Subgrantee are allowable. (2 CFR § 200.459, 45 CFR § 75.459) Factors to consider in determining the allowability of costs for contractual/professional services include, but are not limited to:

- All professional/consultant services in excess of \$600 must receive prior OEO approval.
- The rate of compensation must be reasonable in relation to the service.
- The service must be necessary and the agency unable to provide said service.
- See Section VI. Audit of this manual for the selection of Auditors when obtaining audit services.

- How the service was accomplished in prior grant periods.
- Whether the service can be performed more economically internally rather than through a contract.

Whenever possible, the Subgrantee is encouraged to make positive efforts to utilize small businesses, minority-owned firms, women's business enterprises, and labor surplus area firms (2 CFR § 200.321, 45 CFR § 75.330). Contracts and/or agreements must include a termination provision and be in compliance with applicable procurement policies. Supporting documentation of the contract should support all of the above.

Stipends and Staff Training

Stipends are considered participant support costs. (2 CFR § 200.75, 45 CFR § 75.2) Participant support costs are costs paid to or on behalf of a participant or trainee, not an employee, for conferences or training project. Other types of participant support costs include subsistence allowances, travel allowances and registration fees. Subgrantees must obtain prior approval from OEO in order for stipends to be an allowable cost.

OEO, as the administering agency for CSBG (Youth Leadership Program), agrees to allow stipends that are directly related to the purpose and strategies of the grant program. All proposed stipends and/or wages must be submitted with the work plan to the CSBG Senior Program Manager in writing, clearly justifying the relevance to program success (e.g. Employment Skills Training/Internships). OEO will approve the stipend and/or wages with the approval of the work plan. Each client file must provide adequate documentation to support these expenditures. Clients must not be paid simply for participating in the program, attending classes. CSBG funds may not be used to reward or provide gifts or other comparable items to clients.

Training and education costs for employee development are allowable per 2 CFR § 200.472 and 45 CFR § 75.472. To be approved, OEO requires the agency to demonstrate that all staff training and education costs are directly related to the program requirements and are designed to increase the employee's effectiveness within the program.

The following information must be submitted to OEO for prior approval if stipends are being charged:

- 1) Identify eligibility criteria;
- 2) Define who's eligible;
- 3) Explain how you arrived at the stipend figure; and
- 4) Explain why the stipend is being offered (stipends are allowed for childcare, transportation, or time lost from a job to attend sessions and must be justified with receipts).

The following information must be submitted to OEO for approval if internships are being charged:

- 1) Must be outlined in agency's policies and procedures manual;
- 2) Identify eligibility criteria;

- 3) Define who's eligible;
- 4) Explain how you arrived at the hourly rate;
- 5) Memorandum of Understanding is required between agency and employer and must include termination policy (termination should occur as soon as possible if internship is not working appropriately); and
- 6) 1099 Forms must be provided to each student receiving more than a total of \$600 per year for income tax purposes and tax regulations must be adhered to.

CSBG funds may not be used to pay rewards, gift cards, and/or gift certificates. Failure to comply with this section may result in a disallowance of costs incurred.

Contractor/Subcontractor Payments (WAP Only)

Prior to paying a contractor/subcontractor invoice under the WAP grant, a copy of the completed QCI Final Inspection Certification Form (see Appendix C) or OEO approved substitute form must be attached to the invoice submitted to the Subgrantee's finance/accounting department for payment. As part of OEO's fiscal monitoring, payments to WAP contractors/subcontractors and the cost center report identifying the source of funds will be reviewed to ensure compliance with this requirement.

With the implementation of NEAT/MHEA, the Subgrantee must record the **total cost** of the assistance provided regardless of how the Subgrantee is billed by the contractor or subcontractor. OEO will be reviewing Subgrantee records to ensure that the total cost of a project/assistance provided matches the total cost assigned to the project/assistance via NEAT/MHEA.

Materials Inventory (WAP Only)

To ensure inventory costs are recorded in the program year which receives the benefit, Subgrantees are to comply with the following procedures. For cumulative residual materials inventory at program year-end that is:

- Less than \$5,000: The Subgrantee is to provide an itemized listing identifying the material, quantity, unit price and total costs. The total dollar amount should agree with the financial documentation (trial balance).
- Greater than \$5,000: The Subgrantee is required to buy the inventory from the program with non-state, non-federal funds. Once spending is authorized for the subsequent program year, the Subgrantee can use current year program funds to repurchase the inventory. The agency buy back is to be supported by a computer-generated copy of the journal entry.

IV. Reports and Records

OEO uses the DBA FACSPRO™ for budget and Financial Status Reports. Generally, reports required by OEO's Fiscal Services Department are available on DBA. Online reporting requirements must be followed.

Access to DBA FACSPRO™ (DBA)

DBA is the database system used by the state for all OEO administered grants, except for ESG. Only authorized users in good standing may access DBA. All users are required to undergo SANS Training annually as well as recertify compliance with confidentiality requirements by renewing the DBA FACSPRO User Confidentiality Agreement. The DBA FACSPRO User Confidentiality Agreement and certificate of completion issued for SANS Training must be uploaded into the employee's electronic file in DBA annually. Users who do not complete SANS Training or submit recertification may have their DBA access suspended until such time that they become compliant with these requirements.

Subgrantees must submit a completed DBA FACSPRO Employee & Volunteer Account Request Form and DBA FACSPRO User Confidentiality Agreement for all new users and volunteers needing access to DBA. The DBA FACSPRO Employee & Volunteer Account Request Form must also be completed for any account modifications or deactivation. All correspondence regarding DBA account access and SANS Training should be sent to DBA@admin.sc.gov. The DBA forms mentioned are available on DBA. Refer to DBA FACSPRO Memorandum 19-1.

OEO may monitor compliance with these requirements through a desk monitoring or during the on-site monitoring visit.

Certification

The annual and final financial status reports or vouchers requesting payment under the agreements must include a certification, signed by an official who is authorized to legally bind the Subgrantee, which reads as follows: "By submitting this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812)." (2 CFR § 200.415 (a), 45 CFR § 75.415 (a))

Financial Status Report (FSR)

All FSRs and required supporting documents (Summary of Expenditures, General Ledger Report, Trial Balance, support for journal entries and voided transactions) must be submitted by the fifteenth (15th) of the month following the reporting period unless instructed otherwise. Also refer to the Submission Policy on page 36. FSRs must be accurate, complete and submitted timely for the Subgrantee to be compliant with this reporting requirement. The final FSR requires the signature of both the Subgrantee's Executive Director and authorized representative of the finance department.

General Procedures:

- 1) OEO allows for a fifteen (15) percent variance in expenditures from the budget on budget line items not related to Salaries, Fringes and Indirect Cost. Variances of more than fifteen (15) percent may be permitted with OEO approval prior to the expenditure of funds.

NOTE: Any budget line item variance must be offset by another non-personnel expense category and cannot cause the total budget to exceed the Subgrantee's total allocation or grant award. Additionally, Admin., T&TA, and Health and Safety cannot exceed approved budget allocations for the DOE Weatherization and LWAP programs.

- 2) It is the responsibility of the Subgrantee to ensure upon the submission of the final FSR that Indirect Cost is properly expended and reported. This may result in a negative balance, which must be approved by OEO before submission of final FSR.
- 3) The Total Administration fund balance of any OEO grant cannot reflect a negative balance.
- 4) A program closeout memo will be issued for each OEO grant. This memo will instruct Subgrantees to retain or refund the fund balance at the time of the closeout. If a refund is required, the Subgrantee should send payment with the FINAL (Closeout) FSR. If a Subgrantee is instructed to retain the fund balance, these funds will be included in the Actual Allocation for the subsequent program year.
- 5) If the Subgrantee has over expended the Subgrantee's allocation, the Subgrantee must not transfer revenue from another restricted source to offset the over expenditure. The Subgrantee may, however, move expenditures out to another source of funds. (2 CFR § 200.405 (c), 45 CFR § 75.405 (c))
- 6) No revisions in the Final (Closeout) FSR will be allowed after the closeout period. Any changes to fund balance after the closeout period will be reviewed during OEO's Fiscal Monitoring process and combined with any other disallowed cost.
- 7) In addition to the WAP closeout FSR, OEO requires submission of the Materials Inventory Report or copy of the journal entry transferring the value of the inventory on hand at the close of the grant period in line with materials inventory procedures identified on page 34 of this manual.
- 8) The final WAP FSR has been updated to include the reporting of program income.
- 9) All obligations of grant funds should be paid by the grant closeout. Therefore, there should be no obligations listed on the final FSR. If obligations exist, they must be supported by agency accounting system generated A/P ledger and clearly identified why they remain outstanding.
- 10) OEO maintains the right to request additional information from the Subgrantee.

Submission Policy

Effective July 2018, the calendar feature in DBA was replaced with a Submit FSR feature, which when clicked, automatically time-stamps the date of submission.

With the implementation of this submit feature, FSRs may no longer be retroactively dated. As such, any FSR submitted after 11:59 pm on the 15th of the month will be indicated in the FSR Status column as Submitted Late.

Un-Submit Feature

Located directly beside the Submit FSR button, Subgrantees will find an Un-Submit button. Subgrantees may utilize this feature should they wish to add or edit information after an FSR was submitted. This feature will be available for Subgrantees to use without requiring OEO approval until such time that an OEO employee begins to review the FSR. This will be denoted in DBA FACSPRO in the FSR status column as “Under Review.” After a review of the FSR has begun, the Un-Submit button will be unavailable.

When the Un-Submit button feature is utilized, a “Notes” box will appear and requires that Subgrantees detail all the intended changes in writing prior to making any changes to the FSR. Subgrantees are encouraged to enter thorough notes.

Rejection Policy

The OEO maintains the ability to reject an FSR. If the OEO rejects an FSR, it will require notes be included detailing the reason for rejection. To ensure complete and accurate information be submitted, DBA FACSPRO will prevent a Subgrantee from submitting an FSR if the prior month’s FSR is rejected.

Non-Receipt and Request for Additional Information

As a recipient of federal funds, OEO is required to ensure that appropriate fiscal controls and program procedures are in place to assure proper accounting, timely and effective disbursement of public funds. OEO state plans and grant agreements outline specific provisions for Subgrantee responsibilities and reporting requirements, and those include: Financial Status Reports (FSR), Household Reports, Program Status Reports (PSR), IS Reports, ROMA Reports, program budgets and budget narratives.

Notice of Non-Receipt

When OEO has not received a budget by the date indicated in the program allocation letters or for FSRs by the fifteenth (15th) of each month of the FINAL FSR by the closeout period, a written Notice of Non-Receipt will be sent to the Subgrantee’s Executive Director and authorized representative of the finance department.

Request for Additional Information

When OEO receives an incomplete budget or FSR, a Request for Additional Information Notice will be issued and the report will be considered pending until corrections are received. OEO remains committed to continuing a review of internal policies to assist in the elimination of unnecessary delays to accelerate reporting and the approval processes. We respectfully request each Subgrantee’s assistance in improving this process at the Subgrantee level by assuring timely, complete and accurate reporting. Moreover, the information provided is what OEO uses to prepare its reports to the federal grantor agency, which may affect appropriations and program services.

Failure of a Subgrantee to submit the FSRs when due, or provide additional documents as requested may be considered noncompliant, which may result in OEO imposing special conditions on the Subgrantee. See section V. Corrective Action, Special Conditions of this manual.

Closeout

Subgrantees are required to perform a closeout for all grants, including Project Share. A closeout is performed when the Subgrantee performed all applicable administrative actions and required work pertinent to the federal award. The dates when the closeout documents are due to OEO are listed below:

Grant	Date Closeout Due to OEO
CSBG (ending December 31)	February 15
LIHEAP (ending December 31)	February 15
WAP (ending March 31)	May 15
Project Share (ending June 30)	July 15
LWAP (ending October 31)	December 15

Failure to adhere to the due dates above may result in noncompliance. Moreover, it is imperative that Subgrantees submit their respective closeout documents on time as this affects when OEO is subsequently able to report the information to the federal awarding agency.

The closeout process does not affect a federal agency’s or OEO’s right to disallow costs and recover funds on the basis of later fiscal monitoring or other reviews. (2 CFR § 200.344, 45 CFR § 75.386)

Review Procedures for Program Year Closeouts

A fiscal closeout package includes:

- 1) Completed FSR: The FSR must be completed for the full program year. The final allocation, revenue received and approved budget should be included in the report. The year-to-date expenditures and revenue must agree with all previously reported expenditures and revenue to the financial system reports provided as support. The Final FSR must be signed by the Subgrantee’s Executive Director and an authorized representative of the finance department (i.e. Director of Finance, Chief Finance Officer, etc.).

When completing the FSR, the Subgrantee must consider certain conditions including, but not limited to, the following:

- a) Total administration expenses must not be a negative amount;
- b) Expenditures should not exceed the fifteen percent (15%) allowable variance in non-personnel line items;

NOTE: Any budget line item variance must be offset by another non-personnel expense category and cannot cause the total budget to exceed the Subgrantee’s total allocation or grant award. Additionally, Admin., T&TA, and Health and Safety

cannot exceed approved budget allocations for the DOE Weatherization and LWAP programs.

- c) Expenditures should not exceed funding levels.
 - d) The Final FSR should not include any obligations.
 - e) Salaries and salary related line items should not exceed the approved budget.
 - f) The total clients served must be reported.
- 2) Supporting Financial Documents: These include, but are not limited to, the Subgrantee's trial balance, general ledger detail, supporting documents for journal entries and voided transactions, accounts payable report, and Carry-Forward Funds Closeout Form. In gathering all supporting financial documents, the Subgrantee must consider the following:
- a) The revenue must agree with the actual funds received from OEO for the program year.
 - b) The Subgrantee must practice sound accounting principles when establishing accruals at the end of each program year. The expenditure must have been incurred within the program year and supported by appropriate documentation.
 - c) No listing of "Due To" or "Due From" (represents a type of loan, which is not allowed) – all transactions will be complete by the submission of the final FSR.
 - d) All accounts payable items should be supported by an itemized list identifying the vendor invoice, dates, amounts and justification.
 - e) Financial documents will represent the year-to-date expenditures on the FSR.
 - f) A reconciliation is required if multiple financial documents are submitted to calculate the year-to-date expenditures.
 - g) The cash balance on the financial documents must agree with the unexpended funds amount reported on the FSR. If not, the Subgrantee must provide a detailed reconciliation of the cash balance.
 - h) Indirect costs will be properly charged by the closeout and the expense to the grant will represent the most current applicable rate to the grant period.
- 3) Program Reports: The required program report(s) will depend on the federal award being closed out. Examples of required program reports are Household, PSR, ROMA, IS, etc.
- 4) Check for the program fund balance made payable to the Office of Economic Opportunity.
- 5) WAP Requirements: WAP dwellings must be completed prior to the close of the WAP grant. The FSR must also include the number of dwellings completed for the program year. A materials inventory recap report and a copy of the journal entry transferring the value of inventory must be provided.

To assist with the closeout process, a copy of the review procedures will be provided with each program closeout memorandum.

Record Retention

Subgrantee must retain all records (financial and statistical records, supporting documents, etc.) related to a federal award for a period of three years from the date of approval of the final expenditure report. Exceptions to these requirements include, but are not limited to, the following:

- If a litigation, claim or audit is started before the expiration of the three-year period, please contact OEO for retention period requirements.
- All records of real property and equipment purchased with federal funds must be retained for three years after the final disposition.
- The three year retention period does not apply to the Subgrantee if records are transferred to or maintained by the federal awarding agency or the pass-through entity.
- The Subgrantee may be notified in writing to extend the retention period by the federal awarding agency, OEO, or cognizant agency.
- If a Subgrantee is required to report program income after the period of performance, the retention period for program income records begins at the end of the Subgrantee's fiscal year in which the program income was earned.

