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

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# **Community Services Block Grant Program**

*Georgia State Assessment*

*On-Site Review*

*Final*

August 3 - 7, 2009

# Georgia State Assessment

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# Georgia Community Services Block Grant

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## I. Executive Summary

The Community Services Block Grant (CSBG) program provides assistance to States and local communities working through a network of Community Action Agencies (CAAs) and other neighborhood-based organizations for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals to become fully self-sufficient. CSBG-funded programs create, coordinate, and deliver a broad array of programs and services to low-income Americans. The grant's purpose is to fund initiatives to change conditions that perpetuate poverty, especially unemployment, inadequate housing, poor nutrition, and lack of educational opportunity.

The Governor of Georgia designated the Georgia Department of Human Resources (GDHR), as the appropriate lead agency for the administration of the CSBG program. The Georgia CSBG program provides funding, technical assistance, and support to 23 eligible entities serving 120 counties. The CAAs provide an array of services according to the Community Action Plan formulated to address local needs. Services may include housing, energy assistance, nutrition, employment and training as well as transportation, family development, child care, health care, emergency food and shelter, domestic violence prevention services, money management, and microbusiness development. The information contained in this report was compiled during a State Assessment (SA) of the Georgia CSBG program and its eligible entities as evaluated by Federal staff of the Division of State Assistance (DSA) in the Office of Community Services (OCS), an office within the Administration for Children and Families (ACF), U.S. Department of Health and Human Services (HHS).

### State Assessment Authority

SAs are conducted to examine the implementation, performance, compliance, and outcomes of a State's CSBG program to certify that the State is adhering to the provisions set forth in Sections 678B and 676(b) of the Coats Human Services Reauthorization Act, Public Law 105-285. On December 21, 2007, OCS issued Information Memorandum 105, explaining that DSA would conduct both on-site and desk monitoring visits during Federal Fiscal Years (FFYs) 2008-2010. Federal staff conducted an on-site review of the Georgia CSBG program and its eligible entities from August 3-7, 2009. The evaluation included interviews and analyses of the data collected. As per the CSBG statute, the SA examines the State's and its eligible entities' assurances of program operations including:

1. Activities designed to assist and coordinate services to low-income families and individuals, including those receiving assistance under the Temporary Assistance to Needy Families (TANF) program, the elderly, homeless, migrant and seasonal workers, and youth;
2. Coordination of service delivery to ensure linkages among services, such as to employment and training activities, with the Low-Income Home Energy Assistance Program (LIHEAP), faith-based and other community-based charitable organizations, and other social services programs;
3. Innovative approaches for community and neighborhood-based service provision;
4. Ability to provide emergency food and nutrition to populations served;
5. Adherence to statutory procedures governing the termination and reduction of funding for the local entity administering the program;
6. Adequate and appropriate composition of Tripartite Board and CAA rules;

7. Appropriate fiscal and programmatic procedures to include a Community Action Plan from the CAAs that identifies how the needs of communities will be met with CSBG funds; and
8. Participation in the performance measurement system, the Results Oriented Management and Accountability (ROMA) initiative.<sup>1</sup>

The SA also examines the fiscal and governance issues of the eligible entities that provide CSBG funded services in local communities as well as the State's oversight procedures for the eligible entities. Fiscal and governance issues examined include:

1. Methodology for distribution and disbursement of CSBG funds to the eligible entities;
2. Fiscal controls and accounting procedures;
3. State administrative expenses;
4. Mandatory public hearings conducted by the State Legislature; and
5. General procedures for governing the administration of the CSBG program, including Board governance, non-discrimination provisions, and political activities prohibitions.

### **Methodology**

The SA consisted of two levels of evaluation by OCS reviewers:

1. OCS reviewers examined the State-level assurances, fiscal and administrative governance issues through data collection and interviews with State officials.
2. OCS reviewers assessed the State's monitoring procedures and results to determine CAA's compliance with assurances and governance requirements by gathering information and engaging in data collection and interviews.

State-level interviews included the following GDHR officials: Jeff Blankenship, CSBG Coordinator; Gwendolyn Porchea, Accounting Manager, Grants Management Team.

OCS reviewers assessed the following eligible entities: Fulton-Atlanta Community Action Authority, Inc. in Atlanta, Georgia; Overview, Inc. in Milledgeville, Georgia; and Tallatoona Community Action Partnership, Inc. in Cartersville, Georgia.

OCS reviewers included: Isaac Davis, Program Specialist and Team Leader; Michael Pope, Auditor, Emmanuel Djokou, Auditor; Toya Joyner, Program Specialist; and Sonali Nijhawan, Intern.

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<sup>1</sup> Some assurances have been combined where appropriate.

## II. Assessment and Findings

The OCS reviewers collected information pertaining to the fiscal and programmatic procedures of the State agency, as well as other general information about the State's CSBG program including:

- Administrative, program, and financial operations for the State and the CAAs assessed;
- Brochures and literature on services provided;
- Most recent CSBG financial summary reports;
- Standard Form (SF) 269 Financial Status Report(FSR) for FY 2006 showing total funds authorized;<sup>2</sup>
- Audited Financial Statements;
- Georgia State CSBG Plan;
- Georgia CSBG Operations Manual.

