

**CHAPTER 9571**  
**DEPARTMENT OF HUMAN SERVICES**  
**COMMUNITY ACTION PROGRAMS**

|           |   |           |   |
|-----------|---|-----------|---|
| 9571.0010 | PURPOSE.  | 9571.0100 | PROGRAM GUIDELINES AND ELIGIBLE ACTIVITIES. |
| 9571.0020 | DEFINITIONS.  | 9571.0110 | PARTICIPATION BY LOW-INCOME PERSONS.        |
| 9571.0030 | DESIGNATION OF COMMUNITY ACTION AGENCIES.           | 9571.0120 | LOCAL PLANNING PROCESS.                     |
| 9571.0040 | RECOGNITION OF COMMUNITY ACTION AGENCIES.           | 9571.0130 | EVALUATION PROCESS.                         |
| 9571.0050 | CESSATION AND CHANGE OF DESIGNATION.                | 9571.0140 | ADMINISTRATION OF GRANTS.                   |
| 9571.0060 | TERMINATION FOR CAUSE.                              | 9571.0150 | GRANT APPLICATIONS.                         |
| 9571.0070 | ALLOCATION OF FUNDS.                                | 9571.0160 | SUBGRANTEES.                                |
| 9571.0080 | DUE DATES FOR MONTHLY, PERIODIC, AND FINAL REPORTS. | 9571.0170 | RECORD KEEPING.                             |
| 9571.0090 | WITHHOLDING OF CASH DISBURSEMENTS.                  | 9571.0180 | MONITORING.                                 |

**9571.0010 PURPOSE.**

This chapter establishes procedures to recognize and fund community action programs. Entities eligible to receive, recognize, and operate community action programs include community action agencies, Indian tribal governments, and migrant and seasonal farmworker organizations.

**Statutory Authority:** *MS s 256.01; 268.0122; 268.021*

**History:** *16 SR 2319; 33 SR 1300*

**9571.0020 DEFINITIONS.**

Subpart 1. **Scope.** The terms used in this chapter have the meanings given them in this part.

Subp. 2. **Act.** "Act" means Minnesota Statutes, sections 256E.30 to 256E.32.

Subp. 3. **Applicant.** "Applicant" means a community action agency, an Indian tribal government, or a migrant and seasonal farmworker organization, which applies 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 9571.0050 and the removal of the agency's designation for the entire area that does not create the right of appeal.

Subp. 5. **Commissioner.** "Commissioner" means the commissioner of the Minnesota Department of Human Services.

Subp. 6. **Community.** "Community" means the people to be served by the community action agency, Indian tribal government, or migrant and seasonal farmworker organization in its service area.

Subp. 7. **Community action agency.** "Community action agency" means an entity that:

A. has the authority to receive funds under Minnesota Statutes, section 256E.30, to support community action programs as described in Minnesota Statutes, section 256E.32;

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 9571.0030 and recognized as provided under part 9571.0040.

Subp. 8. **Community action program.** "Community action program" means activities consistent with Minnesota Statutes, section 256E.32.

Subp. 9. **Community services block grant.** "Community services block grant" means federal funds authorized by United States Code, title 42, chapter 106, sections 9901-9926, and disbursed to grantees 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 9571.0150, subpart 5.

Subp. 11. **Department.** "Department" means the Minnesota Department of Human Services.

Subp. 12. **Designation.** "Designation" means selection of an entity as a service area's exclusive community action agency 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 community action agency.

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 community action agency.

Subp. 15. **Grant.** "Grant" means an allocation of Minnesota community action grant or community services block grant 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 grant contract.

Subp. 15a. **Grant contract.** "Grant contract" means a written instrument that defines the legal relationship between the department and a grantee when the principal purpose of the relationship is to transfer Minnesota community action grant funds or community services block grant funds or both to the grantee to support a community action program. The grant contract must contain the following contract clauses:

- A. how often the grantee must submit client and fiscal performance reports and financial status reports;
- B. audit requirements as specified by state and federal law;
- C. that any alteration to the grant contract and its attachments must be made in writing and executed by the same parties who executed the original grant contract, or their successors in office; and
- D. how long records must be kept by the grantee according to state and federal law.