Refer to 2 CFR § 200.333 and 45 CFR § 75.361 for more information regarding record retention requirements.

Subgrantees are required to maintain sanitization records of computing devices for a minimum of three (3) years from the date of disposal of the computing device. Refer to Equipment/Asset Disposal (Surplus Property) on page 20.

V. Corrective Actions, Special Conditions

As the pass-through entity, OEO has the discretion to place a Subgrantee under corrective action and impose additional conditions to the grant.

Administrative Enforcement

Administrative Enforcement remedies do not preclude the Subgrantee from being subject to "Debarment and Suspension" or Termination. In administering the following, the Grantee has adopted Administrative Requirements for Governments; often referred to as the "Common Rule" (Tab 300, Sec. 43). Administrative enforcement will begin when a Subgrantee: (a) fails to comply with the terms of the award, whether stated in local, state, or federal law and/or regulations, the state plan, the grant agreement or any other Memoranda relied upon and distributed by Grantee; and/or (b) work products are not submitted within the required time frame; and/or (c) reporting is not completed in accordance with generally accepted accounting principles; and/or (d)

performance is not consistent with the approved budget, work plan and/or grant agreement; and/or (e) when a Subgrantee:

- 1) Sustains a documented history of unsatisfactory performance over at least two (2) Grantee Monitoring's;
- 2) Experiences an adverse material change in financial condition at any time during the term of this agreement that affects the Subgrantee's ability to perform any portion of this agreement;
- 3) Exhibits a lack of internal management controls;
- 4) Provides any representation to Grantee that shall at any time be false or misleading in any respect;
- 5) Does not submit required reports timely or reports are submitted with incorrect, incomplete or insufficient information;
- 6) Fails to complete in a timely manner any of the approved services, goals and objectives outlined in the work plan;

As the unsatisfactory performance and non-compliances persist, the Grantee may exercise one or more of the following options, as appropriate to the circumstances:

- 1) Conduct comprehensive Grantee Team monitoring on-site and interim project monitoring that may be announced and/or unannounced;
- 2) Require the Subgrantee to obtain additional technical and/or management assistance;
- 3) Establish additional prior approvals from Grantee;
- 4) Require additional financial reports and/or data;
- 5) Place the Subgrantee on "High Risk" status;
- 6) Wholly or partly suspend the current grant agreement;
- 7) Issue payment to the Subgrantee on a reimbursement basis;
- 8) Require reimbursement of Grant funds expended contrary to the terms of this agreement, the work plan, the state plan, local, state and/or federal laws and regulations, and/or memorandum relied upon and distributed by Grantee, from non-state, non-federal funds;
- 9) Require the Subgrantee to develop a corrective action plan, which must be approved by the Grantee and include a time from for completing the corrective actions;
- 10) Require Board acknowledgement of agency's status; and/or
- 11) Establish additional constraints Grantee deems to be necessary and appropriate under the circumstances.

If the Grantee decides to impose such special grant conditions, the Grantee will notify the Subgrantee as early as possible, of the following:

- 1) The nature of and reason for the special conditions and/or restrictions;
- 2) The method of appeal for reconsideration of the imposed conditions/restrictions; and
- 3) If appropriate, the training and technical assistance the Grantee is offering to the Subgrantee to help correct the deficiency.
- 4) If training and technical assistance are not appropriate, the Grantee will detail the reason why.

Cost Reimbursement Method of Funding

The following instructions were developed by OEO to assist Subgrantees who have been placed on the Cost Reimbursement method of funding. These instructions must be followed for every Payment Request/Invoice submitted to OEO Fiscal Services Department for reimbursement.

Under the Cost Reimbursement method of funding, the ***Subgrantee is required to finance its operations with its own working capital***. OEO payments to the Subgrantee shall serve as reimbursement for the Subgrantee's actual cash disbursements supported by adequate documentation. Costs shall only be reimbursed when incurred costs were paid by the Subgrantee. If the Subgrantee does not follow these requirements, OEO will be unable to review and process the submitted reimbursement request(s) and the entire package will be returned to the Subgrantee.

All Payment Requests with appropriate documentation must be submitted to the Office of Economic Opportunity – Fiscal Services Department 1205 Pendleton Street, Columbia, SC 29201. Please contact OEO Fiscal Services Department at (803) 734-0662 if you have any questions.

Reimbursement Guidelines

To efficiently process the Subgrantee's Payment Request for reimbursement, it is essential that Subgrantees follow the specific guidelines provided below.

- 1) Payment Request/Invoice
All Subgrantees on Cost Reimbursement are required to submit a separate Payment Request or Invoice (see Attachment A) for each subsequent grant when requesting reimbursement. Payment Request(s)/Invoice(s) can be submitted as often as weekly, but not less than biweekly. Please allow a minimum of two weeks (from the received date of the Invoice) for OEO to complete the approval process and disburse the requested funds.
- 2) Summary Cover Sheet
Accompanying each Payment Request should be a Summary Cover Sheet. This summary page should include the following information: check number(s); date of check(s); payee and amount of expense claimed; the type of supporting documentation attached (invoice, receipt, contract, support for personnel compensation, etc.); and a brief explanation of the purpose of the expense.

Summary Cover Sheets must be complete, accurate, and well organized. Pages should be numbered or grouped to facilitate cross-referencing of checks and supporting documentation. For the first Payment Request submitted by a Subgrantee, the initial number of transactions documented should be small so that any deficiencies in the submission that are identified by the reviewer can be corrected with the minimum amount of effort.

- Listing of Cancelled Checks/Charges – each cancelled check/charge should be listed sequentially by check number.
- Date Check Written/Charge Incurred – provide the date that the check was written or the charge was incurred.
- Payee – identify to whom the check was written.
- Total Amount of Expenses – the total amount of the expenses reflected in the corresponding check. An explanation in the form of a footnote must be provided if the total amount of the check is different than the amount used in the supporting documentation.
- Forms of Documentation – identify the type of supporting documentation (i.e. invoice, contract, receipt, etc.).
- Explanation – provide a brief explanation of the purposes for which the costs were incurred (if not self-evident by the payee).
- Signatures – the Summary Cover Sheet must be signed and dated by both the preparer and the authorizing official (Executive Director). The preparer should ensure that the Summary Cover Sheet and supporting documentation are organized and easy to follow.

3) Appropriate Forms of Documentation

To be reimbursed for allowable expenses, the Subgrantee must provide evidence that costs were incurred and paid. Payment Request(s) must be supported by appropriate documentation for the allowable expenditures incurred and paid on the grant. If you are unsure whether a particular expenditure is allowable; consult your approved budget and/or the appropriate section of 2 CFR Part 200 and 45 CFR Part 75.

The appropriate forms of documentation include copies of the following: approved vendor invoice(s); receipt(s); bank statement(s); electronic reference(s); or contract(s). All documentation must be supported by a check copy. All forms of supporting documentation for each expense must be legible, approved by an authorizing official (i.e. Program Manager, Finance Manager, and Executive Director), coded to reflect the corresponding grant(s) and the information must be arranged in the same order as the checks identified on the Summary Cover Sheet.

4) Personnel

For reimbursement of personnel costs, salaries and wages are required to be supported by records documenting the work performed. (2 CFR § 200.430 (i), 45 CFR § 75.430 (i)) Subgrantees must have an internal control system in place providing reasonable assurance that personnel charges are allowable, accurate, and appropriately allocated.

Supporting documents must reasonably capture all work performed by the Subgrantee's employees for all work performed compensated by both federal and non-federal funds. Subgrantees may use budget estimates for interim accounting purposes, however, such budget estimates will not suffice as supporting documentation for personnel charges to federal grants.

Subgrantees are no longer required to provide personnel activity reports, but may choose to do so. What is required, however, is that the supporting documentation of personnel costs comply with 2 CFR § 200.430 (i) and 45 CFR § 75.430 (i).

Please be certain that the personnel documentation indicates the total amount of wages and fringe benefits, the net amount of the paycheck, and the amount of wages and fringe benefits applicable to the corresponding grant.

Please submit copies of payroll registers or payroll reports indicating the gross salary and wage amounts or additional amounts paid related to FICA, retirement, and health insurance. OEO may require additional information if the supporting documents provided are determined to be insufficient and/or require additional support.

5) Travel

Reimbursement of a Subgrantee's travel expenses that directly benefit the program will require copies of travel vouchers reporting the dates, points of travel, conference agenda and the purpose for the travel. A separate travel voucher must be completed and signed by each person traveling during the reimbursement period. Copies of receipts must be submitted for hotel bills and common carriers (i.e. airlines). Receipts are not required for meal reimbursement by Subgrantee employees in travel status. Refer to Per Diem/Travel Rates on page 30.

6) Supplies

Provide copies of approved invoices and receiving reports for purchase of all supplies.

7) Equipment

Provide copies of approved invoices for equipment rental or purchases.

8) Contractual

Actual expenditures for program speakers and consultants must be documented by providing copies of contractual agreements. In addition, documentation of the time, date, location and meeting agenda must also be provided. Sign-in list(s) should be completed during seminars or meetings and a copy of the list(s) must be submitted with the contractual documentation.

9) Other

Other costs such as room rent, postage, and utilities should be documented by the Subgrantee by providing copies of rental agreements, postage receipts and utility bills. Additionally, a credit card statement is not a valid form of documentation for reimbursement. The corresponding receipts need to be attached to support all valid purchases listed on the relevant credit card statement(s).

VI. Audit and Monitoring

This guidance is to set forth the standards as required by federal regulations and to adhere to the CSBG Organizational Standards established by HHS on January 26, 2015 in Transmittal No. 138. This was done in conjunction with §6788 of the CSBG Act. The CSBG Organizational Standards 7 and 8 are attached as part of this manual at Appendix D.

Community Action Agencies must adhere to the following:

- Standard 8.1 The organization's annual audit is completed by a Certified Public Accountant on time in accordance with federal regulations.
- Standard 8.2 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 The organization's auditor presents the audit to the governing board.
- Standard 8.4 The governing board formally receives and accepts the audit.
- Standard 8.5 The organization has solicited bids for its audit within the past five (5) years.

For additional guidance on the annual audit report, refer to 2 CFR §§ 200.501 - 200.521 and 45 CFR §§ 75.501 - 75.521.

Single Audit

A. Audit Requirements

Subgrantees are required to have a single or program-specific audit conducted when federal award expenditures equal or exceed \$750,000 per fiscal year as noted at 2 CFR § 200.501 (a) and 45 CFR § 75.501 (a). The single audit performed must be compliant with the requirements set forth at 2 CFR § 200.514 and 45 CFR § 75.514. Moreover, OEO is given the authority to pursue remedies for noncompliance as provided for in 2 CFR § 200.338 and 45 CFR § 75.371. Refer to 2 CFR § 200.501 (c) and 45 CFR § 75.501 (c) for program-specific audits.

Subgrantees must give the auditor access to personnel, accounts, books, records, supporting documentation and other information as needed for the auditor to perform the required audit. (2 CFR § 200.508 (d) and 45 CFR § 75.508 (d))

B. Audit Costs

Professional fees associated with audits are allowable charges if made in compliance with 2 CFR § 200.425 and 45 CFR § 75.425 and may be allocated as an indirect cost.

C. Selection of Auditors

The Subgrantee's objective in procuring audit services should be to obtain high-quality audits. The Subgrantee must solicit bids for audit services at least every five (5) years per CSBG Standard 8.5. Subgrantees must also:

- 1) Adhere to its own documented procurement policies, which must incorporate applicable state and local laws and regulations;

- 2) Clearly state the objectives and scope of the audit in its request for proposal;
- 3) Obtain a copy of the auditor's peer review report per 2 CFR § 200.509 (a) and 45 CFR § 75.509 (a);
- 4) Consider such factors as the audit Subgrantee's relevant experience, professional qualifications and technical skills of the audit Subgrantee's available staff, results of the peer review and any external quality control review, and price;
- 5) Take positive efforts to procure audit services from small businesses, minority-owned firms, and women's business enterprises.

At a minimum, procurement of audit services shall include advertisement of the Request for Proposal in the South Carolina Business Opportunities newsletter, published by the State Fiscal Accountability Authority, and the newsletter of the South Carolina Association of Certified Public Accountants. If an auditor prepares the Subgrantee's indirect cost proposal or cost allocation plan, and the Subgrantee's indirect costs recovered from the prior year exceed \$1 million, the same auditor may not be utilized to perform audit services.

In line with the Sarbanes-Oxley Act of 2002 Sec. 203, an incumbent auditor can submit bids for consecutive subsequent period; however, the lead auditor or audit partner responsible for reviewing the audit may provide such services for no more than five (5) consecutive fiscal years. After such time, a new lead auditor or audit partner shall be appointed.

D. Financial Statements & Schedule of Expenditures of Federal Awards

Subgrantees are required to prepare financial statements reflecting the Subgrantee's financial position, results of operations or changes in net assets, and, where appropriate, cash flows for the fiscal year audited. Subgrantees are also required to prepare a schedule of expenditures of federal awards (SEFA) for the same fiscal period. The SEFA must list the total federal awards expended as determined in accordance with 2 CFR § 200.502 and 45 CFR § 75.502.

E. Independent Audit Report Submission

It is the Subgrantee's responsibility to ensure that the audit report, data collection form (Form SF-SAC) and reporting package are complete and submitted to the Federal Audit Clearinghouse (FAC) within the earlier of thirty (30) calendar days after receipt of the auditor's report, or nine (9) months after the end of the Subgrantee's fiscal year end. This requirement is not met so long as the FAC has not accepted the Subgrantee's filing. The FAC will notify the Subgrantee via email as to the status of its submission. If the FAC rejected the submission for any reason, the Subgrantee must immediately resolve the issue. The requirement of a Subgrantee to submit the reporting package to the FAC is not complete so long as the FAC has not accepted the Subgrantee's submission.

The reporting package must include the following:

- 1) Financial statements and SEFA (see 2 CFR § 200.510 and 45 CFR § 75.510);
- 2) Summary schedule of prior audit findings (2 CFR § 200.511 (b) and 45 § 75.511 (b));

- 3) Auditor's report(s) (2 CFR § 200.515 and 45 CFR § 75.515); and
- 4) Corrective action plan (2 CFR § 200.511 (c) and 45 CFR § 75.511 (c)).

It is the Subgrantee's responsibility to ensure that personally protected identifiable information is omitted from the reporting package. The data collection form must be completed and signed by a Subgrantee senior level representative (i.e. director of finance, chief executive officer, or chief financial officer) and the auditor where applicable. Refer to 2 CFR § 200.512 and 45 CFR § 75.512 for more information.

In addition, all Subgrantees must submit their single audit report to OEO within thirty (30) calendar days after receipt of the auditor's report(s), or nine (9) months after the end of the audit period, whichever comes first. All Subgrantees were notified of this requirement in a memorandum dated July 6, 2016. Refer to 2 CFR § 200.507 (b)(2) and 45 CFR § 75.507 (b)(2) for program-specific reporting requirements.