### Fiscal and Governance Operations

The CSBG statute requires each State to designate a lead agency to administer the CSBG program and for the lead agency to provide oversight of the eligible entities that administer programs in the communities. In FY 2006, the State allocated 94 percent of CSBG funds to eligible entities and CAAs. The State used less than one percent for discretionary projects, training and technical assistance, and funding to eligible entities to address non-traditional community needs. OCS reviewers were unable to follow the Federal funds in the general ledger.

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

**Table 1**

<b>Use of FY 2006 Funds: Georgia</b>		
<b>Uses of Funds</b>	<b>Amount Expended</b>	<b>Percentage of Expenditures</b>
Grants to Local Eligible Entities	\$ 16,048,088	94.5
Administrative Costs	\$ 826,873	5
Discretionary Projects	\$ 90,000	.5
<b>Total Used in FY 2006</b>	<b>\$16,964,961</b>	<b>100</b>

According to the State, administrative expenditures were used for the management and monitoring oversight of the program. Discretionary funds were disbursed to the CAAs for their use based on their community needs assessment.

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

## **Administrative Monitoring and Accountability**

The CSBG statute requires States to monitor local agencies to determine whether they meet performance goals, administrative standards, and financial management standards, as well as other State-defined criteria. The State has procedures in place to ensure CAAs have a system of governance, financial and human resource management, program and service delivery, and community relations. The State requires the CAAs to submit applications to receive their CSBG allotments annually. The process of approval is based on: 1) standard forms; 2) governing Board approval; and 3) information about how the entity will provide services in their communities.

## **Financial Monitoring and Accountability**

States are required by Federal statute to perform monitoring duties in a full on-site review at least once every three years for each eligible entity. A draft monitoring report is developed and issued within 30 days of the on-site visit. The report identifies deficiencies, issues, and concerns requiring corrective action(s) as approved by the Board. Follow-up visits were coordinated with the CAAs if deficiencies were noted during the on-site visit. A final report is sent to the Board Chairperson and the Executive Director of the agency. Not all site visits require a focus on the entire CSBG program. Some may focus on specific areas during the State's assessment review of other Federal grant programs such as LIHEAP; ROMA; Board issues; or T&T/A.

Section 678B(a)(1) requires that the State shall conduct the following reviews of eligible entities:

- (1) A full on-site review of each such entity at least once during each three-year period.
- (2) An on-site review of each newly-designated entity immediately after the completion of the first year in which such entity receives funds through the CSBG program.

The State monitoring policies and procedures are outlined in the Operations Guide for CSBG and LIHEAP. The Community Based Services Unit's goal when monitoring the contract agencies is to support the contract agency's health and stability, ensure proper program implementation, safeguard the expenditure of State and Federal funds and facilitate efforts toward poverty alleviation through diligent and constructive monitoring, as well as Technical Assistance. The Community Based Services Unit under the Division of Family and Children Services is responsible for conducting on-site program monitoring visits at least once every three years. On-site monitoring reviews are conducted to meet the following objectives: review of sub-recipient performance; review of compliance to applicable State and Federal regulations, policies and statutes; assist in the prevention of fraud and abuse; and identification of Technical Assistance needs. A combined CSBG/LIHEAP monitoring tool is required to be used in CAA monitoring visits. Each applicable area of this document is completed with all supporting documentation retained in the State office files. The CAAs and eligible entities are identified in Table 2 (on the following page).