Subp. 16. **Grantee.** "Grantee" means a community action agency, an Indian tribal government, or a migrant and seasonal farmworker organization, whose application to receive Minnesota community action grant money or community service block grant money, or both, has been approved by the department.

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

Subp. 18. **Minnesota community action grant.** "Minnesota community action grant" 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 that has jurisdiction over the entire area served by a community action agency. Under no circumstances will the governmental unit be smaller than a county unless the service area of the community action agency 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 in part 9571.0040, subpart 1;

B. referral to the governor of the department's request for recognition in part 9571.0040, 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 that 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 grantee that gives rise to a grantee's right of appeal under part 9571.0060, subpart 5, and which may also coincide with the removal of a community action agency's designation or recognition.

Subp. 24. **Withholding.** "Withholding" means the department's reservation of funds available under a grant as provided in part 9571.0090 until corrective action by a grantee has successfully remedied a defect identified by the department.

**Statutory Authority:** *MS s 256.01; 268.0122; 268.021*

**History:** *16 SR 2319; L 1994 c 483 s 1; L 1998 c 397 art 11 s 3; L 2005 c 98 art 1 s 24; L 2005 c 112 art 2 s 41; 33 SR 1300*

#### 9571.0030 DESIGNATION OF COMMUNITY ACTION AGENCIES.

Subpart 1. **Authority to designate.** The designation of a community action agency must be 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 community action agency 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 Community Services Block Grant 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 statement that describes 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. Notice of the hearing must be given according to items A to D.

A. 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.

B. 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.

C. The governing body must inform the department of the public hearing at least 30 calendar days before the hearing date.

D. Within the 30-day period and at least ten calendar days before the public hearing, the department must mail notice of the public hearing to all low-income households identified in the proposed service area. This mailed notice must contain the date, time, location, and subject matter of the public hearing. Identified low-income households are those specified on the previous community action agency'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 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 an electronic recording and minutes of the proceedings must be kept. The official record must also include all testimony, written comments, and exhibits received pertaining to the proposed designation. The hearing record must remain open to receive written comments and exhibits for 20 calendar days following the date of hearing.

Subp. 7. **Official resolution.** Once the official record 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 community action agency. The governing body must pass a resolution designating the designee as a community action agency if after review of the 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 community action agency; 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. 8. **Review by department.** Before provisional recognition may occur in part 9571.0040, 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 record of the hearing.

Subp. 9. **Costs.** Costs attributable to the designation process, including costs associated with public hearings other than contested case hearings, are the responsibility of the governing body.

**Statutory Authority:** *MS s 256.01; 268.0122; 268.021*

**History:** *16 SR 2319; 33 SR 1300*

**9571.0040 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 9571.0030, and, where applicable, with the change of designation requirements of part 9571.0050. Provisional recognition may occur within 60 calendar days of the department's receipt of the documents required in part 9571.0030, subpart 8, an approved transition plan, where applicable, as specified in part 9571.0050, 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 community action agencies; and

C. list of board of directors, including their addresses and telephone numbers, that indicates officers and committee memberships, and the sector each director represents.

If the department finds noncompliance it must 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 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 records.** To maintain recognition, a community action agency must maintain the following records and make current copies available to the department as requested:

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 community action agencies;

C. list of board of directors, including their addresses and telephone numbers, that 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. the planning and evaluation processes described in parts 9571.0120 and 9571.0130.

Subp. 4. **Merging of designated and recognized community action agencies.** Two or more community action agencies previously designated by one or more governing bodies

## 9571.0040 COMMUNITY ACTION PROGRAMS

1070

and recognized by the state may seek approval to merge their organizations. The boards of directors of the community action agencies seeking to merge must:

- A. notify the department of their intent to merge;
- B. submit to the department a transition plan for the composition of the board of directors, the leadership and staffing of the merged agency, and the uninterrupted continuation of services; and
- C. provide documentation showing that the board of directors of each community action agency involved in the proposed merger supports the merger.

