



DEPARTMENT OF HEALTH & HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES

370 L'Enfant Promenade, S.W.
Washington, D.C. 20447

JUL 24 2009

Lisa Patt-McDaniel
Interim Director
Ohio Department of Development
77 South High Street
P.O. Box 1001
Columbus, Ohio 43216-1001

Dear Interim Director Patt-McDaniel,

The Department of Health and Human Services (DHHS), Administration for Children and Families (ACF), Office of Community Services (OCS), has reviewed and accepted your plan for Federal fiscal year 2009 and 2010 Community Services Block Grant (CSBG) American Recovery and Reinvestment Act (ARRA) funding.

Please note that all grant activities must adhere to the Terms and Conditions of the Award as provided by the ACF Office of Grants Management. A copy of the Terms and Conditions is attached to this document. Please contact your assigned program liaison staff member in ACF if you have questions. Current staff assignments for CSBG are listed on the following web address:

<http://www.acf.hhs.gov/programs/ocs/csbg/aboutus/staffassignments.html>

Additional guidance or requirements for CSBG ARRA may be provided based on guidance from the Office of Management and Budget (OMB) at <http://www.whitehouse.gov/omb/> or at <http://www.recovery.gov/> or other Recovery Act coordination offices. All statutory requirements of the CSBG Act (P.L. 105-285, Subtitle B) continue to apply to the administration of CSBG ARRA funds unless specifically referenced and changed in the Recovery Act. Updates and guidance on CSBG ARRA requirements and activities and answers to frequently asked questions will be distributed through "Dear Colleague" e-mails and posted periodically on the following website, which States are encouraged to check regularly:

<http://www.acf.hhs.gov/programs/ocs/csbg/>

Programmatic Changes

If you change or revise the Fiscal Year 2009 and 2010 CSBG ARRA Plan after it has been accepted by OCS, a copy of the revised plan should be submitted to OCS prior to implementing any changes. OCS will make every effort to expedite review of proposed revisions. However, failure to submit a revised plan in advance of implementation could result in a determination that funds were not expended in accordance with an approved plan during the subject period.

Funding Formula

Under section 676(b)(8) of the CSBG Act, States may not terminate funding or reduce the proportion of funds received by an eligible entity pursuant to section 675C(a)(1) of the CSBG Act below the proportion 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 Federal review as provided in 678C(b) of the CSBG Act.

Construction

Section 678F of the CSBG Act prohibits the use of funds for the purchase or improvement of land or the purchase, construction, or permanent improvement (other than low-cost residential weatherization or other energy-related home repairs) of any building or other facility, without a written waiver of this prohibition by OCS. Waivers will be granted in extraordinary circumstances, which must be justified in writing.

Nondiscrimination

Nondiscrimination provisions are contained in Section 678F(c) of the CSBG Act. Authority for enforcement of these provisions rests with the Department of Health and Human Services, Office of Civil Rights. Additional provisions are contained in the Code of Federal Regulations governing nondiscrimination at 45 CFR Parts 80 and 81.

Financial Management

Fiscal control and accounting procedures must be sufficient to: (1) permit preparation of reports required by the statute authorizing the CSBG and Recovery Acts; and, (2) 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 CSBG or the ARRA statutes. Audits of CSBG expenditures must comply with the provisions of the Single Audit Act (Public Law 98-502 and 31 U.S.C. 7501-7507) as interpreted by the Office of Management and Budget Circular A-133, as amended. Provisions regarding audits are also contained in the Code of Federal Regulations at 45 CFR 96.31(a).

Loan Programs and Mortgage Assistance in CSBG

While the CSBG Act, and ARRA, do not expressly prohibit loan projects by eligible entities using CSBG ARRA funds, potentially significant implementation challenges and issues must be addressed prior to any such usage. To assure compliance with all Federal requirements, it is strongly recommended that detailed plans for any proposed loan efforts be submitted for Federal review prior to implementation.

Risk Assessment for ARRA Funds

As a next step in the implementation and monitoring process for CSBG ARRA funds, all States, Territories and Tribal organizations will be asked to work in partnership with eligible entities on locally-based risk assessment efforts, which will be used to help guide OCS technical assistance and monitoring support. The goal of risk assessment efforts will be to assure appropriate expenditures in compliance with requirements of the CSBG Act and ARRA. Risk assessment efforts will include consideration of the following

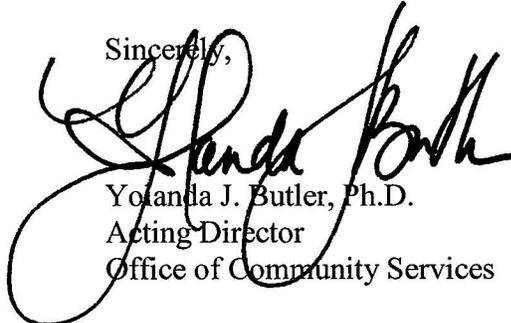
1) previous audit or monitoring findings; 2) internal controls and procedures; 3) statutory and regulatory compliance; 4) equipment and property; and risk mitigation plans. Time frames and guidelines for risk assessments will be provided by OCS in an Information Memorandum (IM) document.

Quarterly Reports

As noted in the IM distributed on April 10, 2009 (CSBG IM-109 and CSBG IM-110), recipients of funding under ARRA are required to submit quarterly reports. The IM also noted that HHS is working to clarify and streamline the Recovery Act reporting needs, and OCS will issue specific guidance on these requirements, including necessary adaptations to current data collection efforts, to State grantees and eligible entities, when available. The first reporting deadline will be October 10, 2009. The first report will include cumulative information from the date of grant award. ACF will provide additional implementing requirements and may set interim deadlines related to reporting in order to assure a complete and accurate submission by grantees by the October 10 deadline.

If you have any questions about compliance of specific State or local activities with CSBG ARRA requirements, we strongly encourage you to contact OCS prior to implementation. If you need additional assistance, other than questions about your grant award, please contact Ms. Brandy RayNor at (202) 205-5926.

Sincerely,

A handwritten signature in black ink, appearing to read "Yolanda Butler", written over the typed name and title.

Yolanda J. Butler, Ph.D.
Acting Director
Office of Community Services