

CHAPTER 21  
COMMUNITY SERVICES BLOCK GRANT (CSBG)

[Prior to 12/29/21, see 427—Chapter 22]

Chapter rescission date pursuant to Iowa Code section 17A.7: 1/1/28

**421—21.1(216A,PL97-35) Definitions.** For the purpose of these rules, unless context otherwise requires:

“*Community action agency*” or “*eligible entity*” means any organization which was officially recognized as a community action agency under the provisions of Section 673(1) of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, Title VI, Subtitle B, as amended, and Iowa Code sections 216A.91 and 216A.93.

“*CSBG*” means community services block grant program.

“*CSBG Act*” means the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, Title VI, Subtitle B, as amended.

“*Division*” means the division of community action agencies of the department of health and human services.

“*Program year*” means the year beginning October 1 and ending the succeeding September 30. The program year is numbered for that year in which it ends.

“*Reduction*” means funding reduced below the proportional share of funding the eligible entity received in the previous program year.

“*Termination*” means permanent withdrawal of the eligible entity’s authority to obligate funds before that authority would otherwise expire. If an eligible entity’s authority to obligate funds is terminated, no funds may be obligated by the eligible entity after the effective date of the termination.

[ARC 6101C, IAB 12/29/21, effective 2/2/22; Editorial change: IAC Supplement 6/28/23]

**421—21.2(216A,PL97-35) Purpose.** The CSBG as established by the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, Title VI, Subtitle B, as amended, provides assistance to states and local communities, working through a network of community action agencies and other neighborhood-based organizations, for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals in rural and urban areas to become self-sufficient.

Pursuant to Iowa Code section 216A.92, the division shall administer the community services block grant.

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**421—21.3(216A,PL97-35) Uses of funds.** The CSBG makes available to the state of Iowa funds to be used:

**21.3(1)** To support activities that are designed to assist low-income families and individuals:

- a. To remove obstacles and solve problems that block the achievement of self-sufficiency;
- b. To secure and retain meaningful employment;
- c. To attain an adequate education;
- d. To make better use of available income;
- e. To obtain and maintain adequate housing and a suitable living environment;
- f. To obtain emergency assistance through loans, grants, or other means to meet immediate and urgent family and individual needs; and
- g. To achieve greater participation in the affairs of the communities involved.

**21.3(2)** To address the needs of youth in low-income communities through youth development programs.

**21.3(3)** To make more effective use of, and to coordinate with, other programs related to the purposes of this program.

[ARC 6101C, IAB 12/29/21, effective 2/2/22]

**421—21.4(216A,PL97-35) Apportionment distribution.**

**21.4(1)** *Iowa apportionment.* There is appropriated to the division from the fund created by Iowa Code section 8.41(1) funds to implement the CSBG as described in the CSBG Act.

**21.4(2)** *Distribution of funds.* CSBG funds received according to subrule 21.4(1) shall be allocated to the division and eligible entities as provided by federal law and in accordance with the Iowa Acts.

**21.4(3)** *Poverty-level population.* The state shall use U.S. census statistics to determine the poverty-level population in each community action area.

**21.4(4)** *Local share.* There shall be no local share required under the CSBG.

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**421—21.5(216A,PL97-35) Eligibility requirements.** The eligibility requirements for an organization to receive and administer CSBG funds are as follows:

**21.5(1)** *Organization.* The organization must meet the definition of a “community action agency” as defined in these rules.

**21.5(2)** *Board composition.* A recognized community action agency shall be governed by a board of directors composed of at least nine members. The board membership shall follow the requirements in Iowa Code section 216A.94.

[ARC 6101C, IAB 12/29/21, effective 2/2/22]

**421—21.6(216A,PL97-35) Community action plan.** All eligible entities shall submit a community action plan for the purpose of applying for CSBG funds. Community action plans must be outcome-based and antipoverty-focused and tie directly to the eligible entity’s community assessment.

**21.6(1)** *Timing.* Eligible entities shall be informed in writing by the division of the due date for the community action plan and the amount of their allocation in accordance with subrule 21.4(2).

**21.6(2)** *Contents.* Instructions for preparing the community action plan shall be provided by the division to all eligible entities. In addition to other information specified in the instructions, the community action plan must:

*a.* Document the continuous use of the full Results Oriented Management and Accountability cycle of assessment, planning, implementation, achievement of results, and evaluation for planning and administering the CSBG;

*b.* Include a budget that equals the amount of the eligible entity’s allocation;

*c.* Include a description of the service delivery system targeted to low-income individuals and families in the service area;

*d.* Include a description of how linkages will be developed to fill identified gaps in the services, through the provision of information, referrals, case management, and follow-up consultations;

*e.* Include a description of how CSBG funds will be coordinated with other public and private resources;

*f.* Include a description of how CSBG funds will be used to support innovative community and neighborhood-based initiatives related to the purposes in rule 421—21.2(216A,PL97-35); and

*g.* Include outcome measures to be used to measure eligible entity performance in promoting self-sufficiency, family stability, and community revitalization.

**21.6(3)** *Nondiscrimination provisions.* Eligible entities must ensure that no person shall, on the basis of race, color, national origin, sex, age, or disability, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any activity funded in whole or in part with CSBG funds.

**21.6(4)** *Community assessment.* Eligible entities must conduct a community assessment at least once every three years. The community assessment shall include data specific to poverty, qualitative and quantitative data, and key findings on the causes and conditions of poverty and the needs of the communities assessed. The results of the assessment shall be used to plan activities contained in the community action plan.

**21.6(5)** *Contract.* The division will issue the eligible entity a CSBG contract once the division accepts the community action plan. The contract shall specify required and allowable program activities, general and special conditions, program and fiscal reporting, and audit requirements.

