



**Department
of State**

Community Services Block Grant
**Program and Fiscal
Monitoring Processes
and Guidelines**

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Overview

The Community Service Block Grant (CSBG) addresses the causes and conditions of poverty in communities. Through a network of Community Action Agencies, Community Action Programs, and Limited Purpose Agencies, called Eligible Entities, along with Community-Based Organizations and Native American Tribes, a range of services are provided to meet the needs of low-income New Yorkers in all of New York's 62 counties. The New York State Department of State (DOS) provides direction and support to local eligible entities to ensure that comprehensive services are provided.

As the CSBG administering agency, DOS establishes goals and objectives which guide program evaluation, monitoring, and oversight. The DOS Division of Community Services (DCS), in partnership with the Department of State Bureau of Fiscal Management (Fiscal) and the Office of General Counsel (Legal), ensures compliance with Federal and State statutes, laws, policies and procedures, and the executed contract. DCS is the primary liaison with Eligible Entities, Tribes, and Community Based Organizations (CBOs), collectively referred to as eligible entities, by monitoring programs and offering training and technical assistance. Fiscal provides financial contract oversight, auditing, and the monitoring of fiscal expenditures related to CSBG funds.

Program and Fiscal Monitoring

In accordance with Public Law 105-285, Section 678B, codified at 42 U.S.C. 9914, as amended, DOS will conduct monitoring activities to determine whether eligible entities meet the requirements of CSBG. Monitoring includes reviews to ensure compliance with provisions of the U.S. Department of Health and Human Services' (HHS) annual grant award, the New York State Contract for Grants, New York State and federal laws, the CSBG State Plan, the Uniform Guidance applicable to CSBG, federal and state policies, Generally Accepted Accounting Principles (GAAP), subrecipients' policies and procedures, and audit requirements for federal awards. Monitoring for compliance with these requirements takes several forms. DOS will provide training and technical assistance to facilitate compliance with requirements and support expanding the eligible entities capacity.

DOS implements a four-pronged approach to monitoring. The first prong consists of periodic monitoring visits (which may consist of onsite and/or desk reviews). The second prong is the federally mandated, triennial, comprehensive assessment process known as the triennial review. The third is an annual review of federally established Organizational Standards called the Annual Compliance Review of Organizational Standards (ACROS). The fourth prong consists of fiscal monitoring which is conducted through reviews of agency books and records, and review of reports and audits.

General Responsibilities

Monitoring, comprehensive assessment and organizational compliance reviews are conducted by Community Services Program Analysts (PA) and Senior Accountants, also known as Fiscal Field Representatives (FFR), assigned to individual eligible entities. DOS staff will conduct monitoring, along with desk reviews of the eligible entities during the contract year. Monitoring is designed to provide DOS access to eligible entities programs, services, documents, and records along with the provision for technical assistance and training. Desk reviews of documents, reports, and expenditures will complement visits throughout the year. These reviews may consist of, but are not limited to, the program and fiscal activities as defined below.

Program Monitoring Activities

While DOS is tasked with ensuring that all eligible entities receive CSBG funds are in compliance with federal and state requirements, DOS also strives to assist eligible entities to identify and provide optimal services to help New York residents, families, and communities address the causes and conditions of poverty. DOS utilizes a variety of tools and activities to monitor the eligible entities. These are designed to gather relevant information to assist in monitoring the performance of the eligible entities funded through New York State's CSBG allocation. Monitoring activities include determining overall compliance with executed contracts, assessing outcomes, and providing targeted technical assistance as needed.

Starting in FFY 2024, DOS incorporated the use of a statewide document portal to streamline the processing of quarterly

reports and documents utilized during routine monitoring or as part of the annual and triennial assessments. The portal allows eligible entities to bypass email limitations and third-party vendors to upload documents in a secure user-friendly manner.