Subp. 5. **Review and approval of merger transition plan.** The department has 60 days from the date of receipt of the transition plan to either approve or disapprove the plan. The department may request additional information and meetings with the boards of directors or their representatives and with the leadership of the agencies. The department will consider the proximity of the service areas and the priorities listed in part 9571.0050, subpart 2, when it reviews proposed merger plans. If the transition plan is not approved, the department must provide written comments and the options for remedy of the department's concerns. The boards of directors may submit a subsequent transition plan consistent with the department's comments.

**Statutory Authority:** *MS s 256.01; 268.0122; 268.021*

**History:** *16 SR 2319; 33 SR 1300*

## 9571.0050 CESSATION AND CHANGE OF DESIGNATION.

Subpart 1. **Circumstances for cessation.** A governing body may change its designation of a community action agency 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 community action agency.

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 community action agency that is located and is providing services in a contiguous area to expand its program operations into the service area;
- B. requesting an existing community action agency closest to the service area or an existing community action agency within reasonable proximity to the service area to expand its program operations into the service area, if no existing community action agency in a contiguous area agrees to expand its operations; and
- C. nominating any entity eligible or potentially eligible to be designated under federal law and regulations and to be recognized under part 9571.0040, when no community action agency accepts the request to operate in the service area.

Subp. 3. **Procedure.** The governing body must follow the procedure in part 9571.0030 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 9571.0030, 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 community action agency 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 department.** In addition to the review requirements in part 9571.0030, subpart 8, the department must also review the transition plan for service delivery in the interim before the governor's recognition as provided in part 9571.0040, 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 community action agency under the procedure of part 9571.0030. Without an approved transition plan in operation, the department will not forward to the governor a request for recognition as provided in part 9571.0040. 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 256.01; 268.0122; 268.021*

**History:** *16 SR 2319; 33 SR 1300*

**9571.0060 TERMINATION FOR CAUSE.**

Subpart 1. **Cause.** A community action agency's funding, as well as its designation or recognition, will be terminated for cause. An Indian tribal government's or a migrant seasonal farmworker organization's funding 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. failure to involve low-income people in planning, oversight, and evaluation of programs and services;
- C. violation of the terms of the grant contract by the grantee including:
  - (1) failure to maintain financial procedures, reports, and audits according to part 9571.0140, subparts 1 and 2;
  - (2) failure to maintain recognition according to part 9571.0040, subpart 3;
- and
- (3) failure to follow the requirements of federal and state laws;
- D. failure to remedy a defect after withholding or funding termination as provided in part 9571.0090, subparts 2 and 4; or
- E. denial of an application as provided in part 9571.0150, subpart 5.

Subp. 2. **Termination by governing body of community action agency designation.** A governing body may terminate a community action agency's designation for cause under subpart 1, item A or B.

- A. The governing body must follow the steps in subitems (1) to (4):
  - (1) adopt termination as the official action;
  - (2) notify the department of its intent to terminate the community action agency's designation;
  - (3) serve notice of termination upon the community action agency to be terminated and provide a copy to the department. The notice of termination must:
    - (a) explain the cause for termination;
    - (b) describe how the community action agency's funding may be affected; and
    - (c) provide a description of the community action agency's appeal rights according to subpart 5; and
    - (4) prepare a transition plan for phasing out currently provided services and for substituting services in the interim until a successor community action agency is recognized. The transition plan must be provided to the department no later than the close of the contested case hearing on the appeal of the terminated community action agency or, if no hearing is held, filing with the department the notice of intent to designate a successor community action agency. The department must approve the plan as well as the interim community action agency providing community action program services.

B. The department will notify low-income households of the termination. Upon request from the department, the community action agency must provide its current list or lists of identified low-income households to the department. Identified low-income households are those specified on the community action agency's list or lists of clients.

