

CHAPTER 3350
DEPARTMENT OF ECONOMIC SECURITY
COMMUNITY ACTION AGENCIES

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**DESIGNATION AND RECOGNITION;
 GRANTING OF FUNDS**

3350.0010 PURPOSE.

Parts 3350.0010 to 3350.0200 establish procedures for the designation and recognition of community action agencies, and for the granting of CSBG and MEOG funds for community action programs. Programs eligible for funding are those operated by agencies which receive and maintain both designation and recognition.

Statutory Authority: *MS s 268.0122; 268.021*

History: *16 SR 2319*

3350.0020 DEFINITIONS.

Subpart 1. **Scope.** As used in parts 3350.0010 to 3350.0200, the following terms have the meanings given them.

Subp. 2. **Act.** "Act" means Minnesota Statutes, sections 119A.374 to 119A.376, as amended.

Subp. 3. **Applicant.** "Applicant" means a community action agency, including an Indian reservation government or the Midwest Farmworker Employment and Training, Inc., which applies annually for a grant under the act from the department to fund a community action program.

Subp. 4. **Cessation.** "Cessation" means a voluntary end to the performance of all community action program services by a community action agency in a service area as provided for in part 3350.0050 and the removal of the agency's designation for the entire area which does not create the right of appeal.

Subp. 5. **Commissioner.** "Commissioner" means the commissioner of the Minnesota Department of Economic Security.

Subp. 6. **Community.** "Community" means the people to be served by the community action agency in its service area.

Subp. 7. **Community action agency (CAA).** "Community action agency" or "CAA" means an entity which:

A. has the authority to receive funds under Minnesota Statutes, section 119A.374, to support community action programs as described in Minnesota Statutes, section 119A.376;

B. has previously been determined eligible under federal law and regulations or is eligible under federal law and regulations; and

C. has previously been designated and recognized or is designated as provided under part 3350.0030 and recognized as provided under part 3350.0040.

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Subp. 8. **Community action program.** "Community action program" means activities consistent with the objectives of Minnesota Statutes, section 119A.376.

Subp. 9. **Community services block grant (CSBG).** "Community services block grant" or "CSBG" means federal funds authorized by Public Law Number 97-35, title 6, subtitle B, as amended, and disbursed to CAAs by the formula in the act.

Subp. 10. **Denial.** "Denial" means the department's rejection of a proposed application for grant funds due to the applicant's failure to meet the requirements of part 3350.0170, subpart 6.

Subp. 11. **Department.** "Department" means the Minnesota Department of Economic Security.

Subp. 12. **Designation.** "Designation" means selection of an entity as a service area's exclusive CAA by a governing body after a public hearing has been held.

Subp. 13. **Designee.** "Designee" means an entity nominated by a governing body to become a CAA.

Subp. 14. **Governing body.** "Governing body" means the elected governmental authority of a political subdivision, as defined in subpart 19, which has the power to designate a CAA.

Subp. 15. **Grant.** "Grant" means an allocation of Minnesota economic opportunity grant or CSBG funds or both to an applicant in support of a community action program described in the application, approved by the department, and embodied in a contract.

Subp. 16. **Grantee.** "Grantee" means any CAA, including an Indian reservation government or the Midwest Farmworker Employment and Training, Inc., whose application to receive Minnesota economic opportunity grant money or CSBG money or both has been approved by the department.

Subp. 17. **Local unit of government.** "Local unit of government" means counties, Indian reservation governments, cities, and townships.

Subp. 18. **Minnesota economic opportunity grant (MEOG).** "Minnesota economic opportunity grant" or "MEOG" means state appropriated funds disbursed to grantees by the formula in the act.

Subp. 19. **Political subdivision.** "Political subdivision" means a local unit of government which has jurisdiction over the entire area served by a CAA. Under no circumstances will the governmental unit be smaller than a county unless the service area of the CAA coincides with the jurisdictional boundaries of the local unit of government.

Subp. 20. **Recognition.** "Recognition" means a process of:

A. review by the department to assure compliance with applicable state and federal law and the designation procedures as provided in part 3350.0040, subpart 1;

B. referral to the governor of the department's request for recognition as provided in part 3350.0040, subpart 3; and

C. approval by the governor of the request for recognition.

Subp. 21. **Service area.** "Service area" means the geographic boundaries in which a community action agency is designated to operate.

Subp. 22. **Subgrantee.** "Subgrantee" means any entity with which a grantee contracts to perform some or all of the community action program services authorized under a grant.