Planned DOS Model of CSBG Monitoring for Eligible Entities

In response to the feedback provided by the New York State network of CSBG eligible entities, DOS has continued to work to reduce redundancies and duplication while striving to increase direct training, technical assistance, and consistency in overall monitoring. DOS remains focused on assisting the eligible entities in achieving and maintaining full operational compliance as identified within the annual and triennial assessments along with CSBG (NYS DOS) funded contracts on a triennial (3-year) basis. The assessment tools will be implemented as follows:

- *Triennial Assessment:* DOS will schedule a triennial assessment on the same 3-year schedule as previously established. Those eligible entities that have a triennial assessment scheduled during the federal fiscal year will also be required to submit documentation needed to support the National Organizational Standards.
- *Annual Assessment:* Eligible entities that do not have a triennial assessment scheduled for the federal fiscal year will be required to submit documentation needed to support the National Organizational Standards on or before March 31 of that year.

Training and technical Assistance (T&TA)

DOS is committed to supporting the needs of the eligible entities receiving CSBG funding. There may be times when DOS will need to address issues of compliance by providing training and/or technical assistance to an eligible entity. Any identified area(s) of non-compliance will be outlined in a Technical Assistance Plan (TAP). DOS, in partnership with the eligible entity, will utilize the TAP to assist with meeting area(s) of non-compliance with all assessment standards. DOS may choose to seek additional partnership (consultants) when specialized training and/or technical assistance is identified.

Planned Monitoring

DOS determines the monitoring of the eligible entities based upon the annual Risk Assessment Tool. As part of the Risk Assessment Tool, the final annual or triennial review score is considered when the number of monitoring visits for the eligible entity's contract period is determined. The eligible entity receives an Individual Monitoring Plan (IMP), to inform the number of visits required during the contract period.

- DOS has the discretion to adjust the number of monitoring visits based upon potential identified risk and lack of performance.
- DOS will continue to follow up on the TAPs until all "Not Met" assessment standards are resolved, or;
- The TAPs will be closed out prior to initiating the next annual/triennial review period.
- *Onsite monitoring:* May be conducted to provide training and technical assistance, as needed, for each eligible entity to achieve full compliance with the annual or triennial assessment standards, and CSBG contract requirements. Follow-up will be provided on any outstanding TAPs, areas of ongoing compliance or other reporting documents/submissions, as needed.
- *Virtual monitoring:* May be conducted to provide training and technical assistance in specific areas or as follow-up monitoring, as needed.
- *Supplemental monitoring:* May be conducted on areas of ongoing compliance (Ex. DOS may follow up to ensure eligible entity adherence to new policies/procedures, etc.), contract documents to be processed (Ex. technical assistance provided by DOS to resolve issues with amended budgets and work plans, etc.), quarterly reports (Ex. changes in key personnel, line of credit updates, etc.), CSBG Annual Report (Ex. technical assistance provided by DOS for corrections/clarification, etc.), and in conjunction with the review of annual and triennial assessments (Ex. board vacancies that do not impact tripartite compliance, technical assistance to strengthen compliance, etc.).

DOS Model of CSBG Monitoring for Discretionary Funded Entities

DOS will utilize onsite and virtual monitoring for CBOs and Tribes funded under discretionary contracts. Typically, DOS' monitoring of discretionary funded entities will not include tripartite board composition requirements, completion of the annual or triennial assessment, completion of the Fiscal and Program Quarterly Attestation Form, issuance by DOS of an Individualized Monitoring Plan (IMP), and submission of the Unaudited Financial Statements. DOS will assess these entities for risk of noncompliance through the vendor responsibility analysis, conducted as part of contract execution. DOS will provide training and technical assistance to assist all entities in achieving required CSBG and/or contractual compliance. DOS will monitor entities using the following guidelines, but may adjust its monitoring practices to ensure the entities successfully performs the contract:

