



**Subpart B – Financial Requirements**

**ARTICLE 5 – PROGRAM BUDGET REQUIREMENTS AND PAYMENTS**

**5.1 Budget**

- A. Concurrent with the submission of this Agreement, Contractor shall complete and submit the CSBG Fiscal Data forms [CSBG Contract Budget Summary (CSD 627.S), CSBG Budget Support - Personnel Costs (CSD 627A), CSBG Budget Support - Non Personnel Costs (CSD 627B), Budget Narrative (CSD 627C), and Spending Plan (CSD 627D)] attached to this Agreement in Subpart H.
- B. Contractor shall submit the CSD 627C (CSBG Contract Budget Narrative) with a justification for each projected line item reported on the CSD 627A and CSD627B.
- C. Contractor shall submit the CSD 627D Spending Plan detailing a monthly plan for how funds will be spent from the start of the contract through **May 31, 2017**. The Spending Plan must demonstrate an acceptable and achievable plan for spending the funds.
- D. Administrative Expenses
  - 1. “A community action program is a locally planned and operated program comprising a range of services and activities having a measurable and potentially major impact on causes of poverty in the community or those areas of the community where poverty is a particularly acute problem,” as defined by Cal. Gov. Code § 12750(b).
  - 2.
    - a. Community action programs typically:
      - i. maintain a tripartite board or advisory board, as defined in Cal. Gov. Code § 12751, which in the case of governmental entities, has operational jurisdiction and oversight or advisory responsibility, and
      - ii. serve the purposes and goals of the federal Community Services Block Grant, Section 672 and Cal. Gov. Code § 12750 with particular reference to the reduction of the causes and conditions of poverty and persistent economic insecurity.

The budgets of Contractor’s community action programs, not the budget of the organization or the organizational division to which the community action programs are assigned, shall be used in calculating the amount of allowable administrative expenditures under this subparagraph.

3. For purposes of allocating indirect costs, contractors may use current negotiated indirect cost rates that have been approved by a cognizant federal agency. Contractor shall submit a copy of the letter of approval from the cognizant agency which includes date of approval and amount of rate.

E. *Budget modifications requiring pre-approval.* In accordance with 22 CCR § 100715(a), no originally approved budget line item may be increased or decreased by more than ten percent (10%) without prior CSD approval. Any increase or decrease of more than ten percent (10%) to the originally approved budget line item will require a request for modification to the budget and shall be submitted to CSD on form CSD 425b, Justification for Contract Amendment/Modification.

## 5.2 Allowable Program Costs

### A. Administrative Expenses

1. For the purpose of administrative expenditures, Contractor shall use funds allocated under this Agreement in an amount not to exceed twelve percent (12%) of the Targeted Initiative CSBG budget. Contractor shall not use funds provided under this Agreement to cover administrative costs incurred in the Low-Income Home Energy Assistance Program (LIHEAP) in excess of the LIHEAP contractual limitations.
2. For purposes of allocating indirect costs, contractors may use current negotiated indirect cost rates that have been approved by a cognizant federal agency. Contractor shall submit a copy of the letter of approval from the cognizant agency which includes date of approval and amount of rate.

B. *Budget modifications requiring pre-approval.* In accordance with 22 CCR §100715(a), no originally approved budget line item may be increased or decreased by more than ten percent (10%) without prior CSD approval. Any increase or decrease of more than ten percent (10%) to the originally approved budget line item will require a request for modification to the budget and shall be submitted to CSD on form CSD 425b, Justification for Contract Amendment/Modification.

## 5.3 Advance Payments

### A. Request for Advance

Contractor may request in writing one (1) working capital advance in an amount up to twenty-five percent (25%) of the amount of the total consideration as described in Std. 213, item 3 of this Agreement. Justification of the need for the advance must be included in the request.