Subp. 23. **Termination.** "Termination" means the involuntary and permanent elimination of or reduction in available grant money to a CAA which gives rise to a CAA's right of appeal under part 3350.0060, subpart 5, and which may also coincide with the removal of a CAA's designation or recognition.

Subp. 24. **Withholding.** "Withholding" means the department's reservation of funds available under an approved application as provided in part 3350.0100 until

corrective action by a CAA has successfully remedied a defect identified by the department.

Statutory Authority: *MS s 268.0122; 268.021*

History: *16 SR 2319; L 1994 c 483 s 1; L 1998 c 397 art 11 s 3*

3350.0030 DESIGNATION OF COMMUNITY ACTION AGENCIES.

Subpart 1. **Authority to designate.** The designation of a CAA is made by the political subdivision or combination of political subdivisions having jurisdiction over the entire area to be served. A designation must be made by the governing body of a political subdivision whose boundaries are at least coextensive with the proposed service area. The power to designate may not be delegated.

Subp. 2. **Notice and documents.** Before a designee may be designated as a CAA by a political subdivision, the governing body of the political subdivision having the requisite authority must prepare and file with the department a notice of intent to designate and eligibility documents applicable to the designee. The notice of intent to designate must state how the designee meets the requirements for an eligible entity established under the CSBG act. Eligibility documents are the following:

A. evidence of designee's incorporation or proposed efforts toward incorporation, if applicable;

B. evidence of tax exempt status or proposed efforts toward achieving tax exempt status, if applicable;

C. assurance of compliance with the act, including requirements for the composition of the designee's existing or proposed board of directors;

D. a detailed map of all geographic areas and political subdivisions in the proposed service area as well as all immediately adjacent areas and subdivisions in the same county or counties which are excluded from the proposed area to be served; and

E. a proposed mission statement.

Subp. 3. **Notice of public hearing.** After the notice of intent to designate and the eligibility documents have been filed with the department, the governing body must hold a public hearing on the proposed designation. At least 30 calendar days before the hearing date, the governing body must send a copy of the notice of intent to designate and information on the date, time, location, and subject matter of the public hearing to all local units of government within the designee's intended service area. During the 30 days before the hearing, the affected local units of government will have an opportunity to respond in writing to the proposed designation. All comments received will be included in the official record of the hearing. During the 30-day period and at least ten calendar days before the hearing, the governing body must also publish a notice of public hearing in a daily newspaper of general circulation at the county seat of each county in the designee's proposed service area. The published notice must describe the time, date, location, and subject matter of the public hearing. Furthermore, within the 30-day period and at least ten calendar days before the public hearing, low-income households identified in the proposed service area must be mailed information on the date, time, location, and subject matter of the public hearing. The governing body will inform the department of the public hearing at least 30 calendar days before the hearing date. The department will notify low-income households identified in the proposed service area of the public hearing. Identified low-income households are those specified on the previous CAA's list or lists of clients.

Subp. 4. **Public hearing.** A public hearing must be held 30 calendar days before designation may occur. If the area to be served by the designee includes more than one county, a public hearing in conformity with the procedures of this part must be held in each county to be served.

Subp. 5. **Hearing procedure.** The governing body will appoint a presiding officer to conduct the public hearing. The governing body, however, may not appoint one of its current members as the presiding officer. The presiding officer will not have a vested interest in the outcome of the proposed designation and will ensure that all persons

involved in the hearing are treated fairly and impartially. At the public hearing, the representative of the designee and a representative of the governing body will make an affirmative presentation of facts establishing the designee's qualifications, expertise, and experience in providing community action program services to low-income people. Furthermore, the designee's representative will describe the mission of the community action program, the focus and direction of proposed services, and the goals for outreach to and participation by low-income people. The designee may rely upon facts presented by others on the record during the hearing to support its proposed designation. At the hearing, any interested person will be given the opportunity to present testimony and to ask questions of the designee's representative and of the governing body's representative. Furthermore, any interested party may submit written comments or exhibits.

Subp. 6. Official record. An official record of the hearing consisting of electronic recording and minutes of the proceedings will be kept. The official record will also include all testimony, written comments, and exhibits received pertaining to the proposed designation. The hearing record will remain open to receive written comments and exhibits for 20 calendar days following the date of hearing.

Subp. 7. Summary of hearing. The presiding officer will prepare a summary of the testimony and written comments presented before, during, and after the public hearing. At a minimum, the summary will include a list of all persons who participated, including persons identified as representatives of organizations, and whether each person supported or opposed the proposed designation. The summary together with the entire official record must be submitted to the governing body for its review.