- *Discretionary contracts funded for a period of less than 120 days:* The assigned PA will monitor the entities performance based on the final report summary and payment vouchers. Follow-up will be conducted as needed.
- *Discretionary contracts funded for a period of more than 120 days but less than 12 months:* The PA will conduct a minimum of one onsite monitoring visit during the contract period and monitor the entities performance based on quarterly reports and payment vouchers. The PA will identify and communicate concerns to DOS leadership should an entity fail to comply with contractual or CSBG requirements.
- *Discretionary contract funded for 12 months or more:* The assigned PA will conduct a minimum of two monitoring visits during the contract period and monitor performance based on quarterly reports and payment vouchers submitted by the entity. The PA (and DOS FFR, if needed) will provide training and technical assistance to assist the entity in achieving required CSBG and/or contractual compliance. The PA will identify and communicate concerns to DOS leadership should an entity fail to meet contractual or CSBG requirements.

DOS monitoring requirements apply to all CSBG eligible entities. Native American Tribes or Community Based Organizations (CBO) receiving discretionary funding are not required to submit documentation and/or reports notated with an asterisk (*).

CSBG Program/Service Reviews

Program and service reviews are conducted for all contracts with CSBG funds. This is accomplished by reviewing the data provided in the Performance Progress Reports (PPR), through periodic observation of the programs in operation, and desk reviews of various documents such as those identified under the triennial assessment.

Monitoring activities will include, but are not limited to:

1. Conduct an annual review of the National CSBG Organizational Standards using the Annual Compliance Review of Organizational Standards (ACROS) tool with each eligible entity. Every third fiscal year, DOS will conduct a triennial review using the Triennial Review for Accountability and Compliance with Standards (TRACS) tool.*
2. Monitor eligible entities for compliance with tripartite board composition, appointment documentation, and bylaws. This will be conducted through a review of the annual DOS Board File Certification Form and Board Tracker in addition to the ongoing monitoring of board meeting minutes, documents, and board meeting observations.*
3. Review required reports submitted by eligible entity for accuracy, completeness and compliance. These reports include PPR, CSBG Annual Report*, Fiscal and Program Quarterly Attestation*, and Periodic Financial Reports.
4. Provide training, technical assistance, and information required for the eligible entity to satisfy all contract submission requirements, including but not limited to: CSBG allocations, CSBG Work Plan and Budget, amendments, NYS contract documentation (i.e., signature pages, attachments, etc.), CSBG Annual Report*, and processes (i.e., Vendor Responsibility Questionnaire compliance, payment, etc.).
5. Meet with the eligible entity to discuss changes, challenges, and improvements in functional areas (i.e., customer input & involvement, community engagement, community assessment*, organizational leadership, board

governance*, strategic planning*, human resource management*, fiscal operations and oversight, along with data and analysis) that may have impact on organizational operations.

6. Monitor the quality of reporting systems needed for data on CSBG reports (PPR and Annual Report*).
7. Collaborate with DOS Fiscal and Legal personnel to assess the eligible entity's responsibility as vendors and training and technical assistance needs.
8. Participate in CSBG-funded or related conferences and regional meetings to disseminate and collect CSBG, State contracting, data collection, and related information.
9. Assess performance submitted on the quarterly reports by the eligible entity.
10. Assess income eligibility of participants enrolled in CSBG programs, services, and activities.

CSBG Income Eligibility of funded Services, Programs, and Activities

DOS monitors all eligible entities to ensure that they use the federal poverty guideline as a criterion of eligibility for CSBG funded services, programs, and activities. DOS' Information Memorandum (IM), "Determining Income Eligibility for CSBG Funded Activities and Programs", dated 4/17/2023 (**Attachment 1**), provides guidance on how eligible entities are required to apply this eligibility standard when using CSBG funds. This IM will be updated by DOS as the CSBG Act or the Consolidated Appropriations Act language changes regarding CSBG income eligibility, as necessary. Please see [Reports, State Plans and Guides | Department of State \(ny.gov\)](#).