**Table 2**

<b>Georgia Monitoring Schedule</b>		
<b>Agency Name</b>	<b>On-site Visits</b>	<b>Counties Served</b>
Action, Inc.	May 23 and 25, 2006	Borrow, Clarke, Elbert, Greene, Jackson, Madison, Morgan, Newton, Oconee, Oglethorpe, and Walton
Central Savannah River Area Economic Opportunity Authority	August 17, 2006	Burke, Columbia, Emanuel, Glascock, Jefferson, Jenkins, Lincoln, McDuffie, Richmond, Screven, Taliaferro, Warren, and Wilkes
Clayton County Community Services Authority, Inc.	May 15-16, 2006	Clayton, and Fayette
Costal Georgia Area Community action Authority, Inc.	August 28, 2006	Bryan, Camden, Glynn, Liberty, McIntosh
Coastal Plain Area EOA, Inc.	August 15, 16, and 21, 2007	Ben Hill, Berrien, Brooks, Cook, Echols, Irwin, Lanier, Lowndes, Tift, and Turner
Community Action for Improvement, Inc.	January 19, 2006 March 17, 2006	Carroll, Coweta, Heard, Meriwether, and Troup
Concerted Services, Inc.	August 16, 2006	Appling, Atkinson, Bacon, Brantley, Bulloch, Candler, Charlton, Clinch, Coffee, Effingham, Evans, Jeff Davis, Long, Pierce, Tattnall, Toombs, Ware, and Wayne
Economic Opportunity Authority for Savannah-Chatham County Area, Inc.	August 24, 2006	Chatham
Enrichment Services Program	April 14-15, 2006	Chattahoochee, Clay, Harris, Muscogee, Quitman, Randolph, Stewart, and Talbot
Fulton Atlanta Community Action Authority	Jan. 24-25, 2006	DeKalb in City of Atlanta, and Fulton
Heart of Georgia Community Action Council, Inc.	Jan. 24, 2006	Bleckley, Dodge, Laurens, Montgomery, Pulaski, Telfair, Truetlen, Wheeler, and Wilcox
Macon-Bibb County Economic Opportunity Council, Inc.	April 3 and May 1, 2007	Bibb
Middle Georgia Community Action agency, Inc.	June 6 and June 20, 2007	Butts, Crawford, Houston, Jones, Lamar, Monroe, Peach, Pike, Twiggs, Upson, and Spalding
Ninth District Opportunity, Inc.	March 22-23, 2006	Banks, Dawson, Forsyth, Franklin, Habersham, Hall, Hart, Lumpkin, Rabun, Stephens, Towns, Union, and White
North Georgia Community Action, Inc	April 17-18, 2006	Catoosa, Chattooga, Cherokee, Dade, Fannin, Gilmer, Murray, Pickens, Walker, and Whitfield
Overview, Inc.	February 8-9, 2006	Baldwin, Hancock, Jasper, Johnson, Putnam, Washington, and Wilkinson
Partnership for Community Action, Inc.	February 8-9, 2006	DeKalb, Gwinnett, and Rockdale
Southwest Georgia Community Action Council, Inc.	April 13-14, 2006	Baker, Calhoun, Colquitt, Decatur, Dougherty, Early, Grady, Lee, Miller, Mitchell, Seminole, Terrell, Thomas, and Worth
Tallatoona Community Action Partnership, Inc.	January 31, 2006	Bartow, Douglas, Floyd, Gordon, Haralson, Paulding, and Polk
West Central Georgia Community Action Council, Inc.	July 11 and August 17, 2006	Crisp, Dooley, Macon, Marion, Schley, Sumter, Taylor, and Webster

OCS reviewers examined the State's monitoring procedures and a representative sample of completed monitoring tools, reports, backup documentation, and corrective action letters. Through documentation reviews and interviews with State staff responsible for monitoring, OCS reviewers determined that the State has reasonable and responsible internal controls for conducting monitoring reviews for its eligible entities. Although the State demonstrated reasonable policies and procedures for conducting monitoring assessments for the eligible entities, OCS reviewers noted weaknesses in the State's retention of support documentation and follow-up activities.

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

The fiscal office operates on behalf of the State preparing monthly reports that are the primary tools for evaluating allowable expenditures and tracking budget line items. According to the State, monthly reports are prepared by the State's Financial Administrator. Eligible entities and CAAs are encouraged to use an electronic transfer system for fund reimbursements. OCS reviewers examined the available monthly reports and a sampling of the subsequent CSBG disbursement from randomly selected eligible entities and CAAs. Administrative costs include salaries and benefits for employees paid with CSBG funds. Hours charged to the CSBG programs vary weekly based upon the amount of time spent working on CSBG-related programs. OCS reviewers examined a sampling of the hours charged for CSBG-related projects and how the recorded time is processed through payroll.

In accordance with Section 678D, States that receive funds shall make appropriate books, documents, papers, and records available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of the appropriate entity upon a reasonable request for the item(s). OCS reviewers determined that the State was not in compliance with Section 678D of the CSBG statute.

OCS reviewers examined the State's internal audit process. State auditors are required to examine all State funding made to the eligible entities dating back to the previous State audit. Any audit finding(s) are reported to the CAA Executive Director and Boards of Directors. The CAA Boards of Directors are required to respond to the notification letter within 30 days with a written Corrective Action Plan (CAP) that addresses the findings. Audit Office staff must review and approve the CAP. The CAA Boards of Directors failure to respond within the allotted time frame may result in disciplinary actions being taken by the State, up to and including funds de-obligation. The lead auditor is the State official responsible for audit follow-up activities, including resolution and corrective action monitoring. Technical assistance is available through the State on a case-by-case basis for eligible entities with audit findings. The OCS reviewers had no findings for Technical Assistance.

## **OMB Circular A-133, Single Audit Act of 1997**

According to 45 CFR §96.31, grantees and subgrantees are responsible for obtaining audits in accordance with OMB Circular A-133, “*Audits of State, Local Governments, and Non-Profit Organizations.*” Agencies expending \$500,000 or more in any year must contract with an independent auditor to review their financial statements and Federal expenditures. The auditing firm for the State conducts the fieldwork, issues the audit report, and submits the required reporting forms to the Federal Audit Clearinghouse (FAC) with reportable findings. The State CSBG Plan submitted to OCS requires that an audit report is prepared annually.

State audits are performed to determine whether: 1) costs and program income activities were properly summarized and reported; 2) internal controls meet the State’s standards; 3) costs charged to the grant were allowable; and 4) the State is in full financial compliance.