F. Independent Audit Report

The audit report must specifically state that the audit was conducted in accordance with 2 CFR § 200.515 and 45 CFR § 75.515 and shall include the following:

- 1) An opinion or disclaimer of opinion as to whether the financial statements are presented fairly in all material respects in accordance with GAAP and an opinion or disclaimer of opinion as to whether the SEFA is fairly stated in all material respects in relation to the financial statements as a whole.
- 2) A report on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements. The report must describe the scope of testing of internal control and compliance and the results of the tests, and where applicable, it will refer to the separate schedule of findings and questioned costs described at 2 CFR § 200.515 (d) and 45 § 75.515 (d).
- 3) A report on compliance for each major program and a report on internal control over compliance. The report must describe the scope of testing of internal control over compliance, include an opinion or disclaimer of opinion as to whether the auditee complied with federal statutes, regulations, and the terms and conditions of federal awards which could have a direct and material effect on each major program and refer to the separate schedule of findings and questioned costs described at 2 CFR § 200.515 (d) and 45 § 75.515 (d).
- 4) A schedule of findings and questioned costs, which must include the following (refer to 2 CFR § 200.515(d) and 45 § 75.515 (d) for more detail):
 - a) A summary of the auditor's results;
 - b) Findings relating to the financial statements which are required to be reported in accordance with GAGAS; and
 - c) Findings and questioned costs for federal awards which must include audit findings as defined at 2 CFR § 200.516 and 45 § 75.516.

The audit report need not follow the order or format listed above. However, the information and statements identified above must be included in the audit report.

The Subgrantee is required to include a summary schedule of prior audit findings. All prior audit findings must be included in the list. Corrected prior audit findings must still be listed stating that corrective action was taken. Prior audit findings not corrected or only partially corrected must include an explanation as to why the findings recurred and the Subgrantee's planned corrective action in addition to any partial corrective action already taken. An explanation is required when the corrective action taken differs significantly from the previously reported corrective action plan. (2 CFR § 200.511 (b)(2) and 45 § 75.511 (b)(2))

The auditee is required to prepare a corrective action plan for all findings identified by the auditor. The corrective action plan must include the following (see 2 CFR § 200.511 (c) and 45 § 75.511 (c)):

- 1) The name of the contact person responsible for the corrective action;
- 2) The corrective action planned;
- 3) The anticipated completion date; and
- 4) An explanation and specific reason(s) as to why the auditee does not agree with the audit findings or believes that a corrective action is not required.

OEO Monitoring

As a pass-through agency of federal awards, OEO and/or its authorized representative(s) perform fiscal monitoring activities to ensure that a Subgrantee's expenditures of federal awards comply with applicable laws, regulations, grant agreement provisions, and any other applicable requirements for the expenditure of federal awards. Part of OEO's fiscal monitoring activities include, but are not limited to, a desk review of the Subgrantee's single audit report, a review of whether the Subgrantee has taken appropriate and timely corrective action on any issues identified, a follow up on prior year's fiscal monitoring findings, and a review of expenditures reported on FSRs submitted to OEO. Refer to 2 CFR § 200.331 for more information regarding OEO's responsibilities as a pass-through entity.

OEO will perform fiscal monitoring on-site visits. OEO may or may not give advance notice of an on-site visit. A fiscal monitoring report will be issued at the conclusion of an on-site monitoring visit. All Subgrantees are required to provide OEO access to documents, papers, or other records of the Subgrantee that OEO requests which are pertinent to the federal award(s) under review. This access must also be afforded to any authorized representative of OEO, such as a firm engaged to perform fiscal monitoring activities on behalf of OEO. (2 CFR § 200.336 and 45 § 75.364)

Desk Review of Single Audit

All single audit reports submitted to OEO undergo a desk review. The desk review is an assessment of whether the audit and federal expenditures of OEO administered grants are compliant with 2 CFR § 200.500 et al, 45 CFR § 75.500 et al, Government Auditing Standards, generally accepted auditing standards, generally accepted accounting principles, and all

applicable laws, regulations, contracts and grant agreements. OEO will determine audit acceptability, ascertain Subgrantee compliance, examine questioned costs and findings reported, determine grant agreement violations, determine any fund balances due to OEO and identify any areas of concern that OEO may potentially address with monitoring activities. For each audit finding related to OEO administered grants, OEO will issue a management decision. (2 CFR § 200.521 and 45 CFR § 75.521) Additional information or documentation may be requested at any time during the desk review, and OEO may perform additional work as deemed necessary.

The desk review will be performed and any management decisions necessary will be issued within six (6) months upon acceptance of the audit report by the FAC. All Subgrantees are required to submit their single audit report to OEO within thirty (30) calendar days after receipt of the auditor's report(s), or nine (9) months after the end of the period audited, whichever comes first. An electronic copy is preferred, and may be emailed directly to kimberly.cosare@admin.sc.gov. Failure to comply with this requirement may result in OEO taking corrective action to address the noncompliance of the Subgrantee. An analysis of program activity with a separate analysis for indirect cost will be performed. An indirect cost analysis will be performed using the corresponding indirect cost rate agreement for the fiscal year audited. Analysis of program variances will be performed for completed program years while partial year program variances considered material may be subject to sampling.

Questioned costs identified in the single audit will be reviewed. OEO may require additional information from the Subgrantee to address questioned costs. OEO may also perform additional work to determine whether the issues associated with the questioned costs have been appropriately corrected and addressed by the Subgrantee. The report will identify whether each questioned cost is an allowed or disallowed cost, the amount of funds involved, if any, and the total sum in question for each OEO program.

Results of the desk review, management decisions and indirect cost analysis will be communicated and addressed to the Executive Director, unless otherwise requested, in writing, by the Subgrantee's Board of Directors. If issues or areas of concern are identified requiring a response from the Subgrantee, the Executive Director will have thirty (30) days from the date of the letter and/or report to respond to OEO, unless otherwise stated. If OEO does not receive a response from the Subgrantee within the timeframe given, the Subgrantee will be considered noncompliant and OEO may take corrective action measures including, but not limited to, suspension of future funding.

Fiscal Monitoring

OEO will perform fiscal monitoring at least:

- once every three years for CSBG and LIHEAP;
- once a year for WAP; and
- continuous monitoring (cost reimbursement method) for ESGP.

The purpose of fiscal monitoring is to ensure that all Subgrantees are compliant with applicable federal and state fiscal requirements, and that Subgrantees are proper stewards of federal funds. See 2 CFR § 200.331 and 45 CFR §75.352 for more detailed information.

Desk Monitoring

A Subgrantee may be randomly selected during the year for a desk monitoring. This additional form of monitoring was implemented to assist OEO with its monitoring requirements and identify potential needs for training and technical assistance. Desk monitorings may also potentially shorten a Subgrantee's on-site field monitoring.

OEO Fiscal Monitoring Staff will inform the Subgrantee of the desk monitoring and provide a list of documents that must be provided to OEO. The Request for Additional Information is the form used by OEO listing the documents needed. A sample Request for Additional Information is provided at Appendix E. **Documents containing protected personally identifiable information (protected PII), defined at page 5, should not be emailed to OEO.** The items reviewed in the desk monitoring may include, but are not limited to cash, revenue, indirect cost and expenditures. Supporting documentation that may be requested before or during a desk monitoring may include, but are not limited to invoices, journal entries, trial balance, check register, bank reconciliation (see Appendix F for a sample summary bank reconciliation) and bank statement. Items selected for review may be randomly or judgmentally selected from the Subgrantee's general ledger detail.

It is OEO's intent to finalize the desk monitoring within 10 days once all requested documentation and information is received from the Subgrantee. The results of the desk monitoring will be communicated with the Subgrantee via written correspondence (memorandum) and will be incorporated into the field monitoring.

Field Monitoring

OEO on-site fiscal monitoring objectives include, but are not limited to, an assessment of the Subgrantee's internal controls, cash management, ensuring assets have the proper documentation and are properly maintained, accruals are properly supported, balance sheet and income statement accounts are used in a consistent manner to ensure comparability, client assistance eligibility, proper procurement standards and a review of human resources policies and procedures. OEO will sample expenditures to ensure payments are adequately supported with the proper documentation and that payments are compliant with OEO grant agreements, budget requirements and applicable laws, regulations, policies and procedures.

OEO will send a notification letter to the Executive Director of OEO's scheduled field monitoring with a list of documents and information the Subgrantee must provide prior to the on-site visit and/or be made readily available upon arrival. Additional documents may be requested as needed during the field monitoring and after the on-site visit.

Upon arrival, OEO staff will conduct an entrance conference with the Subgrantee's Executive Director as well as other staff determined by the Subgrantee.

At the conclusion of the monitoring, OEO staff will conduct an exit conference with the Subgrantee's Executive Director, as well as other staff as determined by the Subgrantee. This conference may be held in person or by phone. The preliminary results of the monitoring will be discussed, which may include the following:

- Agency strengths;
- Items the Executive Director should be made aware of as determined by OEO;
- Documents the Agency still needs to provide to OEO;

- Items found during the monitoring visit that need to be addressed by the Subgrantee; and
- Items that may not rise to the level of concern, but that OEO determines must be addressed by the Subgrantee.

It is OEO's intent to discuss all items at the exit conference to promote transparency prior to the issuance of the monitoring report. However, items not discussed at the exit conference may still be included in the monitoring report due to further analysis of data or new information obtained after the exit conference.

OEO may perform on-site fiscal monitoring activities without notifying the Subgrantee prior to the visit. In such instances, OEO will inform the Executive Director upon arrival at the Subgrantee's premises.

Subgrantee Fiscal Monitoring Responsibilities

The Subgrantee is responsible for preparing all documents requested, responding within the required timeframe and developing a corrective action plan and/or quality improvement plan as needed. Access to personnel, documents, books, accounts, papers, and any records requested by OEO or any of its authorized representatives in order to perform fiscal monitoring activities is required. If access is denied or any documents or records are not provided, the Subgrantee may be considered noncompliant, which may result in OEO taking corrective measures.

The results of the monitoring will be communicated to the Executive Director and Board Chairperson of the Subgrantee. The Executive Director must submit to OEO the required documentation (supporting documents, corrective action plan, quality improvement plan) noted in the monitoring report to address the findings and/or issues identified in the report. The required timeline for submission of such document(s) will be noted in the monitoring report. The corrective action plan and/or quality improvement plan must be submitted to OEO within the timeframe identified on the monitoring report, unless otherwise noted on the report. The corrective action plan and/or quality improvement plan must include the name(s) of the contact person(s) responsible for the corrective action, the corrective action planned, and the anticipated completion date. Follow-up fiscal monitoring may occur depending on the Subgrantee's response to the fiscal monitoring report.

Payments of Disallowed Cost

Disallowed costs shall be payable to OEO within 30 days from the date of the correspondence identifying disallowed costs. Only non-federal, non-state funds may be used to satisfy disallowed costs. If costs are disallowed during the grant period, non-federal or non-state funds must be used to return the funds to the grant. Payment methods permitted to satisfy disallowed costs are as follows:

1) Lump-sum Payment

OEO must receive the total disallowed amount within the aforementioned period. If the Subgrantee is financially unable to make full payment within this time frame, the Subgrantee must inform the OEO Director in writing within 15 business days of the date of the correspondence identifying the disallowed costs. The Subgrantee will be subject to an OEO Fiscal Monitoring to document the non-federal/non-state funds available for repayment of delinquent debt.

2) **Installment Payments**

Subsequent to verification of the Subgrantee's inability to repay in lump-sum, OEO may establish a written agreement binding the Subgrantee to the terms and methods outlined. The standard repayment period is 12 months, not to exceed a 36 month maximum time allowance. Monthly payments will be due to OEO by the fifteenth (15th) of each month. Quarterly payments will be due to OEO by the fifteenth (15th) day of the last month in the quarter.

3) **Delinquent Payments**

If a Subgrantee fails to repay funds within the required timeframe, and the requirements set forth in 2 CFR Part 200, 45 CFR Part 74, and 4 CFR Chapter 11-Federal Claims Collection Standards (General Accounting Office – Department of Justice) may be exercised in the collection of delinquent debt.

CLIENT REFUND FORM

Agency Name: _____ Date: _____
 Street Address: _____
 City, State, Zip Code: _____

Client Name:	System ID#:	Date of Benefit/Voucher:	Vendor:	Federal Award ID#:	Check #:	Refund Amount:
Total:						\$ 0.00

Preparer's Signature _____ Date: _____

Executive Director's Signature _____ Date: _____

Reason for Refund and/or Additional Refund Disclosures:

Please include the 'Customer Report' printout from DBA with all Client Refunds.
 Please make all checks payable to the "Office of Economic Opportunity".



**Certification Regarding
Debarment, Suspension, and Other Responsibility Matters
Primary Covered Transactions**

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 13 CFR Part 145. The regulations were published as Part VII of the May 26, 1988 *Federal Register* (pages 19160-19211). Copies of the regulations are available from local offices of the U.S. Small Business Administration.

(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS ON REVERSE)

- (1) The prospective primary participant certifies to the best of its knowledge and belief that it and its principals:
 - (a) Are not presently debarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - (b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - (d) Have not within a three-year period preceding this application had one or more public transactions (Federal, State, or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective primary participant shall attach an explanation to this proposal.

Business Name _____

Date _____

By _____

Name and Title of Authorized Representative

Signature of Authorized Representative

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is submitted for assistance in obtaining a copy of those regulations (13 CFR Part 145).
6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transactions," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the ineligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

South Carolina
QCI Final Inspection
Certification Form

This form certifies that the dwelling had a final inspection by a certified QCI and that all work met the required standards.

QC Inspector's Name: _____ Agency: _____

Client Name / Address: _____

Date: _____

The QCI:

- 1) ____ **Verified** worker compliance with safety rules.
- 2) ____ **Evaluated** client satisfaction with in-process and final work:
- 3) ____ **Reviewed** the client file structure, ensuring that approved forms were completed and signed appropriately.
- 4) ____ **Assured** that the work order and specifications provided adequate guidance and were understood by the retrofit installers.
- 5) ____ **Assured** that the work order was implemented as recommended by the dwelling assessment and incorporated the diagnostics.
- 6) ____ **Assured** that any unusual situations were appropriately addressed and that sufficient documentation was provided to support any changes.
- 7) ____ **Determined** Pass/Fail of the work, assuring that the installation and materials followed building and safety codes, 10 CFR 440 Appendix A, SWS, and the SC Field Guide.
- 8) ____ **Confirmed** the proper allocation and documentation of source of funds.

Comments: _____

Signature of Certified QCI _____

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.

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 Title 2 of the Code of Federal Regulations, Uniform Administrative Requirements, Cost Principles, and Audit Requirement (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:

1. Organization-wide report on revenue and expenditures that compares budget to actual, categorized by program; and
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.

**Office of Economic Opportunity
Request for Additional Information**

Date Request Issued: 7/17/2017 Date Received: _____
 Deadline for Request: 7/24/2017 Request Issued by: Andrew Walsh
 Agency: XYZ CAP Inc. Program/Year: CSBG/LIHEAP/WAP 2017
 Director: _____ Reference: Desk Review
 Preparer: _____ Period of Review: May & June 2017

Requested Information		
	Report Type	Description
X	Bank Reconciliation	May & June 2017
X	Bank Statement	May & June 2017
X	Check Register	May & June 2017
	Journal Entries	See Attached list
X	Trial Balance	May & June 2017
	OTHER:	
X		Travel & Vehicle Logs for all OEO Programs for May & June 2017
X		Sample Invoices-See Attached list
X		Current Fixed Asset Inventory Listing

Correspondence (for OEO use only)	
Date	Comments



Sample CAA
Bank Reconciliation
At July 31, 2016

Balance per bank	\$ 666,368
Less outstanding checks	(166,105)
Plus outstanding deposits	<u>125</u>
Ending cash balance	<u><u>\$ 500,388</u></u>

Balance per GL	
CSBG	\$ 150,943
LIHEAP	248,300
DOE WAP	25,400
LWAP	75,000
SCE&G Project Share	<u>745</u>
	<u><u>\$ 500,388</u></u>



South Carolina Office of
E C O N O M I C
O P P O R T U N I T Y
DEPARTMENT *of* ADMINISTRATION

Protocol for CSBG & LIHEAP Grants:

Policies and procedures for program monitoring to ensure the accomplishment of program outcomes and grant compliance.