Subp. 8. Official resolution. Once the summary of the public hearing is received and 30 calendar days have passed from the date of the hearing, the governing body may act to designate the designee as a CAA. The governing body will pass a resolution designating the designee as a CAA if after review of the summary and official record the governing body finds that:

- A. the opinion of the community was fairly and impartially expressed;
- B. the opinion of low-income people in particular was actively encouraged, representatively sampled, and fairly expressed during the whole process;
- C. the designee established the qualifications, expertise, and experience necessary to be an effective CAA; and
- D. the designee's proposed mission, services, and goals were supported by testimony and written comments received as a result of the public hearing process.

Subp. 9. Review by department. Before provisional recognition may occur in part 3350.0040, subpart 1, the governing body must have submitted to the department for review copies of the following documents:

- A. eligibility documents required in subpart 2;
- B. official resolution of the governing body designating the designee;
- C. notices of public hearing and a list of all publications and dates of publication of notices of hearing;
- D. list of all local units of government sent copies of the notice of intent to designate and the notice of public hearing, including any responses received;
- E. affidavit of service of the notice of public hearing upon low-income households identified in the service area; and
- F. official hearing record and summary of the hearing.

Subp. 10. Costs. All costs attributable to the designation process, including all costs associated with public hearings other than contested case hearings, are the responsibility of the governing body.

Statutory Authority: *MS s 268.0122; 268.021*

History: *16 SR 2319*

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COMMUNITY ACTION AGENCIES 3350.0050

3350.0040 RECOGNITION OF COMMUNITY ACTION AGENCIES.

Subpart 1. **Provisional recognition.** The department will provisionally recognize a designation if the department establishes compliance with applicable state law, federal law, all the designation requirements of part 3350.0030, and, where applicable, with the change of designation requirements of part 3350.0050. Provisional recognition may occur within 60 calendar days of the department's receipt of the documents required in part 3350.0030, subpart 9, an approved transition plan, where applicable, as specified in part 3350.0050, subpart 4, and the most current copies of the following:

- A. articles of incorporation and bylaws;
- B. Internal Revenue Service certificate of 501(c)(3) tax exempt status and Minnesota Department of Revenue certificate of tax exempt status where applicable to nonprofit CAAs; and
- C. list of board of directors which indicates officers and committee memberships, tenure on the board, and the sector each director represents as required by the act.

If the department finds noncompliance it will inform both the governing body and the designee within the 60-day period and, if possible, offer remedies for achieving compliance.

Subp. 2. **Governor's recognition.** After the applicable requirements in subpart 1 have been met and the department has provisionally recognized a designation, the department will request recognition by the governor.

Subp. 3. **Maintenance of recognition.** To maintain recognition, a CAA must annually ensure that the department has the most current copies of the following:

- A. articles of incorporation with any amendments and bylaws with any amendments;
- B. Internal Revenue Service certificate of 501(c)(3) tax exempt status and Minnesota Department of Revenue certificate of tax exempt status where applicable to nonprofit CAAs;
- C. list of board of directors which indicates officers and committee memberships, tenure on the board, and the sector each director represents as required by the act;
- D. board minutes of the past year and latest annual corporate report;
- E. organizational chart, personnel policies, data privacy policies, affirmative action plan, voter registration plan, and client service appeals policy; and
- F. narratives of the planning process and evaluation process described in parts 3350.0130 and 3350.0140, respectively.

Subp. 4. **Failure to maintain recognition.** The department may proceed to withhold available funds under part 3350.0100, subpart 1, item D, where a CAA fails to maintain its recognition under this part. If, following periods of both withholding and funding termination under part 3350.0100, subpart 2, the CAA has still not successfully complied with all of the requirements in subpart 3, the department will terminate the CAA's recognition and all future funding under part 3350.0060, subpart 1, item C or F.

Statutory Authority: *MS s 268.0122; 268.021*

History: *16 SR 2319*

3350.0050 CESSATION AND CHANGE OF DESIGNATION.

Subpart 1. **Circumstances for cessation.** A governing body may change its designation of a CAA to serve the area under its jurisdiction after a request to cease all community action program operation in the entire area has been received from the designated CAA.

Subp. 2. **Priority among possible designees.** A governing body may choose a designee under this part, in descending order of priority, by:

A. requesting an existing CAA which is located and is providing services in a contiguous area to expand its program operations into the service area;

B. if no existing CAA in a contiguous area agrees to expand its operations, requesting an existing CAA closest to the service area or an existing CAA within reasonable proximity to the service area to expand its program operations into the service area; and

C. where no CAA accepts the request to operate in the service area nominating any entity eligible or potentially eligible to be designated under federal law and regulations and to be recognized under part 3350.0040.