The State audits are conducted under the standards of the Institute of Internal Auditors. In the performance of their duties, the State’s auditing firm also considers the government auditing standards promulgated by the Comptroller General, U.S. Government Accountability Office.

The Georgia Department of Audits and Accounts has completed their most current audit of selected accounts included on the financial statements of the State ending June 30, 2006. The State Auditor concluded that no matters involving State internal control over financial reporting and its operations were considered.

OCS reviewers examined the FAC Data Collection Form for reporting on audits of States, local governments, and non-profit organizations found on the FAC website. The OCS reviewers found the State forms were written and submitted in accordance with the Federal requirements. The State Auditor found no areas of noncompliance, reportable conditions, including material weaknesses, questioned costs, fraud, or other reportable items for CSBG. OCS reviewers also recognized that the State adheres to the accounting principles and financial reporting standards established by the Governmental Accounting Standards Board.<sup>3</sup>

### **Recapture and Redistribution**

Language in Section 675(C)(3) of the CSBG Act permits States the discretion to recapture and redistribute unobligated funds in excess of 20 percent of the amount distributed to an eligible entity to another eligible entity or to a private nonprofit organization. However, the Appropriation Act (H.R. 3061) contains new language which supersedes the language in Section 675(C)(3) of the enabling legislation. States are now required to continue recapture and/or redistribute FY 2001 CSBG funds to eligible entities in accordance with the requirement in Section 675(C)(a)(1) of the CSBG Act which requires that, “to the extent Community Services Block Grant funds are distributed as grants by a State to eligible entities provided under the Act, and have not been expended by such entity, the funds shall remain with such entity for carryover into the next fiscal year for expenditure by such entity for program purposes.”

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<sup>3</sup> The authoritative bodies of establishing accounting principles and financial reporting standards are the Governmental Accounting Standards Board (State and local governments) and the Financial Accounting Standards Board (nongovernmental entities).

## **Carryover Balance**

States may recapture and redistribute funds to an eligible entity that is unobligated at the end of a fiscal year if such unobligated funds exceed 20 percent of the amount distributed to the eligible entity. States must redistribute such funds to an eligible entity, or require the original recipient of the funds to redistribute the funds to a private, nonprofit organization, located within the community served by the original recipient of the funds, for activities consistent with the purposes of the CSBG Act.

In accordance with 45 CFR §92.40, §92.41, and §96.30(b)(4), respectively, the grantee shall submit annual program progress and FSRs using OMB Standard Form 269A Financial Status Report (short form). The Financial Status Reports (FSRs) are due within 90 days of the close of the applicable statutory grant periods. The Georgia FSRs were due December 30, 2007 and December 30, 2008. Failure to submit reports on time may be the basis for withholding financial assistance payments, suspension, or termination of funding. During our assessment, OCS reviewers noted the State submitted its FSR in accordance with 45 CFR §92.40, §92.41, and §96.30(b)(4).

Grantees are required to adhere to a provision of the law under the Consolidated Appropriations Act of 2005, which requires that, to the extent FY 2007 CSBG funds are distributed by a State to an eligible entity and have not been expended by such eligible entity, they shall remain with such eligible entity for carryover and expenditure into the next fiscal year.

The State reported a carryover balance of \$1,533,797 for FY 2006. No carryover balance was reported for FY 2007. Georgia's policy on carryover funds states that eligible entities shall retain any carryover amount to the next program year. When a CAA has determined that it will not utilize all of the current program year funds, it will notify the State, which will re-contract the carryover funds.

## **Public Hearings**

According to Section 676(a)(2)(B), at the beginning of each fiscal year, a State must prepare and submit an application and State Plan covering a period of one year and no more than two fiscal years. Each year the CSBG State Plan is sent to the CSBG Advisory Committee, the State General Assembly, and all eligible entities. In conjunction with the development of the State Plan, the State holds at least one public hearing. A CSBG Public Hearing was held on January 24, 2005. No copy of the legal notice appears in the 2006-2007 Georgia CSBG State Plan. The CSBG Public Hearing was held in Room 341 of the State Capitol. No legal notice was placed in the major Statewide newspaper stating that the CSBG Public Hearing will be held and that copies will be available at GDHR for public review. The draft State Plan was posted on the State's website for thirty days for any interested party to review. Copies of the draft State Plan were disseminated for review to the twenty-four (24) CSBG eligible entities. OCS reviewers assessed the State Public Hearing procedures and determined that the State was not in compliance with Section 676, which requires Statewide distribution of notice.

## **Tripartite Boards**

The State requires CAAs to submit a listing of their Tripartite Board membership prior to being approved to administer the CSBG program. CAAs must comply with Section 676B of the CSBG Statute, which requires that members are chosen in accordance with democratic selection procedures to assure that not less than one-third of its members are representatives of low-income individuals and families who reside in the neighborhoods served. The remaining members are public officials or members of business, industry, labor, religious, law enforcement, education, or other major groups interested in the community serviced. Members must actively participate in the planning, implementation, and evaluation of the program that services their low-income communities.