SOUTH CAROLINA OFFICE OF ECONOMIC OPPORTUNITY

DEPARTMENT *of* ADMINISTRATION

OEO Mission and Responsibilities

The mission of the Office of Economic Opportunity (OEO) is to expand awareness of human service programs throughout the State of South Carolina and to implement and maintain technical support for our service agencies in the areas of moving eligible families, including the elderly and disabled, from their current economic condition to stabilized and ultimately self-sufficient.

The OEO shall administer the Community Services Programs in accordance with the State Plans, State and Federal statutes and other policies and interpretations as may be required by appropriate State or Federal authorities. South Carolina Code of Laws (SECTION 58-37-50) dictates that Community Services Block Grant (CSBG), Low-Income Home Energy Assistance Program (LIHEAP) and Weatherization Assistance Program (WAP) be administered locally by Community Action Agencies (CAAs); therefore, subawards are made only to eligible Community Action Agencies. The OEO shall ensure that services and activities implemented to assist low-income persons, including the poor, in areas as set forth in Section 676(b)(1) of the Act/Statute.

The OEO, through Grant Agreements with eligible Subgrantees, will carry out the services and activities necessary to comply with Section 675(c)(1) of the Act. OEO's minimum responsibilities as the state administering agency are:

1. Development of the State Plan and of the CSBG fund distribution process;
2. Establishment of program policies and operational procedures;
3. Development of accounting policies and procedures;
4. Development of fiscal procedures, including required audits;
5. Procedures for record maintenance and for supporting documentation;

6. Issuance of policies and procedures for compliance with Act 143 of 1983, South Carolina Code of Laws, referenced as the "Community Economic Opportunity Act of 1983", as amended;
7. Review and approval of Subgrantee Work Plans;
8. Determination of Subgrantee eligibility;
9. Issuance of grants;
10. Monitoring of the program throughout the state;
11. Training and technical assistance;
12. Evaluation of Subgrantee agency program performance and identification of remedial procedures;
13. Reporting of program data.

Program Overview

Community Services Block Grant (CSBG)

The Community Services Block Grant (CSBG), administered by the states, provides core funding to local agencies to reduce poverty, revitalize low-income communities and to empower low-income families to become self-sufficient. The CSBG is currently authorized under the 1998 CSBG Act.

Agencies in the CSBG network are Community Action Agencies (CAAs), created through the Economic Opportunity Act, a predecessor of the CSBG. Community representation and accountability are hallmarks of the CSBG network, where agencies are governed by a tri-partite board. This board structure consists of elected public officials, representatives of the low-income community, and appointed leaders from the private sector.

CSBG is not required to implement verification requirements, therefore, "Non-citizens, regardless of their alien status, should not be banned from Community Services Block Grant programs" (CSBG IM No. 30, US Department of HHS for Children and Families Office of Community Services Division of State Assistance).

The federal income eligibility According to the CSBG Act, the term "poverty line" means the official poverty line defined by the Office of Management and Budget



SOUTH CAROLINA OFFICE OF ECONOMIC OPPORTUNITY

DEPARTMENT *of* ADMINISTRATION

based on the most recent data available from the Bureau of the census. The annual revision of the poverty line, shall be used as a criterion of eligibility in the community services block grant program. The State may revise the poverty line not to exceed 125 percent of the official poverty line ((Section 673(1)(B)(2)).

CSBG requires States to use the FPL when determining customer eligibility. However, States are allowed the flexibility to determine the formula in which funds are distributed by county (ex. Historical, FPL only, Historical + Formula, etc.) Reference OEO's Fiscal Policies and Procedures for OEO's methodology to allocate and distribute funds to eligible entities.

CSBG Program Operations: January 1st – December 31st. Federal reports are based on events that occur during the program year.

Low-Income Home Energy Assistance Program (LIHEAP)

The Low-Income Home Energy Assistance Program (LIHEAP), administered by the states, assists low-income households, particularly those with the lowest incomes that pay a high proportion of household income for home energy, primarily in meeting their immediate home energy needs. Grantees (states) must provide crisis assistance. States have the option to provide home heating/cooling, weatherization and/or energy-related minor home repairs.

Congress established the formula for distributing funds based primarily on each State's weather, fuel prices, and low-income population. Home energy is defined as a source of heating or cooling in residential dwellings. Grantees (states) can use funds for heating and/or cooling costs as well as up to 15% of their funding for weatherization assistance.

LIHEAP defines eligible household members as any individual who is a U.S. citizen or "qualified alien". A "qualified alien" is defined at 8 U.S.C. § 1641(b). Members of the household must meet the eligibility requirements specified in Section 2605(b)(2) of the Low-Income Home Energy Assistance Act (42 U.S.C. § 8624(b)(2)).

The Federal income eligibility All LIHEAP grantees must set their income-eligibility criteria between 110 percent of these guidelines and the greater of (1) 150 percent of these guidelines; and (2) 60 percent of State Median Income (SMI). Reference the Health and Human Services Poverty Guidelines (HHSPG). HHS will publish LIHEAP's 60 percent of SMI criteria.

LIHEAP allows State's the flexibility in choosing to serve constituents based on the FPL or the State's Median Income (SMI). The State then has the flexibility in determining how funds are distributed to eligible entities. When comparing South Carolina's State Median Income to the Federal Poverty Guidelines (FPG), OEO realized the SMI had an adverse effect disqualifying households with more than six (6) persons that had traditionally been eligible for LIHEAP service. Therefore, South Carolina elected not to use the SMI so as not to penalize our historical customer base. Reference OEO's Fiscal Policies and Procedures for OEO's methodology to allocate and distribute funds to eligible entities.

LIHEAP grantees must adopt these guidelines by the beginning of the Federal Fiscal Year or the beginning of a Grantee's program year, whichever is later.

LIHEAP Program Operations: January 1st – December 31st. While South Carolina operates on a calendar year, Federal reports are based on events that occur during the Federal Fiscal Year (FFY) October 1st – September 30th.

Federal Poverty Guidelines

South Carolina utilizes the Federal Register notice announcing the annual update of the Federal Poverty Guidelines to determine eligibility for CSBG and LIHEAP grants, which mirrors the Health and Human Services Poverty Guidelines (HHSPG). South Carolina's FPG is updated only once annually at the beginning of each calendar year, upon Federal notice. The Federal Register notice is generally issued on or around January 31st. South Carolina will determine eligibility based on the previous year's FPL until receipt of the updated notice. Upon receipt of the updated FPL, it is the responsibility of the



SOUTH CAROLINA OFFICE OF ECONOMIC OPPORTUNITY

DEPARTMENT *of* ADMINISTRATION

CSBG/LIHEAP Program Manager to issue an Information Memorandum (IM) alerting the CAA network and the statewide database (DBA) when to adopt the new guidelines. Included in the IM should be calculations for CSBG, LIHEAP and Weatherization (WAP) programs according to 100%, 125%, 150% and 200% of the FPL. A copy of the IM should be saved to OEO's CSBG/LIHEAP grant control file.

OEO CSBG/LIHEAP Grant Awards

It is the intent of OEO to maximize program efficiency, ensure the application of appropriate procedures, and maintain the integrity of grant funds.

A timeline of events must occur before awarding CAA's CSBG and/or LIHEAP funds:

- Approved State Plans - US HHS must approve South Carolina's CSBG and LIHEAP State Plans to receive Federal Awards.
- Approved Community Action Plan – OEO must approve CAA's Community Action Plans to administer programs in their designated counties.
- Approved Budget – OEO's fiscal staff must approve CAA's budgets
- Executed Grant Agreements – CAA's must submit signed grant agreements to OEO prior to the release of funds.

OEO CSBG/LIHEAP Program Monitoring

South Carolina is tasked to assess the health of the entire agency through the State's monitoring practices. Such assessments include general oversight, desk reviews, and onsite reviews of the following: agency work plan and/or contract, needs assessments, service delivery systems, administration and management systems, board and governance systems, and financial systems. Monitoring is a way of identifying and correcting problems in program policies and operations. If monitoring is conducted early in the program year, then problems can be corrected to improve current program activities. Also,

results from monitoring can be used to help design a more effective program for the next fiscal year.

To assure the accomplishment of program outcomes and grant compliance, the OEO will monitor each Subgrantee a minimum of one time per three program years.

Monitoring will include site visits consisting of the review of client files, year-to-date reporting, year-to-date achievement of outcomes and milestones, Results Oriented Management and Accountability (ROMA) implementation, partnerships/collaboration, Board minutes and Board membership rosters, and the accomplishment of the 58 Organizational Standards. Offsite desk reviews may also be conducted. The Subgrantee will be briefed on the observations and/or findings generated by the monitoring during the exit interview. Additionally, training and technical assistance may be provided during the monitoring visit or upon request.

Types of State Monitoring

OEO will conduct the following types of monitoring of subrecipients.

- a) **Triennial Onsite Programmatic Monitoring:** To assure the accomplishment of program outcomes and grant compliance, the OEO will monitor each Subgrantee a minimum of one time per three program years.
- b) **Annual Fiscal Monitoring:** In its interim and at the discretion of the State, OEO will conduct risk-based monitoring annually of subrecipients to strengthen oversight of Federal awards. The review will include, but may not be limited to, onsite interval monitorings to include a sample of customer files, observation of subrecipient satellite office(s), desktop review of customer files, a review of expenditures and the accuracy of related documentation.
- c) **Annual Monitoring of Organizational Standards:** 42 U.S.C. § 9914 requires State CSBG Lead Agencies to establish "performance



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goals, administrative standards, financial management requirements, and other requirements” that ensure an appropriate level of accountability and quality among the State’s eligible entities. The Center of Excellence (COE) developed 58 standards for nonprofit eligible entities. To ensure the consistent achievement of the 58 Organizational Standards as required by the Office of Community Services (OCS), OEO requires each CSBG eligible entity to upload and maintain all standards in the statewide database for OEO approval. Standards will be monitored annually according to the Calendar of Required Actions.

- d) **Board Compliance:** In order to assure board compliance, eligible entities will provide the OEO, via the statewide database, a current board of director’s roster and completed and signed board composition forms. Changes in composition are to be reported to the OEO within thirty (30) days of the change. Additionally, Subgrantees will upload minutes to the statewide database for each board meeting no later than thirty (30) days following the approval of the minutes.
- e) **New Eligible Entity Monitoring:** An onsite review of each newly designated eligible entity will be conducted during the first year in which such entity receives funds.
- f) **Follow-up monitoring:** Follow-up reviews will occur for subrecipients, and their programs that fail to meet the goals, standards and requirements established by the State. If the on-site monitoring reveals serious deficiencies and/or deficiencies are not corrected in a timely manner in accordance with requirements, the State Office will conduct a follow-up on-site monitoring review and provide training and technical assistance as deemed necessary.
- g) **Additional Monitoring:** Other reviews are conducted as appropriate. These might include reviews of subrecipients with programs that have had other Federal, State or

local grants terminated for cause. If a subrecipient is experiencing programmatic issues, OEO will conduct additional reviews and ensure that training and technical assistance is provided as deemed necessary.

OEO Monitoring Schedule

OEO managers, auditor(s) and/or legal counsel will meet in December to assess the risks of each eligible entity. Considering the potential risks of each subgrantee, OEO will draft a monitoring schedule for the upcoming program year. OEO will consider location and season, to avoid costly travel expenses (example: OEO will attempt to schedule overnight monitorings along the coast during the off-season to meet the Federal per diem for lodging costs). The Federal Per Diem Rates can be accessed at <https://www.gsa.gov/travel/plan-book/per-diem-rates/per-diem-rates-lookup>. OEO will then provide the dates to each agency’s Executive Director for approval. The monitoring schedule will be finalized by January 1st.

The Monitoring Process

Pre-Monitoring Procedures

- a) It is the responsibility of the OEO Program Coordinator to compose the **monitoring instruments** and **monitoring exhibits** and submit to OEO’s legal counsel to include in the monitoring announcement letter. A template of the monitoring instrument and exhibit can be provided by the CSBG/LIHEAP Program Manager or found on OEO’s S: drive.
- b) OEO’s legal counsel will send the CAA notification of monitoring along with monitoring exhibits at least 30 days prior to monitoring to the Executive Director and designated points of contact.
- c) The OEO Program Coordinator will contact the agency’s program director or the database help desk and request the total number of customers served by program, one week prior to the



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monitoring. The coordinator will then make the appropriate copies of CSBG/LIHEAP monitoring sheets.

- d) At minimum, a Program Coordinator should have the following items to monitor: Monitoring sheets; a copy of the monitoring exhibit, announcement letter and instruments; Administrative Guide(s); database pay frequency calculations; FPL(s); current and prior year calendars; CSBG/LIHEAP State Plans; CSBG Act, LIHEAP Statute; copies of the agency's current logic models; a calculator; pens; highlighters; stapler; and agency/OEO contact information.

On-Site Monitoring Procedures

OEO will conduct on-site monitoring as indicated in the Types of Monitoring. A typical visit can be expected to span two (2) to five (5) days on-site. Issues identified onsite could result in a longer monitoring period. Program monitors will travel and review as a team and execute the following:

- a) Offer both an entrance and exit conference with the Executive Director and appropriate staff. The lead Program Coordinator will conduct the entrance conference to reinforce the agenda items outlined in the monitoring announcement. An exit conference should be scheduled within 10 days of OEO's completed review. The exit conference may be provided via telephone conference call with the Executive Director and appropriate OEO and agency staff.
- b) A sample of CSBG and LIHEAP customer files are randomly selected for review to determine that files document customer eligibility, costs are allowable and traceable to the accounting system, and are in accordance with provisions of cost principles and conditions of the Grant Agreement.

The program manager will determine which program years to review, based on the agency's past performance. Note: Consider

monitoring program performance dating back to OEO's latest monitoring to present. This could result in monitoring two program years. The number of files selected is based on agency size, number of CSBG/LIHEAP programs, number of customers served at the time of monitoring, past performance, interval/full site monitoring and the number of OEO program coordinators available.

- c) Review Organizational Standards. Organizational Standards categories 1-6 and 9 are monitored and approved by the CSBG manager and program coordinators. Categories 7 and 8 are monitored by OEO's fiscal manager and monitoring staff.
- d) Review board Compliance (board composition and roster according to agency by laws) and meeting minutes to verify proper board practices;
- e) Review Vendor Agreements and payments;
- f) Observation of Fair Hearing and Appeals posting, current CSBG/LIHEAP State Plans and current agency Community Action Plans;
- g) Observe the client intake process;
- h) Observe and review the collection of reports submitted monthly and quarterly (CSBG Outcome Measures report, LIHEAP Household report);
- i) Interview staff, if available;
- j) Interview customers, if available;
- k) Provide staff T/TA upon request.

Interim Monitoring Procedures

OEO may conduct an on-site interim monitoring visit that could span two (2) days. A team of program monitors will:



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- a) Offer both an entrance and exit conference;
- b) A smaller sample of customer files are randomly selected for review to determine that customer files document customer eligibility, costs are allowable and traceable to the accounting system, and are in accordance with provisions of cost principles and conditions of the Grant Agreement.
- c) Review Organizational Standards
- d) Review board Compliance (board composition and roster according to agency by laws) and meeting minutes to verify proper board practices;
- e) Review of Vendor Agreements and payments;
- f) Observation of Fair Hearing and Appeals posting, current CSBG/LIHEAP State Plans and current agency Community Action Plans.