C. If a community action agency's designation is terminated and the community action agency's appeal rights have also been exhausted, the department must terminate funding. Where the department intervenes as a party in a contested case concerning termination of designation, funding by the department may be immediately terminated.

**Subp. 3. Termination by department of community action agency funding or recognition.** The department may terminate for cause a community action agency's funding or recognition or both under subpart 1.

A. The department may terminate all or part of current or future funding for a community action agency. If the department terminates all future funding, it must also terminate a community action agency's recognition. If the department terminates a community action agency's recognition it must also terminate funding.

B. If the department decides to terminate a community action agency's funding or recognition, it will serve notice of termination upon the community action agency to be terminated and provide a copy to the governing body. The notice of termination must:

- (1) explain the cause for termination;
- (2) describe how the funding may be affected; and
- (3) provide a description of the community action agency's appeal rights according to subpart 5.

C. The department will notify identified low-income households of the termination. Upon request from the department, the community action agency must provide its current list or lists of identified low-income households to the department. Identified low-income households are those specified on the community action agency's list or lists of clients.

**Subp. 4. Termination by department of Indian tribal government or migrant and seasonal farmworker organization funding.** The department may terminate for cause an Indian tribal government's or migrant and seasonal farmworker organization's funding under subpart 1. The department may terminate all or part of current or future funding for an Indian tribal government or migrant and seasonal farmworker organization.

A. If the department decides to terminate an Indian tribal government's or migrant and seasonal farmworker organization's funding, it will serve notice of termination upon the Indian tribal government or migrant and seasonal farmworker organization to be terminated and provide a copy to the tribal council or the migrant and seasonal farmworker organization's board of directors. The notice of termination must:

- (1) explain the cause of termination;
- (2) describe how the funding may be affected; and
- (3) provide a description of the Indian tribal government's or migrant and seasonal farmworker organization's appeal rights according to subpart 5.

B. The department will notify identified low-income households of the termination. Upon request from the department, the Indian tribal government or migrant and seasonal farmworker organization must provide its current list or lists of identified low-income households to the department. Identified low-income households are those specified on the Indian tribal government's or migrant and seasonal farmworker organization's list or lists of clients.

**Subp. 5. Appeal procedure.** If, after receipt of the notice of termination, a grantee is aggrieved, the grantee may request a contested case hearing from the department within 30 calendar days of the receipt of the notice. If the grantee's request for a contested case hearing is not received by the department during the 30-day period the grantee loses its



right of appeal under this subpart. The hearing will be initiated and conducted according to parts 1400.8505 to 1400.8612 unless the grantee objects within ten business days. If the grantee objects, the hearing will be conducted according to parts 1400.5010 to 1400.8401. The request for a contested case hearing before an administrative law judge must be in writing. As provided for in part 1400.6200 or 1400.8570, 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 grantee under the Community Services Block Grant Act, United States Code, title 42, chapter 106, section 9915, subsection (b).

Subp. 7. **Successor.** If a community action agency's designation or recognition is terminated, the governing body will follow the priority guidelines in part 9571.0050, subpart 2, and the procedure in part 9571.0030 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.

**Statutory Authority:** *MS s 256.01; 268.0122; 268.021*

**History:** *16 SR 2319; 33 SR 1300*

#### 9571.0070 ALLOCATION OF FUNDS.

Subpart 1. **Formula.** The department will allocate funds under the act according to the formula in Minnesota Statutes, section 256E.30, 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 256.01; 268.0122; 268.021*

**History:** *16 SR 2319; L 1998 c 397 art 11 s 3; L 2005 c 98 art 1 s 24; 33 SR 1300*

#### 9571.0080 DUE DATES FOR MONTHLY, PERIODIC, AND FINAL REPORTS.

Monthly, periodic, and annual reports are due on the dates specified in the grant contract. If reports are delinquent, incomplete, or inaccurate, the department must proceed to withhold available funds from a grantee under part 9571.0090.