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**421—21.7(216A,PL97-35) Review and acceptance of community action plans.**

**21.7(1) *Compliance review.*** All activities proposed in the community action plan shall be reviewed by the division personnel for:

- a. Compliance with the specific purposes and uses of funds outlined in rules 421—21.2(216A,PL97-35) and 421—21.3(216A,PL97-35);
- b. Inclusion of assurances that the eligible entity will conduct the CSBG in compliance with all applicable laws; and
- c. Inclusion and proper completion of all forms and instructions included in the request for community action plans.

**21.7(2) *Performance.*** Acceptance of community action plans is dependent on the satisfactory performance of the eligible entity in the past funding year(s). The minimum standards include: timely and adequate expenditure report submissions and program report submissions, prudent management of funds, conformance with state and federal laws relative to the restrictions in the use of funds, requirements regarding the eligible entity's annual audit, and adequate record keeping. Additionally, available records, audits, and determinations from other relevant state and federal agencies may be utilized.

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**421—21.8(216A,PL97-35) Payments.**

**21.8(1) *Method of payment.*** Eligible entities receiving CSBG funds shall submit a monthly funding request and expenditures report containing the monthly expenditures of the eligible entity in carrying out the activities funded through the CSBG for each month in which activity occurred.

**21.8(2) *Payment refusal.*** The division may refuse or withhold payment of funds for good cause, such as evidence of fraud, lack of management controls, or noncompliance with CSBG contract conditions. Such refusal or withholding shall be appropriately documented, and the eligible entity shall be informed of the reason for refusal or withholding. Regular payment procedures may resume after corrective action and CSBG contract conditions have been met by the eligible entity.

**21.8(3) *Receipt of federal funds.*** All payments shall be subject to the receipt of CSBG funds by the division. The termination, reduction or delay of CSBG funds to the division shall, at the division's option, be reflected in a corresponding modification to CSBG contracts already made.

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**421—21.9(216A,PL97-35) Amendments to CSBG contract.**

**21.9(1) *Total budget.*** The total of all payments to the eligible entity by the division for the activities required under the eligible entity's CSBG contract shall not exceed the total budget unless modified by a budget amendment to the CSBG contract or by written notice of a funding change by the division.

**21.9(2) *Budget deviations.*** Eligible entity expenditures that exceed budgeted cost category amounts will not be disallowed for payment solely because of minor deviations from the budgeted amount. However, any deviation exceeding 10 percent of the budgeted cost category amount shall require a budget amendment to the CSBG contract, with prior approval granted by the division.

**21.9(3) *Other amendments.*** Requests for community action plan or CSBG contract amendments other than those addressed in subrules 21.9(1) and 21.9(2) shall be considered on a case-by-case basis in conformance with applicable federal and state laws.

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**421—21.10(216A,PL97-35) Ineligible items.** CSBG funds may not be used for the following activities or costs:

1. Any partisan or nonpartisan political activity or any political activity associated with a candidate, or faction group, in an election for public or party office; any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election; or any voter registration activity.
2. The purchase or improvement of land, or the purchase, construction, or permanent improvement (other than low-cost residential weatherization or other energy-related home repairs) of any building or

other facility. Exceptions shall only be provided through the waiver procedure described in Section 678F(a) of the CSBG Act.

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**421—21.11(216A) Audits and records.** Eligible entities shall arrange and pay for an annual audit. Audits shall be performed by a certified public accountant and in accordance with generally accepted auditing standards. Audit procedures shall conform to the 2 CFR Chapter I, Office of Management and Budget Governmentwide Guidance for Grants and Agreements; and Chapter II, Part 200, et al., Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. In addition, the division may request more frequent audits or examinations of financial records of the eligible entity in order to ensure adequate financial controls are in place and operating.

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**421—21.12(216A,PL97-35) Designating eligible entities for unserved areas.** If any geographic area of the state is not, or ceases to be, served by a community action agency, and the governor decides to serve such area, the division will adhere to the requirements in Section 676A of the CSBG Act, U.S. Department of Health and Human Services statutory guidance, and other federal and state laws to solicit applications from qualified organizations.

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**421—21.13(216A,PL97-35) Termination and reduction of funding.** The division may terminate the designation of or reduce the share of CSBG funds allocated to an eligible entity if the division determines that an eligible entity fails to comply with the terms of an agreement, or the Iowa CSBG State Plan, to provide CSBG services or to meet appropriate standards, goals, and other requirements established by the division, including performance objectives. If the division finds cause to terminate the designation of or reduce the funding of an eligible entity, the division will adhere to the requirements in Section 678C of the CSBG Act, U.S. Department of Health and Human Services statutory guidance, and other federal and state laws, including provisions of notification, technical assistance, corrective action, opportunity for a hearing, and federal review, to initiate proceedings to terminate the designation of or reduce the funding of the eligible entity.

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**421—21.14(216A,PL97-35) Client appeal and hearing.** Eligible entities shall adopt a client appeal and hearing procedure to address CSBG client complaints. The procedure shall be used for all clients to file a complaint for the services or benefits provided by the eligible entity and funded solely by the CSBG. The procedure shall also be used when a community action program, co-funded with the eligible entity's CSBG funds, does not have a community action program-specific client appeal and hearing procedure.

[ARC 6101C, IAB 12/29/21, effective 2/2/22]

**421—21.15(216A,PL97-35) Further criteria.** The Iowa CSBG State Plan and Application and the Iowa CSBG Policies and Procedures Manual are incorporated by reference as part of these rules. If any rule in this chapter conflicts with federal law or rules, federal law or rules shall prevail.

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These rules are intended to implement Iowa Code chapter 216A and P.L. 97-35.

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