During the **second day of interim monitoring**, program monitors will perform an onsite review of the agency's satellite office to include:

- a) Observation of Fair Hearing and Appeals posting, current CSBG/LIHEAP State Plans and current agency Community Action Plans;
- b) Observe the client intake process;
- c) Observe and review the collection of reports submitted monthly and quarterly (CSBG Outcome Measures report, LIHEAP Household report);
- d) Discuss with program manager(s) and staff the implementation of CSBG and LIHEAP projects, including program success and obstacles;
- e) Interview customers, if available; and
- f) Provide staff T/TA.

Desktop Monitoring Procedures

OEO will use desktop monitoring procedures in the review of eligible entities' annual CSBG Organizational Standards self-assessment, review of Board compliance, and to monitor customer files.

- a) Conduct desktop review of programs and customer files during the interim period.
- b) Organizational Standards will be reviewed periodically throughout the program year to assure compliance according to the Calendar of Required Actions. Utilizing the statewide database, OEO will review subrecipient's submissions and approve, request additional information or deny the achievement of standards. All standards (according to the Calendar of Required Actions) must be uploaded and achieved by December 31st. Standards unmet will be considered noncompliant and the entity will be required to respond through a Technical Assistance Plan (TAP) which will set a clear timeline and benchmarks for progress. Standards continuously unmet will escalate to a Quality Improvement Plan (QIP).
- c) Review Board Compliance (Board composition forms, roster and meeting minutes according to agency by laws).

Post-Monitoring Procedures

OEO will provide timely feedback to subrecipients on the results of each monitoring visit with an opportunity for the monitored entity to respond to all observations and findings. All results of the monitoring will correspond with Federal statute, State policies, grant agreements, vendor contracts, Community Action Plans, etc.

- a) An exit conference will be scheduled within ten (10) days of OEO's completed monitoring.
- b) Following the exit conference, the CAA has five (5) business days to provide pending information requested by OEO to resolve outstanding monitoring concerns.



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- c) Following the exit conference, OEO has twenty-five (25) days to issue a draft report to the CAA.
- d) From the date of receipt, the CAA has ten (10) days to respond to OEO's draft report.
- e) Finally, OEO has twenty (20) days to issue a final report, including the CAA's rebuttals.

Reference OEO's monitoring policies and procedures for further monitoring report instructions.

Monitoring Board Vacancies and Composition

Sections 676B of the Community Services Block Grant Reauthorization Act of 1998 requires that, as a condition of designation, private nonprofit entities and public organizations administer their CSBG program through tripartite boards that "fully participate in the development, planning, implementation, and evaluation of the program to serve low-income communities."

42 U.S.C. § 9910(a)(2): Requires a nonprofit CAA's governing board to be selected by the CAA and the board to be composed to assure that – (A) 1/3 of the board are elected public officials, holding office on the date of selection, or their representatives, except that if elected officials are unavailable and/or unwilling to serve, CAAs may elect appointed public officials to meet the 1/3 requirement; (B) not fewer than 1/3 of the board are chosen in accordance with democratic selection procedures adequate to assure that these members are representative of low-income individuals and families in the neighborhood served; and (C) the remainder of the board are officials or members of business, industry, labor, religious, law enforcement, education, or other major groups and interests in the community served.

OEO should review CAA bylaws to ensure any vacancy in any sector be filled within 90 days. If vacancies exceed 90 days, the CAA will provide OEO a written plan outlining a timeline to recruit competent, qualified member(s) of the community to fill the vacancy(ies) on the Board of Directors.

Eligible entities should maintain current Board information, to include a roster, composition forms and executed meeting minutes in the statewide database. Changes in composition are to be reported to the OEO within thirty (30) days of the change. Additionally, Subgrantees will upload executed minutes to the statewide database no later than thirty (30) days following the approval of the minutes in DBA.

Monitoring Fair Hearing and Appeals

For the purpose of ensuring the impartial and effective administration of Office of Economic Opportunity (OEO) programs to low-income citizens of South Carolina, Section 2605(b)(13) of the LIHEAP statute (42 U.S.C. § 8624(b)(13)) states that "As part of the annual application required by subsection (a) of this section, the chief executive office of each State shall certify that the State agrees to – ... (13) provide an opportunity for a fair administrative hearing to individuals whose claims for assistance under the plan described in subsection (c) of this section are denied or are not acted upon with reasonable promptness;"

Each agency must educate and inform each applicant of the Appeal and Fair Administrative Hearing Procedures. A copy of these procedures must be posted in a visible place in each office and explained to all applicants for the following OEO federal program areas: CSBG, LIHEAP and WAP. Constituents who assert they have been unfairly treated and/or those who have been denied access to program assistance services are entitled to be notified in writing explaining the reason for the denial.

Subgrantees of the Office of Economic Opportunity funds are encouraged to settle appeals, when possible. However, if resolution cannot be reached within a reasonable time frame, the proper procedures to advance an appeal are as follows:

- Customer's should appeal first to the Community Action Agency in which he/she applied for service(s), requesting a formal hearing.



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- If the appeal is denied at the Community Action Agency, a written appeal can be submitted to the Office of Economic Opportunity:

1205 Pendleton Street, Suite 366
Columbia, SC 29201
(803) 734-0662

- If the appeal is further denied by the Office of Economic Opportunity, a petition can be made to an appellate court in the State of South Carolina.

The funds or services in question need to be obligated (set aside) until a final decision is reached. If the applicant is successful, the funds or services will be provided to the applicant. If the applicant is unsuccessful, funds are to be reverted to Client Assistance and made available to eligible participants.

State's Obligations When It Finds a Deficiency

The federal CSBG Act requires states to inform a CAA of a deficiency and give the CAA an opportunity to correct the deficiency. OCS recommends that a state office document the basis for a performance deficiency or failure to comply with a state requirement and maintain records of correspondence or other communication relating to actions taken. OCS also recommends that a state CSBG office maintain records of correspondence or other communications related to an enforcement action against a CAA to establish compliance with the federal CSBG Act. All correspondence will be saved to the entities OEO file located on the S: drive. It is the responsibility of the program coordinator to communicate concerns and/or deficiencies to the program manager. The program manager will then communicate all concerns/deficiencies to OEO's Executive Director and other relevant OEO Managers if necessary.

Training and Technical Assistance

Effective monitoring includes providing training and technical assistance. The federal CSBG Act requires

that, in many or most instances, a state office take two steps to assist a CAA in correcting a deficiency: provide training and technical assistance (T/TA) and allow the CAA to submit a Quality Improvement Plan (QIP) (also referred to as a Corrective Action Plan (CAP)).

OEO will provide training and technical assistance upon request and when deemed necessary. OEO may provide this assistance directly, through the State Association, a peer CAA, a local or national TA provider, and/or any other mechanism that is deemed appropriate.

T/TA should focus on the CAA's specific deficiencies or the issues underlying them. All trainings will include an agenda, sign-in sheet and supporting documentation to be filed at OEO.

Situations where OCS Views T/TA as NOT Appropriate

OCS gives the following examples of when T/TA may not be appropriate:

- A deficiency for which the eligible entity has the expertise and skills available within the organization to make corrective actions without assistance;
- A deficiency for which the state has previously provided technical assistance and the eligible entity has failed to institute corrective actions;
- Multiple, widespread, and/or repeated deficiencies that cannot feasibly be addressed through technical assistance; or
- A deficiency that involves evidence of fraudulent reporting or use of funds, or other evidence of criminal wrongdoing.

Reference <https://www.acf.hhs.gov/ocs/resource/no-116-corrective-action-termination-or-reduction-of-funding>.

Quality Improvement Plan (QIP)

It is within the State's discretion whether to give a CAA the opportunity to develop and implement a Quality Improvement Plan to correct a deficiency. However,



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the state's discretion to deny a CAA the opportunity to submit a Quality Improvement Plan is generally limited to situations where the seriousness of the deficiency and the time required to correct it would make a QIP invalid.

A CAA's QIP must be able to correct a deficiency within a reasonable time as determined by the OEO. If the state office grants a CAA the opportunity to submit a QIP, it must give the CAA 60 days after it informs the CAA of the deficiency to develop and implement the QIP, and up to 30 days to develop and implement a QIP for immediate deficiencies. The state CSBG office must notify a CAA of its decision to approve or not approve the QIP within 30 days of receiving it from the CAA. If OEO does not approve the QIP submitted by the CAA, OEO must also specify the reason(s) why when it notifies the CAA of its decision. The state CSBG office must also report eligible entities on QIPs to OCS within 30 days.

Situations when a State Office is NOT Required to Grant the Opportunity to Submit it a Quality Improvement Plan

A State office may consider denying a CAA the opportunity to prepare a QIP if:

- A deficiency for which a CAA has previously instituted a corrective action and has repeated findings and
- A deficiency that involves evidence of fraudulent reporting or use of funds or other evidence of criminal wrongdoing and, therefore, presents a risk requiring immediate action.

OEO allows CAAs the discretion to develop a QIP that best addresses their situation. As soon as a CAA submits a QIP to the state office it should assume that the QIP will be approved and begin preparing for implementation of the QIP. By doing so, if the QIP is approved, the CAA will ensure that it can begin implementing the QIP well within the required 60-day period.

OEO must evaluate the risks posed by the Subgrantee. If OEO determines the Subgrantee poses a risk, OEO may

impose additional specific conditions that correspond to the degree of risk assessed.

A. Special conditions and/or restrictions may be imposed when the Grantee determines that the Subgrantee:

1. Is not financially stable;
2. Has a management system and ability that does not meet the management standards set forth by the Grantee;
3. Has a documented history of unsatisfactory performance;
4. Has not complied with the general or specific terms, conditions, covenants and stipulations of previous grant awards; OR
5. Is otherwise not responsible.

Reference 42 U.S.C. §§ 9915(a) and (b); 45 C.F.R. §§75.205 and 75.207(a).

B. Special conditions and/or restrictions Grantee may impose include, but are not limited to the following:

1. Require Subgrantee to develop and implement a quality improvement plan to correct the deficiency within a reasonable period, after approval by the Grantee;
2. If Grantee determines training and technical assistance is appropriate, require Subgrantee to obtain training and technical assistance to correct the deficiency;
3. Payment to the Subgrantee on a reimbursement basis;
4. Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given funding period;
5. Requiring additional detailed financial reports and/or data;



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6. Additional project monitoring and interim audits;
7. Requiring the Subgrantee to obtain technical and/or management assistance;
8. Establishment of additional prior approvals;
9. Establishment of additional constraints as necessary and appropriate in the circumstances; AND/OR
10. Require Board acknowledgement of agency's status.

Reference 42 U.S.C. §§ 9915(a)(2) - (a)(4); 45 C.F.R. §§75.207(b).

C. If Grantee decides to impose such special conditions and/or restrictions, Grantee will notify the Subgrantee as early as possible, of the following:

1. The nature of and reason for the special conditions and/or restrictions;
2. The corrective actions which must be approved by Grantee and completed by the Subgrantee prior to the removal of the special conditions and/or restrictions;
3. The time allowed for completing the corrective actions, if applicable;
4. The method of appeal for reconsideration of the imposed conditions/restrictions; and
5. The training and technical assistance Grantee is offering to the Subgrantee, if appropriate, to help correct the deficiency. If training and technical assistance are not appropriate, Grantee will include an explanation detailing the reason(s).

Reference 42 U.S.C. §9915(a)(1) and 45 C.F.R. §75.207(c).

D. Grantee will remove any special condition(s) and/or restriction(s) once the condition(s) prompting them have been corrected. See 45 C.F.R. §75.207(d).

Remedies for Noncompliance

If a Subgrantee fails to comply with Federal and/or State statutes, regulations or the terms and conditions of a Federal Award, Grantee may impose additional conditions, as described in the subrecipient grant agreement. If Grantee determines that noncompliance cannot be remedied by imposing additional conditions, Grantee may take one or more of the following actions, as appropriate in the circumstances:

- a) Temporarily withhold cash payments pending correction of the deficiency by the Subgrantee;
- b) Disallow all or part of the cost of the activity or action not in compliance;
- c) Wholly or partly suspend or terminate the grant;
- d) Provide adequate notice and an opportunity for a hearing;
- e) Initiate suspension, debarment or termination of the grant;
- f) Withhold further grant funds for the project or program; and/or
- g) Take other remedies that may be legally available.

Also reference 42 U.S.C. §9915(a)(5) and 45 C.F.R. §75.371.

Administrative Enforcement

The enforcement remedies identified in the agreement do not preclude the Subgrantee from being subject to "Debarment and Suspension" as prescribed by the Grantee. When a Subgrantee fails to comply with the terms of this Agreement, as outlined in



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Corrective Action and Suspension of Funding and/or grant requirements/reports are not submitted within the required time frame, nor completed in accordance with the generally accepted principles, nor consistent with the approved budget, Community Action Plan (also referred to as agency work plan) or Grant Agreement; a temporary suspension of funding for enforcement purposes may be instituted, but shall not constitute a statutory termination or reduction of funding as prescribed by 42 U.S.C. §9915.

A. **Effects of Suspension (45 C.F.R. §75.375)**

Costs incurred by the Subgrantee during a suspension or after termination of the Grant are not allowable unless the Grantee expressly authorizes such in the Notice of Suspension or Termination. Other Subgrantee costs during suspension or termination, which are necessary and not reasonably avoidable, are allowable if:

1. The costs result from obligations which were properly incurred by the Subgrantee before the effective date of the suspension or termination are non-cancelable; and
2. The costs would be allowable if the Grant was not suspended or expired normally at the end of the funding period in which the termination takes effect and the Subgrantee has written permission from the Grantee to incur such costs.

B. **Relationship to Debarment and Suspension**

If the Grant exceeds \$25,000 or if the Subgrantee has critical influence on or substantive control over the transaction completion of the Grant, completion of the Debarment Certification, which is included in the Grant Agreement, is required. The Subgrantee is responsible for completing the Debarment Certification, monitoring the submission and maintaining the official document.

A state office must initiate proceedings to terminate or reduce funding if a CAA fails to correct a deficiency. However, the state may do so only after it has met the following responsibilities:

- Adequate notice and
- An opportunity for a hearing on the record.

It is within OEO's discretion to determine the format of the notice and hearing it will provide a CAA. Any notice and hearing provided should be consistent with applicable state policies, rules or statutory requirements, including the state's administrative procedures act (APA). The notice and hearing procedures should also be made available to the CAA.

After giving notice and conducting a hearing, if OEO finds cause to reduce or terminate funding, the state office must initiate proceedings to do so unless the CAA corrects the deficiency.

"Cause" to Reduce or Terminate Funding

Following the hearing, OEO determines if "cause" exists to reduce or terminate a CAA's CSBG or other OEO awarded funding. The federal CSBG Act explains that "cause" for which a state office may initiate a reduction in or termination of a CAA's funding includes:

The failure of a CAA to comply with the terms of its CSBG agreement with the state, the state plan or to meet a state requirement.

If the state finds "cause" exists and the CAA disagrees with the state's finding, the CAA should request a review by HHS of the state's finding.

A state office may also initiate a reduction in funding for "cause" if a statewide redistribution of CSBG/LIHEAP funds is needed to respond to one of the following:

- The results of the most recently available census or other appropriate data,
- The designation of a new CAA, or
- Severe economic dislocation.

Defunding and Termination

Termination



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Any eligible entity which received funding in the previous fiscal year under the Act will not have its present or future funding terminated or reduced below the proportional share of funding it received in the previous year, unless after notice and an opportunity for hearing on the record, Grantee determines that cause existed for such termination or reduction subject to the procedures and review by the Secretary as provided in 42 U.S.C. §9915.