**Statutory Authority:** *MS s 256.01; 268.0122; 268.021*

**History:** *16 SR 2319; 33 SR 1300*

#### 9571.0090 WITHHOLDING OF CASH DISBURSEMENTS.

Subpart 1. **Circumstances for withholding.** The department will withhold cash disbursements available for drawdown under a grant, wherever appropriate, in lieu of termination under part 9571.0060 if a grantee is not:

- A. complying with the reporting requirements of the grant as required by its grant contract with the department;
- B. following its submitted and approved work plan or budget or both;
- C. fulfilling the terms of its grant contract; or
- D. maintaining recognition as provided in part 9571.0040, subpart 3.

Subp. 2. **Notice, of withholding.** Before withholding cash disbursements, the department will notify the grantee of its defective action or omission, inform the grantee 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 grantee'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. Upon remedying the defect, the department will reimburse the grantee for the time period between the date of the withholding in the notice to the date the defect was remedied if the

grantee submits a cash request, with documentation, that clearly substantiates that expenses were used by the grantee to perform services according to the grant contract.

Subp. 3. **Conversion option.** During any time within 90 calendar days following the department's actual withholding of funds, the grantee may, at its option, convert the withholding to a termination under part 9571.0060, subpart 1, item C, with right to a contested case hearing. A grantee must request in writing both a conversion to termination and a contested case hearing. After receipt of a grantee's request for conversion to termination and a contested case hearing, the department must initiate a contested case hearing and the department must initiate contested case proceedings as provided in part 9571.0060, subpart 5. The department will also send the grantee a notice of termination and comply with the other procedural requirements of part 9571.0060, subpart 3 or 4.

Subp. 4. **Notice and termination.** If the grantee 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 9571.0060, subpart 1, item D, to terminate the grantee's available funding for a period covering the total of:

- A. the time during which the funds have been withheld; and
- B. the time remaining before the grant expires.

The department must first issue a final notice ten calendar days before proceeding to termination under part 9571.0060. If following a period of funding termination for failure to remedy a defect, the grantee has still not successfully remedied the identified defect, the department will deny subsequent applications by the grantee under part 9571.0150, subpart 5, item D, until corrective action has occurred.

**Statutory Authority:** *MS s 256.01; 268.0122; 268.021*

**History:** *16 SR 2319; 33 SR 1300*

#### 9571.0100 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 Community Services Block Grant Act.

Subp. 3. **Federal prohibitions.** Activities ineligible for funding with community services block grant money are those listed in the community services block grant state plan. A

copy of the community services block grant state plan is available by request from the Department of Human Services, Office of Economic Opportunity, P.O. Box 64962, St. Paul, MN 55164-0962.

**Statutory Authority:** *MS s 256.01; 268.0122; 268.021*

**History:** *16 SR 2319; L 1994 c 483 s 1; L 2005 c 112 art 2 s 41; 33 SR 1300*

#### **9571.0110 PARTICIPATION BY LOW-INCOME PERSONS.**

Grantees must ensure maximum feasible participation of low-income persons in the local planning process of part 9571.0120, the annual work plan of part 9571.0150, subpart 1, and the evaluation process of part 9571.0130. Each grantee 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 256.01; 268.0122; 268.021*

**History:** *16 SR 2319; 33 SR 1300*

#### **9571.0120 LOCAL PLANNING PROCESS.**

Each grantee must develop and maintain a written plan for submission to the department as part of its grant application. The plan must include a description of how the local planning process will be implemented, how the grantees will publicize major planning activities to encourage community participation, and how the grantee will involve low-income persons in the planning process. Each work plan submitted as part of a grant application under part 9571.0150, subpart 1, must be consistent with, and complementary to, this local planning process. The local planning process of a grantee includes the following activities:

- A. develop a mission statement which defines the overall grantee's purposes and which represents the views and opinions of the grantee's board of directors or tribal council, low-income groups, and representatives of the community;
- B. identify and analyze community needs in order to respond to the poverty in the community and its causes;
- C. assess available resources from both the public and private sectors which are available to solve the causes of poverty;
- D. establish priorities and set goals for the program year;
- E. develop strategies, to implement the specified goals;
- F. identify programs to achieve the specified goals;
- G. select the program or combination of programs to be undertaken during a program year; and
- H. analyze evaluation and monitor information to influence the structure of future programming.