- B. If Contractor owes CSD any outstanding balances for overpayments of any contract, current or previous, the balance may be offset, based on arrangements made with the Contractor.
- C. Liquidation of Advance
1. Contractor may liquidate the advance at any time through offsets against CSD-approved reimbursement requests; however, CSD shall initiate repayment of the advance through offsets of approved expenditures when the first of either of the following occurs:
    - a. Contractor has expended seventy-five percent (75%) of the total contract allocation; or,
    - b. At the beginning of the third month of the contract term.
  2. CSD-initiated repayments of the advance shall be accomplished through offsets against subsequent reimbursement of approved expenditures. CSD shall determine the amount to be offset against reimbursements by dividing the unpaid advance amount by the number of remaining expenditure reporting periods in the contract term. In the event that an expenditure request for a reporting period is less than the offset amount as determined above, the entire amount of the expenditure reimbursement request shall be applied against the remaining advance balance.

D. Lien Rights

The State retains lien rights on all funds advanced.

**5.4 Payments**

CSD shall issue monthly payments to Contractor upon receipt and approval of a certified CSBG CAA Expenditure/Activity Report. The report shall indicate the actual expenditures being billed to CSD for reimbursement for the specific report period. Expenditures should closely reflect what is indicated on the Spending Plan CSD 627D.

- A. Subsequent payments to Contractor shall be contingent on receipt and approval by CSD of the preceding monthly Expenditure/Activity Report. If Contractor owes CSD any outstanding balance(s) for overpayments of any Agreement, current or previous, the balance(s) may be offset after notice to the Contractor providing an opportunity to present any valid objection to the offset.

## ARTICLE 6 – FINANCIAL REPORTING

### 6.1 Monthly Fiscal Reports

- A. Contractor shall report and be reimbursed on a monthly basis..
- B. Contractor shall complete and submit to CSD a monthly CSBG CAA Expenditure/Activity Report by entry onto the web-based Expenditure Activity Reporting System (EARS) on or before the twentieth (20th) calendar day following the report period, regardless of the amount of expenditure(s) in the report period. Monthly expenditures should align with what was submitted on your Spending Plan CSD 627D.

### 6.2 Close-Out Report

Contractor shall complete and submit all CSD close-out forms within thirty (30) calendar days after the expiration date of this Agreement.

- A. Within thirty (30) calendar days after the expiration of the contract or when all funds have been fully expended under this agreement, Contractor shall submit a final programmatic report, using form CSD 626FR – Final Report. The Final report should be submitted electronically to the CSBG Reports Inbox at [CSBGReports@csd.ca.gov](mailto:CSBGReports@csd.ca.gov) with a copy to your assigned Field Representative.
- B. Final expenditures must be submitted by entry onto EARS.
- C. All adjustments must reflect the actual expenditure period and be submitted by entry onto EARS.
- D. Subsequent payments for expenditures under any open CSBG contract and the issuance of other CSD contracts shall be contingent upon timely submission of the closeout report.

### 6.3 Transparency Act Reporting

- A. In accordance with requirements of the Federal Funding Accountability and Transparency Act (FFATA), Contractors that 1) are not required by the IRS to annually file a Form 990 federal return, 2) receive at least 80% of their annual gross revenues from federal sources (excluding any ARRA funds), and 3) have annual gross revenues totaling \$25,000,000.00 or more from federal grants, contracts, or other federal sources (excluding any ARRA funds), shall provide to CSD a current list of names and total compensation of Contractor's top five (5) highly compensated officials/employees. The list shall be provided with the executed copy of the Agreement returned to CSD. This requirement applies only to Contractors that fall

within all three categories set forth in this paragraph.

- B. Pursuant to the FFATA reporting requirements (2 CFR 170) CSD is required to report information regarding Contractors (sub-awardees) receiving CSBG funds. Contractor must complete CSD form 279, located in Subpart H, and return with the contract Part I to ensure compliance.
- C. CSD may issue guidance and/or Amendment(s) to this Agreement, establishing additional reporting requirements as necessary to ensure compliance with the FFATA or other Federal and State regulations, as applicable.