Termination is defined as the permanent withdrawal of funding by the state administering authority of an eligible entity's authority to obligate previously awarded funds before that authority would otherwise expire, or the refusal of the state to continue funding to the eligible entity. A temporary suspension of funding for administrative enforcement purposes shall not constitute a statutory termination or reduction of funding.

Termination of the Grant Agreement may be initiated by the Grantee, the Subgrantee, or by mutual agreement of both parties as prescribed herein. The following shall apply to the termination of this Grant:

A. Termination for Lack of Funds

The parties hereto covenant and agree that their liabilities and responsibilities, one to another, shall be contingent upon the availability of funds, Federal or State, for the funding of CSBG activities. This Grant shall be terminated if such funding ceases to be available. The Grantee shall have the sole authority for determining the lack of availability of such funds. The Grantee shall immediately notify the Subgrantee of any cutback in funds of which it becomes aware.

B. Termination for Breach of Grant

This Grant may be suspended or terminated by the Grantee at any time within the Grant period whenever it is determined by the Grantee that the Subgrantee has breached or otherwise failed to comply with its obligations.

C. Termination for Breach of Previous Contracts and Grants or Non-Payment of Previous Audit Disallowances

This Grant may be suspended or terminated by the Grantee at any time within the Grant period if the Subgrantee has failed to make payment in full to the

Grantee for audit disallowances pursuant to any previous Contract or Grant Agreement between the parties or the Subgrantee has failed to comply with the maintenance and inspection of records requirements of any previous Contract or Grant between the parties.

D. Termination by Subgrantee

The Subgrantee may terminate this Grant by giving the Grantee 30 day's written notice of intent to do so. Expenditures legitimately incurred by the Subgrantee prior to the date of termination of this Grant will be permitted providing they are in accordance with provisions of this Grant.

E. Termination for Convenience

The Grantee and Subgrantee may mutually agree to terminate the Grant in whole or in part. In which case, the two parties shall agree upon the termination conditions, the effective date and in the case of partial termination, the portion to be terminated.

F. Termination for Insolvency

This Grant is subject to immediate termination by the Grantee upon the Subgrantee's insolvency, including the filing of proceedings in bankruptcy.

G. Notice of Termination

In the event of Grant termination, except Termination for Insolvency in F above, the party terminating the Grant shall give notice of such termination in writing to the other party. Notice of Termination shall be sent by certified mail, return receipt requested, and shall be effective 30 days after the date of the receipt, unless otherwise provided by law; provided however, if terminated pursuant to paragraph A, said termination shall be effective upon receipt of such notice.

H. Process for Termination

If Grantee believes cause for funding termination exists, the following steps shall be followed:

1. If Subgrantee fails to correct all deficiencies identified during a corrective action plan or if based on the seriousness of any of the deficiencies, the Grantee determines Termination is appropriate, a certified letter will be sent from the Grantee's Director to the Subgrantee's Board Chairperson advising him/her of Grantee's recommendation to



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terminate the grant, along with the reasons for this recommendation. Within fifteen (15) days of receipt of this recommendation, Subgrantee may request a hearing in writing to appeal this recommendation.

2. If Subgrantee appeals Grantee's recommendation, the Department of Administration's Chief Legal Counsel will select a Hearings Officer to conduct the hearing within thirty (30) days of receipt of the letter of appeal, utilizing the informal disposition procedures outlined in S.C. Code §§ 1-23-310 to 1-23-400 of the State Administrative Procedures Act. All proceedings will be recorded.

3. A Federal review of the Grantee's decision to reduce or terminate funding may be initiated through a request from Subgrantee. In accordance with 45 CFR §96.92, Subgrantee has 30 days following notification by Grantee of its final decision to request a review by the Secretary of the Department of Health and Human Services (HHS).

The US DHHS Secretary will either accept or deny this request.

1. If the request for review is denied, defunding procedures will begin immediately and will be concluded not more than ninety (90) days following the date of the hearing.
2. If the request for review is granted, the Secretary will review the hearing officer's determination not later than ninety (90) days after receiving from the State all necessary documentation relating to the determination.
 - a. If the Secretary upholds Grantee's determination, defunding procedures will begin immediately;
 - b. If the determination is overturned by the Secretary, the grant relationships with the subject agency will be continued; and

- c. If the review is not completed within ninety (90) days, the determination of Grantee will become final on the 91st day and defunding procedures will begin as outlined

I. Appeal of Termination by Subgrantee

If a Subgrantee fails to comply with the Terms and Conditions of this Grant or to remedy a situation under

suspension, the State may terminate the Grant in whole or in part at any time.

The CSBG Act requires that any community action agency which received funding in the previous program year will not have present or future funding reduced or terminated unless after notice, and opportunity for a hearing on the record, the State determines that cause exists for such reduction or termination subject to the procedures and review by the Secretary. To comply with this assurance the Grantee shall set forth the following:

1. This section is not applicable to Section IX, Items A, D, and E which result in terminations by law, Subgrantee choice or convenience for a mutually agreed upon provision.
2. This section is not applicable to Section IX which results in temporary suspensions of funding for enforcement purposes.
3. This section is applicable to Section IX, Items B, C, and F which will result in terminations for cause as a "final" action.

In the event funding termination occurs, Grantee shall either extend the geographic service area of an eligible entity or submit a Request for Proposal and bid for a new eligible entity. This will be done, as necessary, to provide services to the eligible individuals in that service area and shall be administered in accordance with existing Federal and State legislation.

OEO Designation Procedures



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South Carolina Code of Laws (SECTION 58-37-50) dictates that CSBG and LIHEAP be administered locally by Community Action Agencies; therefore, subawards are made only to eligible Community Action Agencies.

Designation/Re-Designation of (New) Eligible Entities

The OEO may designate a new eligible entity if an area of the state is not served or ceases to be served by an eligible entity. This includes situations where an existing eligible entity goes out of business, is terminated, or relinquishes its designation as an eligible entity. OCS IM 116 clarifies that, where a state has decided to terminate an eligible entity's CSBG funding and the entity has appealed that decision to OCS the state can solicit applications for new eligible entities but cannot award funds to a new entity until OCS confirms the state's decision to terminate or the review period ends.

Designation/Re-Designation of Eligible Entities in Unserved Areas

The existing CAAs in South Carolina are eligible entities which receive CSBG and LIHEAP funding to carry out programs and activities designed to appreciably impact the causes of poverty in their designated service areas. If a county has not been, or ceases to be served by an existing CAA under the CSBG and/or LIHEAP, the state may at any time initiate a process for the designation of a CAA or other eligible entity pursuant to provisions of applicable federal and state law, including the CSBG Act, 42 U.S.C. §9901 *et seq.*

The procedure for designation shall be as follows:

1. The State will notify in writing and request written applications from:
 - (a) Any private nonprofit organization that is geographically located in the unserved area, that is capable of providing a broad range of services designed to eliminate poverty and foster self-sufficiency, and that meets the requirements of the CSBG Act, 42 U.S.C. §9901 *et seq.*; and

- (b) Any private nonprofit eligible entity that is geographically located in an area contiguous to or within reasonable proximity of the unserved area and that is already providing related services in the unserved area.

2. Requirement. To serve as the area's designated eligible entity, an entity shall agree to administer their CSBG program through a tripartite board and add additional members to the board of the entity to ensure adequate representation as outlined in the Section 676B of the CSBG Act and in accordance with Information Memorandum No. 82:

- (a) In each of the three required categories described in the CSBG Act, 42 U.S.C. §9901 *et seq.* by members who reside in the community comprised by the unserved area; and

- (b) In the category relating to low income individuals by members that reside in the neighborhood to be served.

3. Special Consideration. The designation shall be granted to an organization of demonstrated effectiveness in meeting the goals and purposes of both the CSBG and LIHEAP. Priority may be given to eligible entities that are providing related services in the unserved area, consistent with the needs identified by a community needs assessment.

State Plans

CSBG State Plan (Subgrantee Community Action Plans submitted to OEO; OEO submission to HHS)

According to section 676(b) of the CSBG Act, States, including Territories, must prepare and apply and State plan for CSBG funding. The Office of Community Services (OCS) funds CSBG grantees based on the determination that their application and State plans are complete in accordance with all requirements of the CSBG Act. The State CSBG application and plan not only is a critical document for Federal monitoring and oversight purposes, but also provides a framework for accountability and oversight at the State level.



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CSBG applications for the Federal Fiscal Year are due to OCS by September 1. States have the option of submitting CSBG applications annually or bi-annually (covering one or two fiscal years); however, South Carolina submits its CSBG Model State Plan annually. The CSBG State Plan is submitted electronically through the Online Data Collection System (OLDC). OEO's CSBG Program Manager submits South Carolina's CSBG State Plan.

State instructions to complete the CSBG State Plan can be found on the Office of Community Services website <https://www.acf.hhs.gov/ocs/resource/>. Contact South Carolina's Federal CSBG Program Specialist for access to OLDC or visit the following link: <https://www.grantsolutions.gov/gs/registration.gs?execution=e1s1>.

Similarly, OEO requires its subgrantee's to apply (Community Action Plan) for CSBG funding. OEO's Program Manager provides a checklist of documents to be included in the Community Action Plan to CAA's during the month of June. The CAA's Community Action Plan is a critical document for State monitoring and oversight purposes, but also provides a framework for accountability and oversight at the Subgrantee level. Subgrantee's must submit their plans via the statewide database annually, and no later than the final Friday in the month of August. OEO's Program Manager and Coordinators will review and approve subgrantee Community Action Plans no later than December 1st.

LIHEAP State Plan (Subgrantee Community Action Plans submitted to OEO; OEO submission to HHS)

States, the District of Columbia, territories, and tribes/tribal organizations that wish to administer the Low-Income Home Energy Assistance Program (LIHEAP) must apply for funds each year. Section 2605(c)(3) of the Omnibus Budget Reconciliation Act of 1981, as amended, provides that the Secretary shall make available a model LIHEAP Plan which may be used to prepare the application required under Sections 2605(a)(1) and (c)(1). All applications must be submitted through the On-Line Data Collection (OLDC) system by September 1. OEO's LIHEAP

Program Manager submits South Carolina's LIHEAP State Plan each year.

LIHEAP grant applications (State Plans) must include a report on LIHEAP households for the previous Federal Fiscal Year. Because South Carolina operates its LIHEAP program based on the calendar year instead of the Federal Fiscal Year, OEO submits an estimated LIHEAP Household Report with the submission of the State Plan (September 1st) and updates its final Household report to be submitted by December 15th. The final LIHEAP Household report is updated and resubmitted by the LIHEAP Program Manager via OLDC.

State instructions to complete the LIHEAP State Plan can be found on the Office of Community Services website <https://www.acf.hhs.gov/ocs/resource/>. Contact South Carolina's Federal Energy Assistance Program Specialist for access to OLDC or visit the following link: <https://www.grantsolutions.gov/gs/registration.gs?execution=e1s1>.

Similarly, OEO requires its subgrantee's to apply (Community Action Plan) for LIHEAP funding. The CAA's Community Action Plan is a critical document for State monitoring and oversight purposes, but also provides a framework for accountability and oversight at the Subgrantee level. Subgrantee's must submit their plans via the statewide database annually, and no later than the final Friday in the month of August.

Distribution of State Plans

Section 676(a)(2)(B) of the CSBG Act conditions the State, in conjunction with the development of the State plan, to hold at least one hearing in the State with sufficient time and statewide distribution of notice of such hearing, to provide to the public an opportunity to comment on the proposed use and distribution of funds to be provided through the grant.

Meaningful and Timely Participation

A draft of the State Plan is issued to all eligible entities during the month of May to allow time to review and



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provide edits and comments. OEO's CSBG program staff will traditionally host a statewide two-day workshop during the month of June to provide an overview of updates and allow for additional input prior to the submission of the State Plans. A draft of both CSBG and LIHEAP State Plans is also posted on OEO's website for public comment and review, as well as disseminated to vendors, stakeholders and board members for additional evaluation.

Legislative & Public Hearings

To be eligible to receive a grant, the State shall hold at least one legislative hearing every three (3) years in conjunction with the development of the state plan (CSBG Act Section 676(a)(3)). In the interim, the State is required to hold at least one Public Hearing to provide to the public an opportunity to comment. A combined hearing for both CSBG and LIHEAP grants are scheduled at the beginning of August.

OEO's Director will contact the Clerk of the Senate to assemble a subcommittee to be present at the scheduled Legislative Hearings, only. A copy of the draft State Plans should be provided to the subcommittee members in a timely manner for review prior to the hearing.

Hearings require all attendants to sign-in and should be recorded to ensure a transcript can be provided with the submission of the plan(s). Any comments provided should be notated. A transcript and sign-in sheet outlining attendants should be uploaded to OLDC with the submission of the State Plan(s).

Advertising Hearings

Public Notice of hearings should be advertised in a manner that provides statewide distribution. OEO's CSBG/LIHEAP Manager will draft a copy of the Public Notice to be advertised in The State newspaper at least three days preceding the date of the hearing. OEO's Director and other appropriate staff will review the Public Notice for final approval. OEO's Business Manager is responsible for providing the Public Notice to The State newspaper to be advertised. A copy of the advertisement should be uploaded to OLDC with the submission the State Plan(s).

Community Needs Assessment

As a condition to receipt CSBG funding, the State will secure from each eligible entity a community action plan that includes a community-needs assessment for the community served (reference CSBG Act Section 676(b)(11)). OEO requires a comprehensive Community Needs Assessment be completed at least once every three years. An updated needs assessment may be provided, as needed, during the interim years.

Budget Process

This section serves to describe the grant budgeting process, particularly as it relates to the CSBG and LIHEAP.

The OEO fiscal manager develops a projected budget based on information, including but not limited to, previous federal awards and any unused funds at the end of the program year. The projected budget generally becomes the amount OEO requests from the federal funding source for the new grant period. This projected budget amount is a starting point for the Subgrantees to use in developing their proposed spending for the new grant period. No spending shall take place until OEO receives the actual federal award notification from the federal funding source. OEO determines the amount of each Subgrantee's actual award. OEO considers South Carolina's total allocation, the poor population by county and the subgrantee's historical funding awards. Once the Subgrantee is notified of the actual award amount, the Subgrantee must make the appropriate adjustments to their initial projected budget and submit the revised budget to OEO for approval.

Budget Approval

A Subgrantee's Board of Directors must review the grant application and actual budget for each program year. The actual budget will be based on the actual award from the funding source and may include prior program year unexpended funds. A completed Community Action Agency Budget Approval Form must be submitted to OEO's fiscal department for documentation of the budget review and approval.



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The acknowledgement of the budget review will represent the total allocation of all awards budgeted, note specific approval of salary/wage increases, new positions, as well as procurements that require approval. The budget package submitted to OEO for approval must include all documents to support compliance with procedural requirements. The budget package must be submitted through DBA. This on-line budget submission process requires an authorized user with signature authority.

OEO's CSBG/LIHEAP Senior Manager will review subgrantee budgets, as provided by the OEO fiscal manager/staff. The CSBG/LIHEAP Senior Manager and Program Coordinators will review the Budget Narrative forms to ensure programmatic consistency, compliance and allowances as outlined in the subgrantee's Community Action Plan (logic models). The CSBG/LIHEAP Senior Manager/Program Coordinators will alert the Fiscal Manager and staff of any discrepancies or provide written approval.

CSBG State and Federal Reporting

All Subgrantee reports must be submitted in a timely manner. Timeliness of reporting will be reported on the Subgrantee Risk Assessment.