Subp. 3. **Procedure.** The governing body must follow the procedure provided in part 3350.0030 in order to change designation and must also prepare a transition plan for continuation of community action program services. The governing body must submit the transition plan to the department simultaneously with the notice of intent to designate. In addition to the notice requirements in part 3350.0030, subpart 3, the governing body must also serve copies of the notice of intent to designate and the notice of public hearing upon any existing CAA concurrently operating in the same political subdivision and all subgrantees in the service area. Upon request, copies of the designee's eligibility documents and the transition plan must be made available by the governing body to any interested party.

Subp. 4. **Additional review by the department.** In addition to the review requirements in part 3350.0030, subpart 9, the department must also review the transition plan for service delivery in the interim before the governor's recognition as provided in part 3350.0040, subpart 2. The department has 30 calendar days from the date of receipt of the transition plan to either approve or disapprove of the plan. If the transition plan is not approved, the governing body may not proceed to designate a CAA under the procedure of part 3350.0030. Without an approved transition plan in operation, the department will not forward to the governor a request for recognition as provided in part 3350.0040. If the transition plan is not approved, the governing body may submit a subsequent transition plan consistent with the department's comments. Along with the transition plan, the department must also receive evidence of service of additional notice on interested parties as required in subpart 3.

Statutory Authority: *MS s 268.0122; 268.021*

History: *16 SR 2319*

3350.0060 TERMINATION FOR CAUSE.

Subpart 1. **Cause.** A CAA's funding, as well as its designation or recognition, will be terminated for cause. There may be multiple causes which apply. Termination for cause includes the following:

A. actions threatening imminent danger to health or safety of members of the community;

B. unresponsiveness to service needs of low-income people or hindrance of participation by low-income people as provided in subpart 4;

C. willful violation of contract by the CAA;

D. failure to remedy a short-term defect after withholding as provided in part 3350.0100, subpart 2;

E. failure to remedy a long-term defect after funding termination as provided in part 3350.0100, subpart 2; or

F. denial of an application as provided in part 3350.0170, subpart 6.

Subp. 2. **Termination by governing body.** After notification to the department, a governing body may terminate for cause a CAA's designation. However, a governing body may only terminate a CAA's designation under subpart 1, item A or B. If a CAA's designation is terminated and the CAA's appeal rights have also been exhausted, funding must be terminated by the department. Where the department intervenes as a party in a contested case concerning termination of designation, funding by the department may be immediately terminated. After adopting termination as official

action, the governing body must serve the notice of termination upon the CAA to be terminated. The notice must specifically explain the cause for the termination of designation and how funding may be affected. Included with the notice of termination must be a description of the CAA's appeal rights as provided for in subpart 5. The governing body must also send to the department a copy of the notice of termination. Upon request from the department, the CAA must provide its current list or lists of identified low-income households to the department. Identified low-income households are those specified on the CAA's list or lists of clients. The department will notify identified low-income households of the termination. With the copy of the notice of termination, the governing body may also submit to the department a transition plan for phasing out currently provided services and for substituting services in the interim until a successor CAA is recognized. The department must approve the plan as well as the interim agency providing community action program services. If the governing body has not submitted a transition plan with the copy of the notice of termination, it must do so by the close of any contested case hearing that may be held. If no contested case hearing is held, the governing body must submit the transition plan to the department at least simultaneously with the notice of intent to designate a successor CAA.

Subp. 3. Termination by the department. The department may terminate for cause a CAA's funding or recognition or both. However, the department may not terminate a CAA's recognition or funding under subpart 1, item B. Wherever appropriate, the department will proceed to withholding under part 3350.0100 before acting to terminate the funding or recognition of a CAA. However, where withholding is not an option, the department may proceed directly to termination under this part. Where termination concerns a CAA's funding, the department may terminate all or part of current or future funding. If the department terminates all future funding, it must also terminate a CAA's recognition. Similarly, if the department terminates a CAA's recognition it must also terminate funding. The department must serve the notice of termination upon the CAA to be terminated. The notice of termination must specifically explain the cause for the termination and specify the type and degree of termination, including the effect on funding. Included with the notice of termination must be a description of the CAA's appeal rights as provided for in subpart 5. The department must also send to the governing body a copy of the notice of termination. Upon request from the department, the CAA must provide its current list or lists of identified low-income households to the department. Identified low-income households are those specified on the CAA's list or lists of clients. The department will notify identified low-income households of the termination.