The CAAs must have their Tripartite Board certified annually to ensure the board has received orientation and/or training, which outlines and describes their responsibilities and liabilities. The certification of the Tripartite Board training must be documented in the minutes. The approved minutes must include the type of training, date(s) of the training, and meeting attendees. Additionally, certification must include an annual audit of services, expenditures, and reporting requirements for State, Federal, and other funding sources. These requirements are included in the contract signed between the CAAs and the State, the CSBG manual, the State Plan, and the CSBG statute. The State-outlined responsibilities of the Tripartite Board include:

- Ensuring that all administrative requirements are met;
- Establishing policies, rules, regulations and by-laws consistent with the agency's mission;
- Establishing accounting systems and fiscal controls consistent with generally accepted accounting principles;
- Establishing policies prohibiting nepotism;
- Avoiding conflict of interest;
- Involvement in directing the agency's operation through regular board meetings; and
- Acceptance of liability for and resolving any questioned cost identified by audits.

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

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

## **Additional Administrative or Fiscal Operations Findings**

The State is required to maintain a current financial procedure manual in order to meet fiscal standards set forth by Federal regulations. Financial reports are required monthly. Quarterly financial reports are due within 30 days of the end of each quarter and annual fiscal reports are required at the end of the State's fiscal year. The annual on-site compliance review conducted by the State should determine compliance to specific areas including financial compliance. Failure to comply with State and Federal reporting requirements may result in corrective action including suspension of grant awards.

According to 45 C.F.R. § 96.30(a) fiscal and administrative operations require: (a) fiscal control and accounting procedures. Except where otherwise required by Federal law or regulation, a State shall obligate and expend block grant funds in accordance with the laws and procedures applicable to the obligation and expenditure of its own funds. Fiscal control and accounting procedures must be sufficient to (b) permit the tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of the statute authorizing the block grant.

According to the CSBG statute, the State is required to have processes in place to provide oversight of CSBG funds. OCS reviewers were able to adequately validate the following: 1) all requested documents; 2) sampling of the State's General Ledger transactions; and 3) the State's accounting reports, when requested.

The OCS reviewers' analyses of the State's records and procedures that included administrative, financial, and programmatic operations, determined that the State has not demonstrated reasonable internal controls to administer the CSBG Program. OCS reviewers determined that the State's written policies and procedures are in compliance with the CSBG statute, however OCS reviewers were not able to track CSBG funds from the State's source documentation.

## **Program Operations**

The State reported demographic information on individuals who received services using CSBG funds in FY 2007. CAAs operate numerous programs designed to meet the needs identified in their respective service areas. Due to different local needs, not all CAAs provide services in all priority areas. During this SA, agency records were reviewed to assess actual services provided. The assessment instrument addressed the following areas: client services received, expenditures, staff responsibility, Board governance, bylaws, Board meeting minutes, Board manual, personnel, planning and operations, CSBG assurances, fiscal operations, T&TA grants, T&TA grant reviews, and agency postings (i.e., worker's compensation, client appeals).

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

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

- Securing and maintaining employment;
- Securing adequate education;
- Improving income management;
- Securing adequate housing;
- Providing emergency services;
- Improving nutrition;
- Creating linkages among anti-poverty initiatives;
- Achieving self-sufficiency; and
- Obtaining health care.

The State requires agencies receiving CSBG funds to prepare and submit an application referred to as a Community Action Plan to the State. The process requires CAAs to submit an application to the State for approval based on: 1) standard forms; 2) governing board approval; 3) information based on priority needs; and 4) information about how the entities will provide services in their communities. Table 3 shows the reported characteristics of individuals and families served throughout the State.

Based on the ROMA process, the grant agreement outlines the following requirements for the State's CAAs:

- A community needs assessment;
- A description of the service delivery system for low-income individuals and families in the service area;
- A description of linkages that will be developed to fill gaps in service through information, referral, case management, and follow-up consultations;
- A description of how funding will be coordinated with other public and private resources; and
- A description of outcome measures for providing services and promoting self-sufficiency and Georgia community revitalization.

The CSBG Client Characteristics and Statistics reported by State are found in Table 3 on the next page.

**Table 3**

CSBG Client Characteristics and Statistics Reported by State	
Race/Ethnicity By Number of Persons:	
Hispanic or Latino	5,686
African American	119,950
White	46,464
Other	1,899
Multi-race	139
Education: Years of Schooling by Number of Persons:	
0-8 years	13,410
9-12, non graduates	27,707
High school graduate/GED	28,168
12+ some postsecondary	14,430
2 or 4 year college graduates	3,844
Insured/Disabled:	
No Health Insurance	128,119
Disabled	20,798
Surveyed About Insurance	141,915
Surveyed About Disability	133,389
Family Structure:	
Female	33,255
Male	1,388
Two Parent Household	7,127
Single Person	33,211
Two Adults, No Children	5,369
Family Housing by Number of Families:	
Own	31,636
Rent	35,732
Homeless	5,426
Level of Family Income as Percentage of Federal Poverty Guideline by Number of Families:	
Up to 50%	30,602
51% to 75%	13,841
76% to 100%	17,741
101% to 125%	9,593
126% to 150%	3,001
151% or more	3,959