CSBG Annual Report (Subgrantee reports to OEO; OEO reports to HHS)

Eligible entities will comply with accurate completion and timely submission of the CSBG Annual Report administered by the National Association for State Community Services Programs (NASCS) and supported by the U.S. Department of Health & Human Services (DHHS), Office of Community Services (OCS), and is a requirement for all eligible entities in receiving CSBG funding.

OCS provides general guidance on the submission of annual reports each year through an Information Memorandum, along with deadlines. The full CSBG Annual Report will be submitted through the Online Data Collection (OLDC) site operated by the ACF Grants Center of Excellence Grant Solutions system. The CSBG Annual Report is generally due to OCS no later than March 31st and is submitted by OEO's CSBG Program Manager. Visit the following link for

instructions to gain access to the OLDC reporting system:

<https://www.grantsolutions.gov/gs/registration.gs?execution=e1s1>

OEO requires subgrantee's to submit their individual agency reports via email to OEO's LIHEAP program manager no later than February 15th. OEO's CSBG program manager will enter the State and eligible entities' reports in OLDC to complete the State's submission to HHS. The CSBG program manager will also provide OEO's fiscal manager with the fiscal related sections to be completed. Subgrantee's can access the electronic version of the annual report through the National Association for State Community Services Programs (NASCS) or at <https://nascsp.org/csbg/csbg-data-collection-and-reporting/csbg-annual-report/>.

Statewide Workshops: During the month of January, OEO's CSBG program staff traditionally hosts a statewide two-day workshop with Subgrantees to review the annual report instructions and requirements.

Within 60 days of the Grantee's submission of the Annual Report, States are required to communicate each subgrantee's annual performance. OEO's CSBG Program Manager and Program Coordinators provide annually, each agency's actual results. The report compares the actual success rate for services completed during the program year to the agency's projected target goals. Subgrantees should use the report as information to make changes in program forecasts for the upcoming program year and as a guide to monitor program performance.

Organizational Standards (Subgrantee reports to OEO; OEO reports to HHS)

42 U.S.C. § 9914 requires State CSBG Lead Agencies to establish "performance goals, administrative standards, financial management requirements, and other requirements" that ensure an appropriate level of accountability and quality among the state's eligible entities. The Center of Excellence (COE) developed 58 standards for nonprofit eligible entities.



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To ensure the consistent achievement of the 58 Organizational Standards as required by OCS, OEO requires each CSBG eligible entity to upload and maintain all standards to DBA for OEO approval. Organizational Standards categories 1-6 and 9 are monitored and approved by the CSBG manager and program coordinators. Categories 7 and 8 are monitored by OEO's fiscal manager and monitoring staff.

Prior to monitoring, the State encourages each eligible entity to track their progress using the self-assessment tool and Calendar of Required Actions. Utilizing our statewide database, South Carolina has developed an approval system that allows agencies the ability to upload and submit documentation throughout the year, as each standard is accomplished. The state office will then review submissions and classify each standard as Approved, Rejected, or Requires additional information. Each agency will have the opportunity to provide the State a projected timeline of completion for any outstanding standards. OEO will assess pending items according to the approved schedule of achievement. Organizational Standards will also be reviewed as part of each subgrantee as program monitoring. All subgrantees must comply by the close of South Carolinas Program Year (December 31st). Any agency failing to meet the required deadlines will be issued a Technical Assistance Plan (TAP) outlining a time frame to meet pending standards.

The annual achievement of statewide standards by eligible entity is reported to HHS via OLDC as part of the CSBG Annual Report (due by March 31st) submitted by OEO's CSBG Program Manager. An overview of all Organizational Standards, the Calendar of Required Actions and other related resources can be found on NASCSP's website: <https://nascsp.org/csbg/csbg-resources/performance-management/organizational-standards/>.

CSBG Outcome Measures Report (Quarterly Subgrantee reports to OEO)

Each quarter, eligible entities must submit a CSBG Outcome Measures report to OEO that describes the National Performance Indicators (NPIs) established by ROMA, Performance Domains, services provided to CSBG clients/ communities assisted, and the results achieved. Individual agency reports must be submitted electronically via email to their assigned OEO program coordinator no later than the 15th day following each quarter. A final report of customers served by program will be submitted via the completed ROMA logic Model (column 5 - Actual Results). All logic models should be completed by the Subgrantee and e-mailed to the appropriate OEO Program Coordinator no later than January 15th following the completion of the program year. Outcome Measures reports will be distributed by OEO. Logic Models can be found on the NASCSP website: <https://nascsp.org/wp-content/uploads/2018/02/NPtP-Logic-Model.pdf>.

Program Expenditure Notice (OEO report to Subgrantee)

Each quarter, the Program Manager will review the submission of the most current FSR to track CSBG and LIHEAP program expenditures. A Notice of Program Expenditures will be sent on behalf of the Program Manager (or designated Program Coordinators) to each Subgrantee's Executive Director, Program and Fiscal Director if it expenditures are under or over expended. A plan to expend funds will be requested to ensure the agency is on target to spend program dollars in accordance with the grant agreements.

LIHEAP State and Federal Reporting

All Subgrantee reports must be submitted in a timely manner. Timeliness of reporting will be reported on the Subgrantee Risk Assessment.

LIHEAP Household Report Long Form (Subgrantee reports to OEO; OEO report to HHS)



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Under the amendments to the LIHEAP statute enacted in 1994 (Public Law 103-252), LIHEAP grant applications must include a report on LIHEAP households for the previous Federal Fiscal Year. OCS requires all LIHEAP grantees (States and Tribes) to report LIHEAP household data. State instructions to complete the LIHEAP Household report can be found on the Office of Community Services website <https://www.acf.hhs.gov/ocs/resource/>.

The State's submission of the LIHEAP Household Report (reported by Federal Fiscal Year (October 1 – September 30) is due to the Administration of Children and Families' via the On-Line Data Collection (OLDC) System no later than December 15th. OEO's LIHEAP Program Manager submits South Carolina's LIHEAP Household Report each year. Visit the following link for instructions to gain access to the OLDC reporting system:

<https://www.grantsolutions.gov/gs/registration.gs?execution=e1s1>.

Likewise, OEO requires all LIHEAP eligible entities to report LIHEAP household data monthly that includes the number and income levels of households assisted each month. The statewide LIHEAP Household report can be accessed via the statewide database. LIHEAP Household reports are due to OEO's Program Coordinator(s) on the 15th day following each month.

LIHEAP Performance Measures (OEO report to HHS)

The LIHEAP Performance Data Form is an annual report in response to **Section 2610(b) of the LIHEAP statute (42 U.S.C. § 8629(b))** which requires the Secretary of the U.S. Department of Health and Human Services (HHS) to submit a report to Congress on LIHEAP for the prior Federal Fiscal Year. The LIHEAP Performance Data Form consists of three modules:

- **Module 1 (Grantee Survey)** *Further instructions below.*
- **Module 2 (Performance Measures)**
- **Module 3 (Optional Performance Measures)**

State instructions to complete the LIHEAP Performance Measures report can be found on the

Office of Community Services website: <https://liheappm.acf.hhs.gov/>. The LIHEAP Performance Data Form can be accessed through ACF's web-based system, OLDC <https://home.grantsolutions.gov/home/>. Visit the following link for instructions to gain access to the OLDC reporting system: <https://www.grantsolutions.gov/gs/registration.gs?execution=e1s1>

The State's submission of the LIHEAP Performance Measures (reported by Federal Fiscal Year (October 1 – September 30) is due to the Administration of Children and Families' via the On-Line Data Collection (OLDC) System no later than January 30th. OEO's LIHEAP Program Manager submits South Carolina's LIHEAP Performance Measure report each year.

To complete the performance measures, South Carolina developed a client waiver statement (outlined in OEO's statewide Vendor Agreement and client application) that allows OEO to collect customer's annual usage information from vendors. OEO partners with the state's largest two utility vendors (SCE&G and Duke) to provide data on households as outlined in the report. In conjunction with the Department of Administration's IT department, OEO's LIHEAP Program Manager provides vendors with customer information to be completed. IT ensures all personal identifiable information (PII) is properly safeguarded through digital transfer.

OEO's statewide database (help desk) is also utilized to provide additional LIHEAP data.

LIHEAP Grantee Survey (OEO report to HHS)

The LIHEAP Grantee Survey is part of the LIHEAP Performance Data Form. State instructions to complete the LIHEAP Grantee Survey can be found on the Office of Community Services website <https://liheappm.acf.hhs.gov/>. The Grantee Survey can be accessed via the LIHEAP Performance Data Form in OLDC <https://home.grantsolutions.gov/home/>. Visit the



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following link for instructions to gain access to the OLDC reporting system:

<https://www.grantsolutions.gov/gs/registration.gs?execution=e1s1>

The State's submission of the LIHEAP Performance Measures (reported by Federal Fiscal Year (October 1 – September 30) is due to the Administration of Children and Families' via the On-Line Data Collection (OLDC) System no later than January 30th. OEO's LIHEAP Program Manager submits South Carolina's LIHEAP Performance Measures Report which includes the Grantee Survey.

The Grantee Survey cross references the LIHEAP Household Report and the Carry Over and Reallotment report. Therefore, it will require information from OEO's Fiscal and Weatherization Managers. The appropriate Federal Poverty Guidelines will also need to be referenced to complete this report. The LIHEAP program manager will disseminate the appropriate forms to relevant staff in December (or as soon as the report becomes available) to be completed.

Program Expenditure Notice (OEO report to Subgrantee)

Each quarter, the Program Manager will review the submission of the most current FSR to track CSBG and LIHEAP program expenditures. A Notice of Program Expenditures will be sent on behalf of the Program Manager (or designated Program Coordinators) to each Subgrantee's Executive Director, Program and Fiscal Director if it expenditures are under or over expended. A plan to expend funds will be requested to ensure the agency is on target to spend program dollars in accordance with the grant agreements.

CSBG and LIHEAP Administrative Guide

The CSBG and LIHEAP Administrative Guide is a manual that serves as a guide to assist CAA's in their day-to-day administration of the grants. The manual contains instructions for determining eligibility and provides program procedures to ensure compliance.

It is the responsibility of the CSB/LIHEAP Program Manger to update annually OEO's Administrative Guide for CSBG and LIHEAP grants. A draft of the Administrative Guide is distributed in November to the CAA Network for comments and edits. A final guide is distributed to the network no later than January 1st.

Results Oriented Management and Accountability (ROMA) Database

42 U.S.C. § 9908(b)(12), 9917(a)(1)(A): The federal CSBG Act requires states and CAAs to participate in a performance measurement system such as ROMA to measure the CAA's performance in promoting self-sufficiency, family stability, and community revitalization. State ROMA requirements set forth that a CAA shall maintain back-up documentation to support the total number of families and individuals reported and that such information should be reported on a quarterly basis. Quarterly CSBG Outcome Measures reports are due to OEO on the 15th day following each quarter. All reports must be reported in a timely manner.

LIHEAP Performance Measure Database

42 U.S.C. §2610(a): The federal LIHEAP Statute requires states and CAAs to participate in a performance measurement system to collect the following data:

- (1) Information concerning home energy consumption;
- (2) the amount, cost and type of fuels used for households eligible for assistance for this title;
- (3) the type of fuel used by various income groups;
- (4) the number and income levels of households assisted by this title;
- (5) the number of households which received such assistance and include one or more individuals who are 60 years or older or disabled or include young children; and
- (6) any other information which the Secretary determines to be reasonably necessary to carry out the provision of this title.



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OEO Statewide Reporting Database

To comply with Federal data collection requirements set forth by CSBG and LIHEAP, OEO contracts with DBA Technologies (DBA FACSPRO) to collect and track subgrantee performance. The South Carolina Department of Administration requires the database be procured every five (5) years.

DBA provides a Help Desk unique to South Carolina OEO and CAA's. Roscoe Mines is the point of contact and will assist all OEO departments and subgrantee's with the collection and reporting of data. The Help Desk also provides trainings as needed and accompanies OEO to on-site monitorings.

The OEO Program Manager will ensure all Program Coordinators have access to DBA at the time of hire.

OEO Travel

OEO will pay for/reimburse staff for transportation and travel-related expenses incurred in connection with monitoring and trainings that have been approved by OEO's Executive Director. Lodging and meals will be reimbursed for overnight out-of-town travel, only. Daily commutes are not reimbursable. Mileage and fuel is not reimbursable when traveling in one's personal vehicle when OEO/State vehicles are available. Lodging at local trainings (in Columbia) will not be reimbursed unless otherwise approved.

South Carolina meal reimbursement:

In-State

Breakfast	Lunch	Dinner
\$6	\$7	\$12

Out-of-State

Breakfast	Lunch	Dinner
\$7	\$9	\$16

Lodging must not exceed the approved the approved government rate. Visit <https://www.gsa.gov/travel/plan-book/per-diem-rates> for lodging per diems. Unapproved expenses incurred will be at the expense of the staffer.

Vehicles must be reserved on OEO's vehicle calendar. See OEO's Executive Assistant to retrieve vehicle books. Vehicle books include a travel log to be completed, key and fuel card. The fuel card will require employee's fuel pin for payment. The fuel pin is issued at the time of employment by Human Resources.

Traveler's Responsibilities - Employees must complete OEO's travel reimbursement form with the appropriate management signatures. All reimbursements will be submitted to OEO's Executive Assistant for processing.



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Definitions

Community Action Agency (CAA) In the United States and its territories, **Community Action Agencies (CAA)** are local private and public non-profit organizations that carry out the Community Action Program (CAP), which was founded by the 1964 Economic Opportunity Act to fight poverty by empowering the poor as part of the War on Poverty.

Community Services Block Grant (CSBG) The Community Services Block Grant (CSBG), administered by the states, provides core funding to local agencies to reduce poverty, revitalize low-income communities and empower low-income families to become self-sufficient.

Grantee a person to whom a grant or conveyance is made. OEO is the grantee of CSBG and LIHEAP grants.

Health and Human Services (HHS) is the U.S. Department of Health and Human Services. Health and Human Services Awards is the Federal funding agency of CSBG and LIHEAP grants.

Low-Income Home Energy Assistance Program (LIHEAP) helps keep families safe and healthy through initiatives that assist families with home energy heating and cooling costs.

NASCSP The National Association for State Community Services Programs is the national association charged with advocating and enhancing the leadership role of states in preventing and reducing poverty. NASCSP serves as the liaison between Federal partners and states.

Office of Community Services (OCS) partners with states, communities and agencies to reduce the causes of poverty, increase opportunity and economic security of individuals and families and revitalize communities. OCS is a division within the U.S. Department of Health and Human Services (US HHS).

Office of Economic Opportunity (OEO) Created by the Community Economic Opportunity Act of 1983, the Office of Economic Opportunity (OEO) is the state's administering agency for the Community Services Block Grant, Low-Income Home Energy Assistance Program, Weatherization Assistance Program and Emergency Solutions Grant. OEO works in partnership with community action agencies and other non-profit agencies to administer and distribute funds for local initiatives designed to appreciably impact the causes of poverty.

On-Line Data Collection (OLDC) is the Federal Grant Solutions database used for Federal reporting. States submit all Federal reports via the Grant Solutions web portal.

Organizational Standards 42 U.S.C. §9914 requires State CSBG Lead Agencies to establish "performance goals, administrative standards, financial management requirements, and other requirements" that ensure an appropriate level of accountability and quality among the State's eligible entities. The Center of Excellence (COE) developed 58 standards for public and private entities.

Result Oriented Management Accountability (ROMA) The Monitoring and Assessment Task Force (MATF), a task force of federal, state, and local CSBG Network officials, created ROMA in 1994. Based upon principles contained in the Government Performance and Results Act of 1993, ROMA provides a framework for continuous growth and improvement among local CAAs and a basis for state leadership and assistance.