Subp. 4. Petition for termination. If a petition requesting termination is received from the community containing at least 1,000 names with addresses, the governing body must hold a public hearing to consider termination of a CAA's designation. The persons signing the petition must reside both within the CAA's service area and within the jurisdictional boundaries of the governing body's political subdivision. The following are the causes for termination under this subpart:

A. the CAA's community action program is incompetent and ineffective in meeting the service needs of the low-income people in the service area; or

B. the CAA is discouraging the participation of low-income people by:

(1) preventing adequate representation by low-income people on the CAA's board of directors;

(2) refusing consistently to consider the funding of activities proposed by low-income people; or

(3) obstructing systematically the ability of low-income people to influence the character of program activities.

The purpose of the public hearing is to receive testimony and evidence concerning the CAA's purported incompetence and ineffectiveness or the CAA's alleged hindrance of low-income people's participation. At least 30 calendar days before the hearing date, the governing body must inform all local units of government within the CAA's service area of the date, time, location, and subject matter of the public hearing. During the 30

days before the hearing, the affected local units of government will have an opportunity to respond in writing. All comments received will be available for the governing body's review. During the 30-day period and at least ten calendar days before the hearing, the governing body must also publish a notice of public hearing in a daily newspaper of general circulation of the county seat in the CAA's service area. The published notice must describe the time, date, location, and subject matter of the public hearing. Furthermore, within the 30-day period and at least ten calendar days before the public hearing, low-income households identified in the CAA's service area must be mailed information on the date, time, location, and subject matter of the public hearing. The governing body will inform the department of the public hearing at least 30 calendar days before the hearing date. Upon request from the department, the CAA must provide its current list or lists of identified low-income households to the department. Identified low-income households are those specified on the CAA's list or lists of clients. The department will notify identified low-income households of the date, time, location, and subject matter of the public hearing at least ten calendar days before the hearing date. If, following the public hearing, the governing body is persuaded that sufficient cause exists, as supported by convincing evidence, it may take official action to terminate the CAA's designation under subpart 2.

Subp. 5. Appeal procedure. If, after receipt of the notice of termination, a CAA is aggrieved, the CAA may request a contested case hearing from the department within 30 calendar days of the receipt of the notice. If the CAA's request for a contested case hearing is not received by the department during the 30-day period the CAA loses its right of appeal under this subpart. The request for a contested case hearing before an administrative law judge as provided in Minnesota Statutes, sections 14.57 to 14.62, must be in writing. The contested case hearing will be initiated and conducted according to parts 1400.5100 to 1400.8500. As provided for in part 1400.6200, the department will have the right to intervene as a party in a contested case hearing on termination of designation by a governing body.

Subp. 6. Federal appeal rights. Federal appeal rights may also exist for an aggrieved CAA under the CSBG act, Public Law Number 97-35.

Subp. 7. Successor. If a CAA's designation or recognition is terminated, the governing body will follow the priority guidelines in part 3350.0050, subpart 2, and the procedure in part 3350.0030 to designate a successor.

Subp. 8. Costs. Only costs directly attributable to the contested case hearing process in subpart 5 are the responsibility of the department. The costs associated with the procedure for termination provided for in subpart 4 are the responsibility of the governing body.

Statutory Authority: *MS s 268.0122; 268.021*

History: *16 SR 2319*

3350.0070 ALLOCATION OF FUNDS.

Subpart 1. Formula. The department will allocate funds under the act according to the formula in Minnesota Statutes, section 119A.374, subdivision 2.

Subp. 2. Poverty level population. For purposes of the formula in subpart 1, the poverty level population will be based on Department of Commerce, Bureau of the Census, statistics, as revised.

Statutory Authority: *MS s 268.0122; 268.021*

History: *16 SR 2319; L 1998 c 397 art 11 s 3*

3350.0080 MONTHLY, PERIODIC, AND FINAL REPORTS.

Each grantee receiving grant funds under the act will submit in a complete and accurate form the following:

A. periodic client and fiscal performance report to document both CSBG and MEOG funded activities;

- B. monthly financial status report to substantiate cash requests; and
- C. final financial status report to close-out the program year.

Statutory Authority: *MS s 268.0122; 268.021*

History: *16 SR 2319*

3350.0090 DUE DATES FOR MONTHLY, PERIODIC, AND FINAL REPORTS.

Each monthly report specified in part 3350.0080 is due ten calendar days after the end of the month. Each final status report specified in part 3350.0080 is due no later than 30 calendar days after the end of the program year. Each periodic report under part 3350.0080 is due 30 calendar days after the date specified in the CAA's contract. If monthly, periodic, or final reports are delinquent more than five calendar days from their due dates or, though submitted, remain incomplete or inaccurate more than five calendar days from their due dates, the department may proceed to withhold available funds from a CAA under part 3350.0100, subpart 1, item A.