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

### **Employment Programs**

The State reported spending \$1,296,183 in CSBG funds to support a range of services designed to assist low-income individuals in obtaining and maintaining employment. These services may include:

- Support for TANF recipients who are preparing to transition to self-sufficiency or for former TANF recipients who need additional support to find or maintain employment;
- Support for job retention, including counseling, training, and supportive services, such as transportation, child care, and the purchase of uniforms or work clothing;

- Skills training, job application assistance, resume writing, and job placement;
- On-the-job training and opportunities for work;
- Job development, including finding employers willing to recruit through the agency, facilitating interviews, creating job banks, providing counseling to employees, and developing new employment opportunities in the community;
- Vocational training for high school students and the creation of internships and summer jobs; and
- Other specialized adult employment training.

### **Education Programs**

The State reported spending \$704,951 in CSBG funds to provide education services. These services may include:

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

### **Housing Programs**

The State reported spending \$1,753,297 for CSBG-funds to provide housing programs to improve the living environment of low-income individuals and families. These services may include:

- Homeownership counseling and loan assistance;
- Affordable housing development and construction;
- Counseling and advocacy about landlord/tenant relations and fair housing concerns;
- Assistance in locating affordable housing and applying for rent subsidies and other housing assistance;
- Transitional shelters and services for the homeless;
- Home repair and rehabilitation services;
- Support for management of group homes; and
- Rural housing and infrastructure development.

### **Emergency Services Programs**

The State reported spending \$5,643,205 in CSBG funds for emergency services and crisis intervention. These services may include:

- Emergency temporary housing;
- Rental or mortgage assistance and/or intervention with landlords;
- Cash assistance/short-term loans;

- Energy crisis assistance and utility shut-off prevention;
- Emergency food, clothing, and furniture;
- Crisis intervention in response to child or spousal abuse;
- Emergency heating system repair;
- Crisis intervention telephone hotlines;
- Linkages with other services and organizations to assemble a combination of short-term resources and long-term support; and
- Natural disaster response and assistance.

### **Nutrition Programs**

The State reported spending \$1,549,379 in CSBG funds to support nutrition programs. These services may include:

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

### **Self-Sufficiency Programs**

The State reported spending \$2,188,879 in CSBG funds on self-sufficiency programs to offer a continuum of services to assist families in becoming more financially independent. These services may include:

- An assessment of the issues facing the family or family members, and the resources the family brings to address these issues;
- A written plan for becoming more financially independent and self-supporting; and
- Services that are selected to help the participant implement the plan (i.e. clothing, bus passes, emergency food assistance, career counseling, family guidance counseling, referrals to the Social Security Administration for disability benefits, assistance with locating possible jobs, assistance in finding long-term housing, etc.).

## **Health Programs**

The State reported spending \$1,043,879 in CSBG funds for health initiatives to address gaps in the care and coverage available in the community. These services may include:

- Recruitment of uninsured children to a State insurance group or State Children's Health Insurance Program (SCHIP);
- Recruitment of volunteer medical personnel to assist uninsured low-income families;
- Prenatal care, maternal health, and infant health screening;
- Assistance with pharmaceutical donation programs;
- Health-related information for all ages, including Medicare/Medicaid enrollment and claims filing;
- Immunization;
- Periodic screening for serious health problems, such as tuberculosis, breast cancer, HIV infection(s), and mental health disorders;
- Health screening of all children;
- Treatment for substance abuse;
- Other health services including dental care, health insurance advocacy, CPR training, education about wellness, obesity, and first-aid; and
- Transportation to health care facilities and medical appointments.

## **Income Management Programs**

The State reported spending \$646,257 on income management programs using CSBG grant funds. These services may include:

- Development of household assets, including savings;
- Assistance with budgeting techniques;
- Consumer credit counseling;
- Business development support;
- Homeownership assistance;
- Energy conservation and energy consumer education programs, including weatherization;
- Tax counseling and tax preparation assistance; and
- Assistance for the elderly with claims for medical and other benefits.

## **Linkages**

The State reported spending \$950,848 in CSBG funds on linkage initiatives that involve a variety of local activities, because of the CSBG statutory mandate to mobilize and coordinate community responses to poverty. These services may include:

- Coordination among programs, facilities, and shared resources through information systems, communications systems, and shared procedures;
- Community needs assessments, followed by community planning, organization, and advocacy to meet these needs;
- Creation of coalitions for community changes, such as reducing crime or partnering businesses with low-income neighborhoods in order to plan long-term development;

- Efforts to establish links between resources, such as transportation and medical care or other needed services and programs that bring services to the participants, for example, mobile clinics or recreational programs, and management of continuum-of-care initiatives;
- The removal of the barriers such as transportation problems, that keep the low-income population from jobs or from vital everyday activities; and
- Support for other groups of low-income community residents who are working for the same goals as the CAAs.