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In 1998, the CSBG Reauthorization Act, Section 678E(a)(1), 42 U.S.C. § 9917(a)(1), made ROMA implementation a requirement for receiving federal CSBG funds, and established October 1, 2001 as the start date for reporting CSBG Network outcomes in the context of ROMA performance-based management principles. This statutory mandate changed both the nature and pace of ROMA implementation throughout the CSBG Network.

IM 152 outlines the new CSBG Annual Report and the role of ROMA Next Generation in the new Performance Management Framework. The IM places an enhanced emphasis on analysis and evaluation under ROMA Next Generation. This evaluation and analysis is actualized through the new CSBG Annual Report that will replace the CSBG IS beginning in FFY 2018.

Local CAAs are encouraged to undertake ROMA implementation actions that focus on results-oriented management and accountability. Organizational Standards require the review of particular documents by a ROMA Certified Trainer/Implementer. Therefore, OEO recommends each agency have one to two certified ROMA trainers or implementers on staff. To become a certified ROMA Implementer or Trainer visit the NASCSP website:

<https://nascsp.org/csbg/csbg-resources/roma/>.

Subgrantee means the government or other legal entity to which a subgrant is awarded and which is accountable to the grantee for the use of the funds provided

Model (State) Plan Submission Checklist

In May , CSBG/LIHEAP Senior Manager will compose drafts for both CSBG/LIHEAP Model Plans & distribute to OEO's Director, Senior Managers and Program Coordinators for review and edits.	YES	NO
Approved drafts will be distributed to the CAA Network (in May) to include Executive Directors, the State Association, CSBG/LIHEAP/WAP program and fiscal managers, for review, comments and edits.	YES	NO
In June , OEO will host a workshop to receive feedback from the network on updates and edits to both CSBG and LIHEAP plans . The Senior Manager will work with the Association to secure a venue and date and notify the network.	YES	NO
Public Hearing: A public hearing is required as a platform for public comment. The public hearing traditionally occurs at the beginning of August . The Public Hearing must occur prior to the submission of the State Plans, due to HHS September 1 st .	YES	NO
Legislative Public Hearing: A Legislative Public Hearing is required to occur once every three years. OEO's Director will contact the Senate Clerk to assemble a subcommittee. Draft plans should be provided in a timely manner to allow the subcommittee time to review. The legislative Hearing must occur prior to the submission of the State Plans, due to HHS September 1 st .	YES	NO
The hearing will be recorded, and a copy of the sign-in sheet and transcript will be uploaded to OLDC with the submission of the State Plans.	YES	NO
Public Hearing Advertisement: The CSBG/LIHEAP Senior Manager will draft a Public Notice for the Legislative/Public Hearing to be advertised in The State newspaper. OEO's Director and Attorney will review and approve the Public Notice for advertisement.	YES	NO
The CSBG/LIHEAP Senior Manager will provide the OEO Business Manager an approved copy of the notice to be submitted to the newspaper for advertisement at least three days prior to the scheduled hearing .	YES	NO
The CSBG/LIHEAP Senior Manager will then notify the CAA network via email of the scheduled hearing date, time and location.	YES	NO
Following the Legislative/Public Hearing, OEO's Senior Manger and staff will consider additional comments to include in the CSBG/LIHEAP State Plans. Final edits will be made to each plan and submitted to OEO's Director, Senior Managers and Program Coordinators for final review.	YES	NO



SOUTH CAROLINA OFFICE OF ECONOMIC OPPORTUNITY

DEPARTMENT *of* ADMINISTRATION

The CSBG/LIHEAP Senior Manager will submit South Carolina's final CSBG and LIHEAP State Plans with support documentation via OLDC, no later than September 1st.	YES	NO
The Senior Manager will save final copies of both CSBG and LIHEAP plans to OEO's shared drive and contact IT to have plans posted on the OEO website at the start of the program year.		
Other Model (State) Plan Duties:	YES	NO

COMPLETED BY: _____ DATE: _____

REVIEWED BY: _____ DATE: _____



LIHEAP Household Report Checklist

OEO LIHEAP Senior Manager will access the LIHEAP Household Report via OLDC. The Senior Manager will work with the statewide database Help Desk to run queries to collect data and complete the report.	YES	NO
The OEO LIHEAP Senior Manager will route the Household Report for review from the OEO WAP Senior Manager, OEO Director, LIHEAP Program Coordinator and/or other appropriate staff.	YES	NO
The OEO LIHEAP Senior Manager will submit the final Household Report to HHS via the OLDC website. A final copy of the report should be saved to OEO's shared drive with support data.	YES	NO
Other LIHEAP Household Report Duties:	YES	NO

COMPLETED BY: _____ DATE: _____

REVIEWED BY: _____ DATE: _____



LIHEAP Performance Measures Checklist

<p>To complete the LIHEAP Performance Measures, the LIHEAP Senior Manager must collect LIHEAP customer data from a subgroup of vendors statewide (ex. SCE&G, Duke, etc.). In December, The LIHEAP Manager will contact the database Help Desk to compile customer data to send to each vendor to complete. The LIHEAP Manager will send a secure email to identified utility vendors to complete information specific to the OEO-identified LIHEAP customers. Vendors will be given 30 days to complete and return LIHEAP customer information to OEO.</p>	YES	NO
<p>In December, The OEO LIHEAP Senior Manager will access the LIHEAP Performance Measures report via OLDC. The Senior Manager will work with the statewide database Help Desk to run queries to collect data and complete the report.</p>	YES	NO
<p>The OEO LIHEAP Senior Manager will distribute fiscal-related sections of the Grantee Survey to OEO's Fiscal manager and/or other appropriate OEO departments to complete the report.</p>	YES	NO
<p>The OEO LIHEAP Senior Manager will compile data from internal departments, the statewide database and utility vendors to complete the LIHEAP Performance Measures. Upon completion, the Senior Manager will route the report to OEO's WAP Senior Manager, Fiscal Manager, LIHEAP Program Coordinator and/or other appropriate staff for review.</p>	YES	NO
<p>The OEO LIHEAP Senior Manager will submit the final LIHEAP Performance Measures Report to HHS via the OLDC website. A final copy of the report should be saved to OEO's shared drive with support data.</p>	YES	NO
<p>Other LIHEAP Performance Measure Report Duties:</p>	YES	NO

COMPLETED BY: _____ DATE: _____

REVIEWED BY: _____ DATE: _____



CSBG Annual Report

As needed: In December , the CSBG Senior Manager will plan a statewide workshop with the State Association (to include reserving a hotel, meals and trainer(s)) to review the instructions and requirements to complete the Annual Report. The CSBG manager will notify the CAA network of the date, time and location via email.	YES	NO
No later than January , The CSBG Senior Manager will distribute links and forms to the CAA network to complete the Annual Report. Forms can be accessed via the NASCSP website. All CSBG eligible entities must submit their Annual Report to OEO's CSBG Senior Manager and/or Program Coordinators no later than February 15 th .	YES	NO
The OEO CSBG Senior Manager will distribute fiscal-related sections of the Grantee Survey to OEO's Fiscal manager and/or other appropriate OEO departments to complete the report.	YES	NO
OEO's CSBG Senior Manager and CSBG Program Coordinators will review and/or enter each agency's data until all edits are made and variances are addressed. The State's submission will be reviewed by the Fiscal Manager, Director and/or other appropriate OEO staff.	YES	NO
OEO's CSBG Senior Manager will submit the final CSBG Annual report via the NASCSP submission website and the OLDC, no later than March 31st (or the posted deadline).	YES	NO
A copy of the CSBG Annual Report will be saved to OEO's shared drive. Once HHS has provided feedback and accepted the state's revisions, the Senior Manager will email the State's report to the CAA network along with each agency's individual report. All agency reports will be saved to OEO's shared drive.	YES	NO
Other CSBG Annual Report Duties:	YES	NO

COMPLETED BY: _____ DATE: _____

REVIEWED BY: _____ DATE: _____



CSBG/LIHEAP Administrative Guide

In November , the CSBG/LIHEAP Senior Manager, along with program coordinators, will draft/update the CSBG/LIHEAP Administrative Guide according to the approved State Plans for the upcoming program year. A draft Administrative Guide will be distributed to the CAA Network for review, edits and suggestions.	YES	NO
No later than December 31st , the CSBG/LIHEAP Senior Manager will distribute the final Administrative Guide to the CAA Network and save the final to OEO's shared drive.	YES	NO
The Senior Manager will contact IT to have the Administrative Guide posted to the OEO website at the start of the program year.	YES	NO
Other Administrative Guide Duties:	YES	NO

COMPLETED BY: _____ DATE: _____

REVIEWED BY: _____ DATE: _____



Notice of Federal Poverty Levels

<p>It is the responsibility of the CSBG/LIHEAP Senior Manager to be attentive to the Federal Poverty Level updates published in the Federal Register on the Department of Health and Human Services website (traditionally in mid-January).</p>	<p>YES</p>	<p>NO</p>
<p>The CSBG/LIHEAP Senior manager will update the State's poverty guidelines for CSBG, LIHEAP and WAP using the updated FPL information. This information is to be reviewed and signed-off by the WAP Senior Manager, CSBG/LIHEAP Program Coordinator and other appropriate staff.</p>	<p>YES</p>	<p>NO</p>
<p>Once OEO has completed its internal review and accuracy of guidelines (at 100%, 125%, 150% and 200%) the CSBG/LIHEAP Senior Manager will compose a memorandum and notify the CAA network and statewide database of the updated FPLs and effective date. Note: The effective date should coincide with the database update.</p>	<p>YES</p>	<p>NO</p>
<p>The CSBG/LIHEAP Senior Manager will notify the statewide database via email of the updated FPLs and the effective date.</p>	<p>YES</p>	<p>NO</p>
<p>The Senior Manager will save a copy of the memorandum and FPLs to the shared drive.</p>	<p>YES</p>	<p>NO</p>
<p>Other Duties:</p>	<p>YES</p>	<p>NO</p>

COMPLETED BY: _____ DATE: _____

REVIEWED BY: _____ DATE: _____

List of Form Level Attachments

	File Name
1	SC OEO Policies on CSBG Entity Designation_2020.pdf

DESIGNATION/RE-DESIGNATION OF (NEW) ELIGIBLE ENTITIES IN UNSERVED AREAS

This policy addresses the process by which the State will designate and re-designate eligible entities in unserved areas of the State in accordance with Information Memorandum 116 and Section 676 of the CSBG Act.

The OEO may designate to a new or existing eligible entity if an area of the state is not served or ceases to be served by an eligible entity. This includes situations where an existing eligible entity goes out of business, is terminated, or relinquishes its designation as an eligible entity. If the State has decided to terminate an eligible entity's funding and the entity has appealed that decision to OCS, the state can solicit applications for new eligible entities but cannot award funds to a new entity until OCS confirms the state's decision to terminate or the 90-day period for Federal review has passed.

Re/Designation Procedures

Under Sections 676(c)(1)(B) and 676(c)(2) of the CSBG Act, States may reduce funding or terminate eligibility for CSBG funding based on an eligible entity's failure to comply with the terms of an agreement or a State plan, or to meet a State requirement, to provide services, or to meet appropriate standards, goals, and other requirements established by the State, including performance objectives.

The procedure for re/designation shall be as follows:

1. Solicitation of application from eligible entities through a "Request for Proposal for Designation as a Community Action Agency" (RFP) process;
2. Review and rating of the submitted applications by a review team utilizing objective criteria that include, but are not limited, to the following:
 - Proof that applicant is a non-profit organization in good standing in the State of South Carolina;
 - Proof that applicant has current Federal 501c (3) status;
 - Evidence that applicant maintains ongoing partnerships with other non-profit and/or governmental entities in the service area;
 - Provision by applicant of audited financial statements that indicate fiscal soundness and adequate liquidity;
 - Proof that applicant currently provides multiple programs and services;
 - Description of entity's current sources of funding and current budget;
 - Evidence of applicant's ability to provide services based on the unmet needs in the community and description of the applicant method of ascertaining those unmet needs;
 - Applicant demonstrates that expected outcomes for current programs are achieved;
 - Applicant provides all other documentation as required by the RFP.
3. Requirement. In order to serve as the area's designated eligible entity, an entity shall agree to add

additional members to the board of the entity to ensure adequate representation:

- (a) In each of the three required categories described in the CSBG Act, 42 U.S.C. §9901 *et seq.* by members who reside in the community comprised by the unserved area; and
 - (b) In the category relating to low income individuals by members that reside in the neighborhood to be served.
4. Special Consideration. The designation shall be granted to an organization of demonstrated effectiveness in meeting the goals and purposes of CSBG. Priority may be given to eligible entities that are providing related services in the unserved area.

State Award of Funds to a New Eligible Entity

If the State terminates the designation of an organization as an eligible entity, or otherwise reduces funds, any resulting funding may be awarded only to an organization that is an eligible entity for CSBG funds. Section 676A of the CSBG Act outlines procedures for designation and re-designation of eligible entities in un-served areas. In accordance with the CSBG Act, a State may solicit applications and designate as an eligible entity either:

- A private nonprofit organization that is geographically located in the un-served area that can provide a broad range of services designed to eliminate poverty and foster self-sufficiency and meets the requirements of the CSBG Act; or
- A private nonprofit eligible entity that is geographically located in an area contiguous to or within reasonable proximity of the un-served area and is already providing related services in the un-served area.

States must grant the designation to an organization of demonstrated effectiveness in meeting the goals of the CSBG Act and may give priority to an eligible entity in a contiguous area that is already providing related services in the un-served area. If no private, nonprofit organization is identified or determined to be qualified as an eligible entity to serve the area, the State may designate an appropriate political subdivision of the State to serve as an eligible entity for the area.

Any nonprofit or public agency receiving CSBG funds must meet the tripartite board requirements specified in Section 676B of the CSBG Act. The process of soliciting applications to select a new eligible entity may take place during the period in which the Department of Health and Human Services is reviewing a State decision to terminate an organization's eligibility for CSBG funds. However, the State may not award the funds to a new eligible entity until the Department confirms the State's finding for cause or the 90-day period for Federal review has passed.

TERMINATION PROCEDURES

South Carolina will follow the IM 116 process for de-designation and re-designation of eligible entities. A state (CSBG) office must initiate proceedings to terminate or reduce funding if a CAA fails to correct a deficiency. However, the state may do so only after it has met the following responsibilities:

- Adequate notice and
- An opportunity for a hearing on the record.

It is within the state's discretion to determine the format of the notice and hearing it will provide a CAA. Any notice and hearing provided should be consistent with applicable state policies, rules or statutory

requirements, including the state’s administrative procedures act (APA). The notice and hearing procedures should also be made available to the CAA.

After giving notice and conducting a hearing, if a state finds cause to reduce or terminate funding, the state must initiate proceedings to do so unless the CAA corrects the deficiency.

“Cause” to Reduce or Terminate Funding

Following the hearing, the state determines if “cause” exists to reduce or terminate a CAA’s CSBG funding. The federal CSBG Act explains that “cause” for which a state CSBG office may initiate a reduction in or termination of a CAA’s funding includes:

The failure of a CAA to comply with the terms of its CSBG agreement with the state, the state plan or to meet a state requirement.

If the state finds “cause” exists and the CAA disagrees with the state’s finding, the CAA should request a review by HHS of the state’s finding.

A state CSBG office may also initiate a reduction in funding for “cause” if:

A statewide redistribution of CSBG funds is needed to respond to one of the following:

- The results of the most recently available census or other appropriate date,
- The designation of a new CAA, or
- Severe economic dislocation.