Statutory Authority: *MS s 268.0122; 268.021*

History: *16 SR 2319*

3350.0100 WITHHOLDING OF CASH DISBURSEMENTS.

Subpart 1. **Circumstances for withholding.** The department will withhold cash disbursements available for drawdown under an approved application if a CAA is not:

A. complying with the reporting requirements of the grant as required by its contract with the department, including the timely submission of complete and accurate monthly, periodic, and final reports as required in part 3350.0080, of complete and accurate annual audits as required in part 3350.0160, subpart 2, and of complete and accurate annual evaluation reports as required in part 3350.0150;

B. following its submitted and approved work plan or budget or both;

C. fulfilling the terms of its contract; or

D. maintaining recognition as provided in part 3350.0040, subpart 3.

Subp. 2. **Notice, conversion option, and termination.** Before withholding cash disbursements, the department will notify the CAA of its defective action or omission, inform the CAA of potential withholding and specify a reasonable date by which corrective action should occur. The specified date must be at least ten working days from the date of the CAA's receipt of the notice of withholding. If the defect is not remedied satisfactorily by the date specified in the notice, the department will begin to withhold available funds after that date. During any time within 90 calendar days following the department's actual withholding of funds, the CAA may, at its option, convert the withholding to a termination under part 3350.0060, subpart 1, item D, with right to a contested case hearing. A CAA must request in writing both a conversion to termination and a contested case hearing. After receipt of a CAA's request for conversion to termination and contested case hearing, the department will initiate contested case proceedings as provided in Minnesota Statutes, sections 14.57 to 14.62. The department will also send the CAA a notice of termination and comply with the other procedural requirements of part 3350.0060, subpart 3. The department will terminate funding for the period of time between the date identified in the notice of withholding and the date on which the short-term defect is actually remedied. If the CAA has not exercised its right of conversion during 90 days of withholding and if the defect has not been remedied during 90 days of withholding, the department will proceed under part 3350.0060, subpart 1, item E, to terminate the CAA's available funding for a period covering the total of (1) the time during which funds have been withheld and (2) the time remaining before the subsequent June 30. The department will first issue a final notice ten calendar days before proceeding to termination under part 3350.0060. If following a period of funding termination for failure to remedy a long-term defect the CAA has still not successfully remedied the identified defect, the department will deny subsequent applications by the CAA under part 3350.0170, subpart 6, item D, until corrective action has occurred. However, if the defect

constitutes failure to maintain recognition under subpart 1, item D, the department will proceed according to part 3350.0040, subpart 4.

Statutory Authority: *MS s 268.0122; 268.021*

History: *16 SR 2319*

3350.0110 PROGRAM GUIDELINES AND ELIGIBLE ACTIVITIES.

Subpart 1. **Program guidelines.** Each community action program must:

- A. be of benefit to low-income persons;
- B. represent progress toward the elimination of poverty;
- C. utilize resources from other programs operating in the service area; and
- D. be of sufficient scope and size for maximum effectiveness and efficiency.

Subp. 2. **Eligible grant activities.** A variety of activities as determined by the local planning process may be included in a community action program funded by a grant. Eligible activities are those designed to help low-income persons to:

- A. secure and retain meaningful employment;
- B. attain an adequate education;
- C. obtain and maintain adequate housing and a suitable living environment;
- D. make better use of available income;
- E. obtain emergency assistance through loans or grants;
- F. meet immediate and urgent individual and family needs, including the need for health services, nutritious food, housing, and employment-related assistance;
- G. remove obstacles and solve problems which block the achievement of self-sufficiency;
- H. achieve greater participation in the affairs of the community; and
- I. make more effective use of other programs related to the purposes of the CSBG act.

Subp. 3. **Federal prohibitions.** Activities ineligible for funding with CSBG money are those listed in the annual CSBG state plan. A copy of the annual CSBG state plan is available by request from the Department of Economic Security, 690 American Center Building, 150 East Kellogg Boulevard, Saint Paul, Minnesota 55101.

Statutory Authority: *MS s 268.0122; 268.021*

History: *16 SR 2319; L 1994 c 483 s 1*

3350.0120 PARTICIPATION BY LOW-INCOME PERSONS.

Grantees must consider the participation of low-income people in the local planning process of part 3350.0130, the annual work plan of part 3350.0170, subpart 1, the evaluation process of part 3350.0140, and the annual evaluation report of part 3350.0150. Each CAA must devise specific opportunities for involvement of low-income people in proposing, planning, approving, and evaluating the activities of community action programs.