At the local level, the CSBG program coordinates with labor programs, transportation programs, educational programs, elderly programs, energy programs, community organizations, private businesses, churches, the United Way, and various youth organizations and programs. A State's eligible entity will coordinate with other service providers and act as a focal point for information on services in their local area. The CAA identifies gaps in services and works with other providers to fill those gaps. The entity has organized meetings and participates in task forces with local service provider groups.

### **Programs for Youth and Seniors<sup>4</sup>**

The State reported spending \$1,297,339 in CSBG funds on the programs serving youth, and spending \$2,089,845 on programs serving seniors. Services noted under these categories were targeted exclusively to children and youth from ages 6–17 or persons over 55 years of age. Seniors' programs help seniors to avoid or address illness, incapacity, absence of a caretaker or relative, prevent abuse and neglect, and promote wellness. These services may include:

Youth services may include:

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

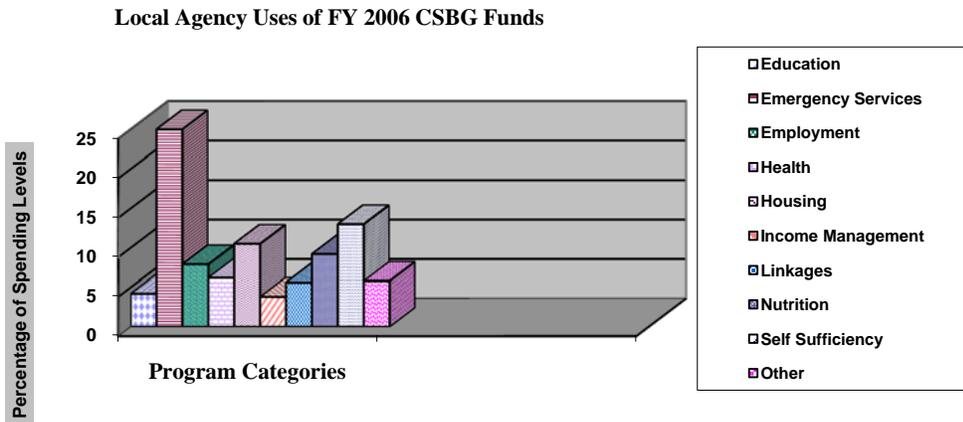
Senior services may include:

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

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<sup>4</sup> Programs for Youth and Seniors are recorded separately in the ROMA and therefore not listed on the local agency use of funds chart.

The chart below also illustrates the proportion of CSBG local expenditures reported by the State.



### ROMA System

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

The Georgia CSBG Manual outlines the Accountability and Reporting requirements for its eligible entities. According to Georgia policies, all eligible entities are required to participate in a performance measure system which satisfies CSBG statutes. ROMA data is collected through the Case Management Software system that is used by Georgia’s eligible entities. ROMA training is provided through the National Association for Community Services Programs (NASPC) conferences on the State level, and through the local Community Action Partnership conferences held for Georgia’s eligible entities.

The State did not provide support documents for the number of program participants surveyed who were without health insurance or disabled.

### III. CAA Onsite Review Summaries

#### Fulton-Atlanta Community Action Authority, Inc. (FACAA)

Fulton Atlanta Community Action Authority, Inc. is a private, nonprofit organization incorporated in 1991 to administer programs that provide housing assistance, employment assistance, personal development courses, homeless prevention services, energy assistance, continuing education and youth development, advocacy, elder outreach services and emergency assistance. In 2006, FACAA provided assistance to over 30,000 residents representing more than 11,000 households and had an annual budget of \$1,451,816 of which \$909,280 were CSBG funds.

The successful operation of the Youth Build Program has merited FACAA’s reputation as an effective and worthy family and youth services agency. Youth Build is a six-month construction training program for out-of-school youth 16-24 years of age, and it includes a profile of services with a structured process for achieving outcomes. Other noted CSBG supported programs include

the Ex-Offender Support Services, offering career choices that strengthen the ex-offenders' option for success, and the Stepping Stone Program, which aims to help individuals and the community as a whole to combat the problems of HIV/AIDS through education in families and community groups.

### **Overview, Inc. (Overview)**

Overview, Inc. is a Georgia based 501(c)(3) private, nonprofit organization established in 1983. Their purpose is to work with low-income families and the elderly to provide assistance in their efforts to become or remain fiscally and socially independent. Overview administers programs addressing housing/homelessness, energy assistance, nutrition/hunger prevention, child care and child development, elder services, employment, education, training, transportation, and emergency response including flood recovery services. The agency had an annual budget of \$428,165 in CSBG funds.

### **Tallatoona Community Action Partnership, Inc.**

Tallatoona Community Action Partnership, Inc. is a nonprofit organization established in October 1967. Its purpose is to assist low-income individuals and families acquire useful skills and knowledge, gain access to new opportunities, and achieve economic self-sufficiency. Tallatoona offers community service programs in eight Northwest Georgia counties: Bartow, Cobb, Douglas, Floyd, Gordon, Haralson, Paulding, and Polk. The agency administers programs in the areas of self-sufficiency, employment, community development, education, income management, housing, nutrition, health, emergency assistance and youth. In FY 2006, Tallatoona had an annual budget of \$761,415 in CSBG funds. The total CSBG clients served in FY 2006 was 16,167 with a CSBG staff of 23.