**Subpart C – Programmatic Requirements**

**ARTICLE 7 – CSBG TERMS, CONDITIONS, PROGRAMMATIC PROVISIONS AND REPORTING**

**7.1 Program Implementation and Guidance**

A. In accordance with Article 1.4 C. in Part I of this Agreement, CSD may release additional Guidance as determined necessary to provide further instructions to Contractors participating in the 2016 Targeted Initiative contract. The purpose of such Guidance will be to clarify requirements set forth in this Agreement and facilitate Contractors' efficient and successful operation of the program for the benefit of low-income households. Any such Guidance shall be incorporated by reference into this Agreement.

B. Work Plan

The 2016 Targeted Initiative contract funds effective and innovative programs, and services that can achieve specific and measurable outcomes and provides funding that supports training that will assist agencies in building capacity to operate more efficiently and successfully. Funding is provided under three categories: Capacity Building, Homelessness, and Earned Income Tax Credit, utilizing CSBG discretionary funding. Funds received under this contract may be used for any combination of the following categories:

1. Capacity Building: capacity building that supports agencies in meeting organizational standards addressing challenges with data collection, and development of threat mitigation plans.
2. Homelessness: programs that combat homelessness in your community.
3. Earned Income Tax Credit (EITC): support for outreach, and increased utilization and awareness for both the federal and state EITC programs among low-income CSBG-eligible individuals and families.

C. With Contractor's executed copy of this Agreement, Contractor shall submit a completed CSBG Workplan/Progress Report (CSD 626) available on the providers' website at <https://providers.csd.ca.gov>. This information will be used to monitor outcomes.

**7.2 Fair Hearing for Denial of Client Benefits by Contractor**

A. Pursuant to Title 22 of the California Code of Regulations, Section 100751, as amended, Contractor shall advise individuals who have been denied assistance under

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a program funded by this Agreement of their right to appeal to CSD for a fair hearing within twenty (20) days from the denial of assistance.

- B. Within five (5) working days of receipt of an appeal from a client, CSD's Fair Hearings Officer shall schedule an administrative hearing to be conducted no later than thirty (30) calendar days from the receipt of the request.
- C. The client may withdraw the appeal/request for fair hearing at any time during the appeal process by providing written, email, or telephonic notice to CSD. Telephonic notice of withdrawal must be confirmed in writing by the Fair Hearings Officer or designated CSD staff.

### 7.3 Organizational Standards

The CSBG Organizational Performance Standards are effective starting with the Federal Fiscal Year 2016/17 (October 1, 2015). The standards are available at <http://www.acf.hhs.gov/programs/ocs/resource/csbg-im-138-state-establishment-of-organizational-standards-for-csbg-eligible-entities>, and are also posted on the Provider's website at: <http://providers.csd.ca.gov/>.

### 7.4 Programmatic Reporting

#### A. Submission of Required Plans/Reports

Unless otherwise specified by the provisions of this Article, all reports required by the provisions of this Article shall be submitted via email to [CSBGReports@csd.ca.gov](mailto:CSBGReports@csd.ca.gov), no later than the date specified.

#### B. Monthly Reports

Contractor shall submit a monthly CSD 626 Workplan. Contractor shall ensure that the reports are submitted on or before the twentieth (20th) calendar day following the report period,

#### C. Annual Programmatic Reports

Annual programmatic reports cover the programmatic activities from the start of the contract period as specified on the face sheet (STD. 213) through **May 31, 2017**. Contractor shall update the CSBG/NPI Programs Report (CSD 801) **and submit no later than June 20, 2017**.



D. Close-Out

Contractor shall submit a final CSD 626FR no later than 30 days after the end of the contract term. The final report will include data on projections, outcomes, components of the proposal, accomplishments, and sustainability efforts.