



# Community Services Block Grant

## Information Memorandum | Transmittal No. 2015-3

To: West Virginia Community Services Block Grant Eligible Entities  
From: Julie Alston   
WV Office of Economic Opportunity  
Date: July 1, 2015  
Subject: Implementation of Organizational Standards for CSBG Eligible Entities under 678B of the CSBG Act, 42 U.S.C § 9914

### **Purpose:**

This information memorandum (IM) provides guidance and describes WV CSBG Eligible Entities' roles and responsibilities for the establishment of organizational standards as a component of a larger performance management and accountability system for CSBG. Consistent with the authority and responsibilities, the CSBG Act establishes for the Federal office and States, OEO is requiring WV CSBG Eligible Entities, no later than September 30, 2015, to report on their organizational standards for CSBG as part of an enhanced system for accountability and performance management across the CSBG Network.

WV will use the organizational standards developed by the OCS-supported CSBG Organizational Standards Center of Excellence (COE), which reflect the requirements of the CSBG Act, good management practices, and the values of Community Action. These standards will ensure CSBG eligible entities have appropriate organizational capacity to deliver services to low-income individuals and communities.

The guidance in this IM applies to the WV Office of Economic Opportunity (OEO), and WV CSBG eligible entities.

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

Under the block grant framework established in the CSBG Act, OEO has the authority and the responsibility for effective oversight of eligible entities that receive CSBG funds. Section 678B of the CSBG Act requires OEO 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. As part of OEO's oversight duties, this IM is to establish and communicate clear and comprehensive standards by which WV eligible entities will be held accountable according to the standards.

### **Organizational Standards for CSBG Eligible Entities – Background**

In 2012, OCS funded a cooperative agreement for the CSBG Organizational Standards Center of Excellence (COE). The two-year cooperative agreement coordinated – with input from local, State, and national partners – the development and dissemination of a set of organizational standards for eligible entities for the purpose of ensuring that all CSBG eligible entities have the capacity to provide high-quality services to low-income individuals and communities.

To begin the project, the COE expanded an existing CSBG Working Group from its original 20 members to over 50 individuals. The expanded working group included a balanced representation from eligible entities, State CSBG Lead Agencies, Community Action State Associations, national partners, technical assistance providers, and external content experts.

The working group's first task was a thorough environmental scan and analysis of existing organizational oversight tools and resources, internal and external to the CSBG Network. The group found that while there are many similarities across States in how State CSBG Lead Agencies monitor eligible entities, substantial differences also exist.

The project continued through a nine-month development process that provided numerous opportunities for input by the CSBG Network, including financial and legal experts, on draft organizational standards. All together, the network invested over 3,500 documented hours in Working Group and committee meetings and in national and regional listening sessions. The final phase included a pilot that engaged a subset of State CSBG Lead Agencies and eligible entities in a field test of draft organizational standards and tools.

In March, 2014, OCS published a draft information memorandum with the draft organizational standards. OCS received 29 sets of comments (approximately 160 individual comments) from a broad range of individuals and organizations, including six CAAs; 12 states; five state associations; and six national organizations and individuals, and integrated all of this feedback into the final set of organizational standards.

The final result of the COE and OCS efforts is a comprehensive set of organizational standards developed by the CSBG Network for the CSBG Network. The CSBG Network is to be commended for its commitment to ongoing performance improvement and strengthening accountability.

### **The COE-developed Organizational Standards**

The COE-developed standards are organized in three thematic groups comprising nine categories and totals of 58 standards for private, nonprofit eligible entities and 50 for public entities.

1. Maximum Feasible Participation
  - Consumer Input and Involvement
  - Community Engagement
  - Community Assessment
2. Vision and Direction
  - Organizational Leadership
  - Board Governance
  - Strategic Planning
3. Operations and Accountability
  - Human Resource Management
  - Financial Operations and Oversight
  - Data and Analysis

In order to be widely applicable across the CSBG Network, the standards are defined differently for private and public eligible entities. The complete description and list of private organizational standards is attached as Appendix A.