## **IV. Assessment Findings and Recommendations**

Through a review of State policies, procedures, and documentation, OCS reviewers determined that the State was in compliance with the CSBG statute, the Terms and Conditions of the CSBG, and other applicable policies. Internal controls for eligible entities are mandated by the Georgia CSBG Manual. The State utilizes a comprehensive monitoring tool and maintains a monitoring schedule that assures all eligible entities are monitored for compliance with State and Federal statutes. Through a review of the accounting procedures, OCS reviewers determined that the State adheres to the accounting principles and financial reporting standards established by the Governmental Accounting Standards Board. However, OCS reviewers determined that there were four findings of noncompliance and have four recommendations for the State.

### **Finding 1**

The State did not comply with Section 676(a)(2)(B), which requires the Statewide distribution of notice of the Public Hearing. The State Plan did not document notice of the Public Hearing in any major newspaper that would indicate the time, place, or public comment period as required by the CSBG statute.

**Recommendation:**

**1.1** The State should document and maintain a file of all notices of Public Hearings advertised in major newspaper(s).

**State's Comments:**

*The communication medium that CSBG used and intends to continue to use to provide public notification of the public hearing was the Georgia DHS Website rather than a major newspaper. We believe that this method complied with Section 676(a)(2)(B). The Community Services Block Grant Act does not specifically stipulate which form of media should be used when providing public notices. The notification of the public hearing is posted on the internet for 30 days prior to hearing date and interested parties can submit questions and comments via electronic mail to the block grant administrator. If ACS-OCS provides us with guidance that specifically requires us to use the newspaper, then of course, we will immediately comply. In adherence with The Community Services Block Act, Section 676(a)(2)(B), the state has and will continue to develop the State plan to be submitted to the Secretary under subsection (b) in conjunction with the development of the State plan as required under subsection (b), hold at least one hearing in the State with sufficient time and statewide distribution of the 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 of allotment under section 675A or 675B for the period covered by the State plan.*

**OCS Comment:**

The State should include a hard copy and/or e-file of the screen shots of the internet posting(s) to demonstrate compliance with the CSBG statute.

**Finding 2**

The State did not comply with Section 678D(a)(1)(D), which requires the State to make appropriate books, documents, papers, and records available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of the appropriate entity upon a reasonable request for the items.

The State did not demonstrate reasonable internal controls over information processing, the recording of all transactions, and other significant events. CAA records were not clearly documented and/or organized and readily available for review. State documentation and records were not properly managed or maintained.

**Recommendation:**

**2.1** The State should improve their internal controls over information processing and recordkeeping. The State should review and revise the filing system for all CAA files.

**State's Comments:**

*Upon request, the State provided all requested documentation. Agency documentation is maintained by Federal fiscal year, Alphabetical by Agency, Reimbursement Request, Programmatic*

*reports, and contract amendments, monitoring and Follow-up reports and important communication documentation. Because we received a list of individual documents, we removed the requested documents from the filing system and provided them in the order in which they were requested. The state will however, accept the reviewer's recommendation and review and revise its filing system as deemed appropriate to ensure that documentation and records are properly managed and maintained.*

**OCS Comment:**

OCS concurs with the State's comment.

**Finding 3**

The State did not comply with Section 678D(a)(1)(A), which requires the State to establish fiscal control and fund accounting procedures necessary to assure the proper disbursement of and accounting for Federal funds paid to the State including procedures for monitoring the funds.

**Recommendation:**

**3.1** The State should develop and/or revise its internal controls to ensure appropriate follow-up action(s) are reviewed, verified, and approved for all corrective actions for the State's audit findings and/or monitoring reports.

**State's Comments:**

*The Division of Family and Children Services has hired an internal control specialist who will, with assistance from the DHS Office of Audits, review the internal controls related to CSBG fiscal management and make recommendations, as appropriate, for any enhancements necessary to ensure that an effective system of internal controls is in place and functioning effectively. This review will be completed by June 30, 2010.*

**OCS Comment:**

OCS will discuss the recommendations and enhancements with the State office during the corrective action process.

**Finding 4**

The State is not in compliance with its follow-up policy for audits and monitoring of eligible entities receiving CSBG funds in accordance with the State of Georgia Accounting Procedures Manual.

**Recommendation:**

**4.1** The State should develop and/or revise their policies and procedures for the follow-up of audits and monitoring visits as required in the CSBG statute.

**State's Comments:**

*The responsibility for monitoring activities of the eligible entities has been removed from the DFCS Programmatic staff and now resides within the Department of Human Services Office of Audits. The Office of Audits will be responsible for ensuring that appropriate follow-up actions(s) are reviewed, verified and approved for all corrective actions for the State's audit findings and/or monitoring reports. The State of Georgia Accounting Procedures manual will be reconciled against current processes to ensure that we are in full compliance with all requirements.*

**OCS Comment:**

OCS will work with the State as well as monitor their progress, and verify all corrective actions for the audit findings.

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

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