Statutory Authority: *MS s 268.0122; 268.021*

History: *16 SR 2319*

3350.0130 LOCAL PLANNING PROCESS.

Each CAA will develop a plan for submission to the department as a requirement for maintenance of recognition under part 3350.0040, subpart 3. The plan's narrative will include a description of how the local planning process will be implemented, how the CAA will publicize major planning activities to encourage community participation, and how the CAA will involve low-income people in the planning process. Each annual work plan submitted as part of a grant application under part 3350.0170, subpart 1, must be consistent with, and complementary to, this local planning process. The local planning process of a CAA will include the following steps:

A. develop a mission statement which defines the overall CAA purposes and which represents the views and opinions of the CAA's board of directors, low-income groups, and representatives of the community;

B. assess short- and long-range community needs in order to respond to the poverty in the community and its causes;

C. catalog the resources from both the public and private sectors which are available to solve the causes of poverty;

D. establish priorities after analyzing the extent and causes of poverty and after evaluating the capability of the CAA and other available resources to ameliorate the causes of poverty;

E. set realistic goals as a basis for action which are consistent with established priorities;

F. develop innovative strategies, including, but not limited to, service strategies, which encompass community acceptance, funding availability, direct benefits to low-income people, high impact on problems of poverty, and organizational capability;

G. develop clear and concise objectives that describe how to attain the CAA's goals;

H. list sequential activities under each objective to describe the efforts at community coordination and identification of resource needs including assignment of CAA staff and training or technical assistance in the community; and

I. select performance indicators to measure progress toward achieving the established objectives and to form the basis for community action program reporting and evaluation.

Statutory Authority: *MS s 268.0122; 268.021*

History: *16 SR 2319*

3350.0140 EVALUATION PROCESS.

Each CAA will develop a standardized written process for evaluating its own community action program and describe the process in a narrative form. The narrative description must show how the results of the evaluation will influence the CAA's future planning and how the CAA will involve low-income persons in the evaluation process. The evaluation process as embodied in the narrative must be approved by the CAA's board of directors. The evaluation process narrative must be submitted to and approved by the department in order to maintain CAA recognition under part 3350.0040, subpart 3.

Statutory Authority: *MS s 268.0122; 268.021*

History: *16 SR 2319*

3350.0150 ANNUAL EVALUATION REPORT.

The annual evaluation report is due no later than December 30 of each year. The evaluation report will summarize the extent and type of the previous year's program services and assess their effectiveness using the evaluation elements under part 3350.0140 and the performance indicators under part 3350.0130. If annual reports are delinquent more than five calendar days from their due dates or, though submitted, remain incomplete or noncomplying more than five calendar days from their due dates, the department will proceed to withhold available funds from a CAA under part 3350.0100, subpart 1, item A.

Statutory Authority: *MS s 268.0122; 268.021*

History: *16 SR 2319*

3350.0160 ADMINISTRATION OF GRANTS.

Subpart 1. **Grantee financial control system.** Grantees must establish and use a financial control system which complies with federal and state reporting and fiscal procedures. The federal and state requirements are contained in Department of Jobs

and Training Subgrantee Administrative Requirements No. 1, as revised or superseded. This document is incorporated by reference, and is not subject to frequent change. It is available from the State Law Library.

Subp. 2. **Grantee audit.** Each grantee must follow the audit requirements contained in the attachment to its contract with the department. Audits must be completed and the required reports submitted no later than six calendar months after the end of the grantee's fiscal year. If audits are delinquent more than five calendar days from their due dates or, though submitted, remain incomplete, noncomplying, or inaccurate more than five calendar days from their due dates, the department may proceed to withhold available funds from a CAA under part 3350.0100, subpart 1, item A.

Subp. 3. **Alterations.** A grantee must obtain prior written approval from the department before changing its work plan and budget as described in its approved application.

Statutory Authority: *MS s 268.0122; 268.021*

History: *16 SR 2319*

3350.0170 GRANT APPLICATIONS.

Subpart 1. **Forms and documents.** All forms necessary for completion of the application will accompany the annual guidelines mailed to all grantees. Assistance in completing the forms may be requested directly from the department at its central office. Each CAA will submit to the department an annual work plan and budget on forms supplied by the department as part of the grant application process. Each work plan for the subsequent year will include a narrative comprised of the following:

- A. prioritized list of community needs;
- B. design for accomplishing identified goals, objectives, and activities;
- C. coordination strategy showing the establishment of working relationships with other providers in the service area; and
- D. description of any delegated activity, including copies of subgrantee contracts.