All of the COE-developed organizational standards work together to characterize an effective and healthy organization. Some of the standards have direct links to the CSBG Act, such as the standards on the tripartite board structure and the democratic selection process. Some standards link with U.S. Office of Management and Budget (OMB) guidance, such as the standards on audits. As a whole, the standards reflect many of the requirements of the CSBG Act, applicable Federal laws and regulations, good management practices, and the values of Community Action.

The purpose of the organizational standards is to ensure that all eligible entities have appropriate organizational capacity, not only in the critical financial and administrative areas important to all nonprofit and public human service agencies, but also in areas of unique importance for CSBG-funded eligible entities.

WV will benefit from COE-developed tools, training, and technical assistance, and from the collective wisdom and scale of having many States using common standards (detailed tools and materials on the standards are available on the COE web page on the Community Action Partnership website).

## State Oversight

Section 678B of the CSBG Act 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 purpose of OEO using the organizational standards is to ensure each eligible entity has appropriate organizational capacity to fulfill the purposes of the CSBG Act. This IM is to establish how organizational standards will be implemented as part of OEO’s overall oversight strategy.

- *Assessment of Standards*

OEO is responsible for assessing the status of standards among all of the eligible entities annually and for reporting to OCS on the standards in the CSBG Annual Report beginning in FY2016. Beginning in FY2015, eligible entities will complete an electronic self-assessment by September 30, 2015. This assessment will serve as a practice assessment and to evaluate potential training needs across the state to be the focus of state training in FY2016. OEO will work with the WV Community Action Partnership, Inc. to develop timely and effective trainings to address common training needs among all eligible entities.

Beginning in FY2016, OEO will establish a schedule to review and verify eligible entities’ electronic assessment of standards once per program year through an OEO desk review process. Eligible entities must update their electronic assessments no less than annually to ensure a fair desk review process by OEO.

OEO is responsible for ensuring that all eligible entities meet all organizational standards. Some standards may take several years for eligible entities to meet, but every entity must make steady progress toward the goal of meeting all standards.

- *Corrective Action*

During the assessment process, if OEO finds an eligible entity is not meeting a standard or set of standards, OEO’s response will depend on the circumstances. In cases where the eligible entity may be able to meet the standard in a reasonable time frame contingent on some targeted technical assistance, OEO and the eligible entity may develop a technical assistance plan to target training and technical assistance resources and outline a time frame for the entity to meet the standard(s). If appropriate in other situations, OEO may initiate action in accordance with section 678C of the CSBG Act (42 U.S.C. § 9915), including the establishment of a Quality Improvement Plan (QIP) with clear timelines and benchmarks for progress.

As long as OEO is confident that the eligible entity is moving toward meeting standards, under a technical assistance plan, QIP, or other oversight mechanism, OEO will not initiate action to terminate or reduce funding.

The failure of an eligible entity to meet multiple standards may reflect deeper organizational challenges and risk. In those cases, OEO will determine whether it may be necessary to take additional actions, including reducing or terminating funding, in accordance with CSBG IM 116 (Corrective Action, Termination, or Reduction of Funding), issued May 1, 2012. OCS and States do not have the authority under the CSBG Act to bypass the process described in CSBG IM 116 in order to re-compete CSBG funding based on failure to meet organizational standards.

## Implementation of Organizational Standards

The roll-out of organizational standards for eligible entities is a significant development in the history of CSBG and marks a new phase in our ability to strengthen accountability and results. OEO’s goal is to move expeditiously in integrating organizational standards into the State Plan for FY 2016. OEO plans to manage

this process thoughtfully so as to minimize unintended impact on its operations and those of the eligible entities.