**Statutory Authority:** *MS s 256.01; 268.0122; 268.021*

**History:** *16 SR 2319; 33 SR 1300*

#### **9571.0130 EVALUATION PROCESS.**

Each grantee must develop and maintain a written process for evaluating its own community action program using the results of the evaluation to influence the grantee's future planning. The grantee must involve low-income persons in the evaluation process. The written evaluation process must be approved by the grantee's board of directors or tribal council. The written evaluation process must be maintained and available to the department upon request in order to maintain community action agency recognition under part 9571.0040, subpart 3.

**Statutory Authority:** *MS s 256.01; 268.0122; 268.021*

**History:** *16 SR 2319; 33 SR 1300*

## 9571.0140 COMMUNITY ACTION PROGRAMS

1076

## 9571.0140 ADMINISTRATION OF GRANTS.

Subpart 1. **Grantee financial control system.** Grantees must establish and use a financial control system that complies with federal and state reporting and fiscal procedures and the grant contract.

Subp. 2. **Grantee audit.** Each grantee must follow the audit requirements contained in the grant contract with the department.

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

**Statutory Authority:** *MS s 256.01; 268.0122; 268.021*

**History:** *16 SR 2319; 33 SR 1300*

## 9571.0150 GRANT APPLICATIONS.

Subpart 1. **Forms and documents.** Forms necessary for completion of the application will accompany the guidelines mailed to all grantees. Assistance in completing the forms may be requested directly from the department at its central office. A grantee will submit to the department a work plan and budget on forms supplied by the department as part of the grant application process.

Subp. 2. **Waiver of application deadline.** Upon written request, the department may waive the application deadline 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 or chair of the tribal council and contain justification for a waiver. The request for a waiver must be received by the department on or before the original application deadline. The department will respond to the request in writing. The department will grant a waiver if the grantee has shown good cause for why the application deadline was not met. If the department has determined that the grantee has shown good cause for missing the application deadline, the department will establish another deadline for receipt of the application.

Subp. 3. **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 grant contract.

Subp. 4. **Late, incomplete, or noncomplying application.** A previously funded grantee must submit an application within 45 calendar days of the application deadline or the waiver deadline established by the department, or the department will deny the application under subpart 5. 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 the application deadline or the waiver deadline, whichever period is greater, the department will deny the application under subpart 5.

Subp. 5. **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 4;
- 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 9571.0100;
    - (b) not demonstrative of participation by low-income persons as required by part 9571.0110; or

# MINNESOTA RULES 2011

1077

## COMMUNITY ACTION PROGRAMS 9571.0180

(c) inconsistent with the local planning process in part 9571.0120;

(2) applicant cannot demonstrate adequate fiscal management capabilities as required in part 9571.0140; 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 defect that first led to withholding under part 9571.0090, subpart 2.

The department's denial of an application based on items A, B, and C is cause for termination of available funds for two years under part 9571.0060, subpart 1, item E. Depending on the circumstances, the department's denial of an application based on item D is cause for termination of available funds for two years under part 9571.0060, subpart 1, item E.

**Statutory Authority:** *MS s 256.01; 268.0122; 268.021*

**History:** *16 SR 2319; 33 SR 1300*

### 9571.0160 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; 33 SR 1300*

### 9571.0170 RECORD KEEPING.

All records and books of account related to grants must be kept by the grantee for the time period specified in the grant contract.

**Statutory Authority:** *MS s 256.01; 268.0122; 268.021*

**History:** *16 SR 2319; 33 SR 1300*

### 9571.0180 MONITORING.

The department will perform on-site monitoring activities to ensure that grantees are in compliance with parts 9571.0010 to 9571.0180, the act, and other federal and state requirements.

**Statutory Authority:** *MS s 256.01; 268.0122; 268.021*

**History:** *16 SR 2319; 33 SR 1300*