Subp. 2. **Grant application deadlines.** Applications for a program year must be received by the department no later than June 30 immediately preceding the program year.

Subp. 3. **Waiver of application deadline.** Upon written request, the department may waive the application deadline provided in subpart 2 and allow an applicant to submit its grant application after that date. A request for a waiver must be signed by the chair of the applicant's board of directors and contain justification of the local need for a waiver. The request for a waiver must be received by the department on or before June 30. The department will respond to the request in writing. If the department is persuaded by the local need, it will grant a waiver and establish another deadline for receipt of the application. Local need is demonstrated if a CAA, through no fault of its own, cannot meet the application deadline because of the following:

- A. key staff responsible for the submission of the application are on medical leave or other leave, have retired or are no longer employed, and replacement staff cannot reasonably complete the application in the time remaining; or
- B. a natural disaster such as a tornado, fire, or flood or a material change in circumstances such as a labor strike or the loss of a building lease has adversely affected or completely halted program operations.

Subp. 4. **Approval of application.** The department will review all submitted applications. When the department approves an application for a grant, it will provide written notification of approval to the applicant. Requests for cash cannot be processed until an application has been approved. After applications have been approved, the department and the applicant will enter into a contract. The grant contract is effective on the date when the Minnesota Department of Finance signature is affixed to the contract.

Subp. 5. **Late, incomplete, or noncomplying application.** If a previously funded grantee has not submitted an application within 45 calendar days of the deadline established by waiver in subpart 3 or within 45 calendar days of the deadline provided in subpart 2 where a waiver was not granted, the department will deny the application under subpart 6. If a submitted application remains incomplete or noncomplying for 30 calendar days after the department's request for a revision of the application, supplementary information, or other required documents or 45 calendar days from an applicable deadline, whichever period is greater, the department will deny the application under subpart 6.

Subp. 6. **Denial of application.** Before the department denies an application, it will, as soon as possible, provide written notification of the deficiency leading to a possible denial and, where appropriate, request a revision of the application, supplementary information, or other required documents. An application will be denied if any of the following occur:

A. application is submitted after the deadlines in subpart 5;

B. applicant submits an incomplete application;

C. applicant submits a noncomplying application where:

(1) applicant's annual work plan activities are:

(a) inconsistent with community action program activity as defined in the act and part 3350.0110;

(b) not demonstrative of participation by low-income persons as required by part 3350.0120; or

(c) inconsistent with the local planning process in part 3350.0130;

(2) applicant cannot demonstrate adequate fiscal management capabilities as required in part 3350.0160; or

(3) applicant's budget does not support, or is inconsistent with, the work plan activities; or

D. applicant, after a period of funding termination, has not remedied a long-term defect that first led to withholding under part 3350.0100, subpart 2.

The department's denial of an application based on items A, B, and C is cause for termination of available funds for an entire program year under part 3350.0060, subpart 1, item F. Depending on the circumstances, the department's denial of an application based on item D is cause for termination of available funds for an entire program year under part 3350.0060, subpart 1, item F, or all future funding under part 3350.0040, subpart 4.

Statutory Authority: *MS s 268.0122; 268.021*

History: *16 SR 2319*

3350.0180 SUBGRANTEES.

All grantees will obtain written approval from the department before delegating any part of their service delivery to a subgrantee. Grantees must enter into contracts with subgrantees outlining which community action program services the subgrantees will provide. Subgrantees must meet the same reporting and fiscal requirements as grantees. Grantees are responsible for acts or omissions of their subgrantees.

Statutory Authority: *MS s 268.0122; 268.021*

History: *16 SR 2319*

3350.0190 RECORDKEEPING.

All records and books of account related to grants must be kept by the grantee for three years from the date of submission of the final invoice. Records must be retained beyond the three-year period if audit exceptions, claims, or litigation concerning the records or any accounting transactions are still unresolved or pending. After any

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disposition of nonexpendable property acquired with grant funds, records of the disposition must also be retained for three years.

Statutory Authority: *MS s 268.0122; 268.021*

History: *16 SR 2319*

3350.0200 MONITORING.

The department will perform monitoring activities to ensure that grantees are in compliance with parts 3350.0010 to 3350.0200, the act, and other federal and state requirements. The monitoring functions will include the following:

A. performance of a pre-award review; and

B. preparation and execution of an annual monitoring plan which includes at least one annual on-site visit to all grantees with annual dollar volume over \$100,000 and to 25 percent of all grantees with annual dollar volume between \$10,000 and \$100,000.

Statutory Authority: *MS s 268.0122; 268.021*

History: *16 SR 2319*