- *Roll-out Process*  
OEO intends to follow a process that is as fair and reasonable as possible. OEO is allowing input from the boards and leadership of eligible entities on the timing and procedures for implementing, documenting, and reporting on the standards.
- *Process and Timing for an Effective Roll-out.*
  - **April 22, 2015**  
Webinar: “Organizational Standards (How to Complete Your Self-Assessment)”  
This webinar will provide eligible entities with the tools and information needed to complete an organizational standards electronic self-assessment in FACS Pro. A recording of this webinar will be available on OEO Website within 5 days.
  - **April 22, 2015**  
Electronic Self-Assessment Tool Release: The electronic Self-Assessment tool will be made available to eligible entities in DBA FACS Pro – OS Pro. Eligible entities are encouraged to begin their electronic self-assessment as soon as possible.
  - **April 22, 2015**  
Draft Document Release: “CSBG IM 2015-3 – Implementation of Organizational Standards for CSBG Eligible Entities”
  - **April 22, 2015 – May 29, 2015**  
Comment Period: OEO will be accepting comments in writing from boards and leadership of eligible entities on the Draft CSBG IM 2015-3. All comments will be considered and discussed among OEO staff to determine the best response and/or possible modifications to the Draft IM.
  - **June 30, 2015**  
Final Document Release: “CSBG IM 2015-3 – Implementation of Organizational Standards for CSBG Eligible Entities”
  - **September 30, 2015**  
Initial Self-Assessment Due: Eligible entities must have completed an initial electronic self-assessment in FACS Pro – OS Pro.
  - **September 1, 2015**  
FY 2016 CSBG Application and State Plan: States are expected to use organizational standards for assessing eligible entities starting in FY 2016. In order to do this, OEO must include information about organizational standards in their FY 2016 application and State plan.
  - **October 1, 2015 – March 31, 2016**  
Verification and Analysis Period: Together, the WV Community Action Partnership and OEO will evaluate the status of each organizational standard to determine common areas where improvement is needed. This will create areas of focus for planned training and technical assistance in FY 2016 including topics at the 2016 WVCAP Annual Training Conference. The initial self-assessment will not result in any QIPs for eligible entities.
  - **April 1, 2016 – September 30, 2016**  
Period to Complete Baseline Assessments: During this period, eligible entities will be required to complete an electronic self-assessment that will be verified by OEO or a third party. This assessment will be reported to OCS in the CSBG Annual Report as required in OCS IM 138. This assessment will establish a baseline by which all future activities and changes in the status of meeting each standard will be measured.

Following the baseline assessment, eligible entities will update assessments no less than annually. Assessment will be verified by OEO or a third party

## OEO Responsibilities

<b>Responsibilities</b>	<b>Time Frame</b>
<i>Organizational Standards:</i> Establish, communicate, and implement	2015
<i>CSBG Model State Plan:</i> Include organizational standards (OEO will submit State Plan through OLDC system)	Due by September 1, 2015
<i>Organizational Standards:</i> Assess through established oversight procedures	Starting Federal Fiscal Year 2016
<i>Annual Report:</i> Report performance on organizational standards (State accountability measures)	End of 2106 performance period, by March 2017, as appropriate

## CSBG Eligible Entity Responsibilities

<b>Responsibilities</b>	<b>Time Frame</b>
<i>Organizational Standards:</i> Self-assessment and planning for adoption of standards	2015
<i>Organizational Standards:</i> Assess through established State oversight procedures; Address identified weaknesses and share exceptional practices, with OEO and technical assistance providers.	Starting Federal Fiscal Year 2016

### Conclusion

Together we must insist upon accountability and performance management across the WV CSBG Network. The COE-developed organizational standards have the potential to protect and enhance the structural integrity of this national network by assuring that all entities that annually receive CSBG funds have the capacity to organize and support a comprehensive community response to the complex social problems that contribute to poverty.

### Appendices:

**Appendix A:** COE-developed Organizational Standards for Private, Nonprofit CSBG Eligible Entities