Program Monitoring Assessment & Reporting Tools

As mentioned above, DOS utilizes a number of monitoring tools to identify areas of concern and items of potential risk that may require increased monitoring. The recommended minimum number of DOS DCS monitoring visits for each contract period is two*. Based upon the scoring of the annual Risk Assessment Tool, which includes scoring from the annual (ACROS) and/or triennial (TRACS/STAR) assessment, and potential areas of concern identified by DOS fiscal and legal, DCS develops an IMP for each eligible entity at the beginning of the contracting period to identify the number of planned monitoring visits required for the program year. The frequency of visits conducted by DCS may be increased if potential risk is noted during monitoring visits and is at the discretion of DOS. DOS Fiscal will continue to conduct monitoring visits based on the need to review financial documentation related to CSBG payments or reimbursements.

Risk Assessment Tool* (**Attachment 2**)

Annually, DOS utilizes the Risk Assessment Tool to provide an analysis of the overall health and capacity of the eligible entity. The Risk Assessment Tool allows DOS to analyze the following:

- Reports submitted timely and/or any requested extensions for submission
- Note any identified Finding and/or Deficiencies regarding CSBG, notice of any corrective action or significant deficiencies identified from other programs and/or funders, any issues identified on the Single Audit, any flags identified on the Vendor Responsibility Questionnaire (VRQ), and Any loss of funding due to non-compliance
- Consideration of Federal allocation above \$750,000, and DOS Fiscal Monitoring Frequency Assessment score
- Annual and/or triennial assessment scores

Once a final analysis of risk is completed DOS develops an Individual Monitoring Plan (IMP) that is shared with each eligible entity prior to the start of each new contract period.

Individual Monitoring Plan (IMP)* (**Attachment 3**)

After the analysis of the Risk Assessment Tool, an Individual Monitoring Plan (IMP) is developed and shared with each eligible entity prior to the start of each new contract period. The purpose of the IMP is to establish and define monitoring activities to facilitate

an effective partnership between the eligible entity and DOS during the contract period. The tailored monitoring plan determines the purpose of visits and will ensure compliance in the administration of the CSBG and supporting contract; technical assistance, and training needs as defined within the Technical Assistance Plan (TAP); and the minimum number of program and fiscal visits. Additional visits may be conducted based on monitoring outcomes observed throughout the monitoring cycle.

Grantee Services Contact Report (GSCR) (Attachment 4)

DOS utilizes the GSCR to document monitoring visits and capture the essence of the activities, programs and/or services delivered utilizing CSBG. PA's have general discussions with eligible entity leadership and CSBG responsible personnel. General discussions may include key new hires, new programming or initiatives, loss of funding, overall updates on operations, and any challenges faced by the eligible entity. PA's follow up on current contract related activities, amendment requests, concerns noted on the attestation, and cash flow issues and/or use of line of credit. Additional conversations regarding board governance, tripartite compliance, board vacancies, annual and/or triennial assessment scores, and follow up on previous audits/visits are captured so that technical assistance can be provided. PA's review programs utilizing CSBG funds and ensure client eligibility documentation is accurately captured and documented according to the eligible entity's process. PAs provide an analysis of all submitted reports, including the CSBG Annual Report, and discuss changes or concerns with the eligible entity. PAs are responsible for providing the eligible entity with any training and technical assistance that may address identified needs and/or at the request of the eligible entity.

The GSCR, following review and approval by the DCS management team, will be issued to the eligible entity within 60 days of the monitoring activity (or last activities) captured within the report.

Supplemental Monitoring Report (SMR)

With the transition and implementation of a new triennial assessment tool (STAR), DCS plans to utilize the Supplemental Monitoring Report (SMR), which will replace the Grantee Services Contract Report (GSCR). The SMR will allow follow up on areas not included within the triennial assessment (STAR) such as monitoring for ongoing tripartite board compliance, board meeting observations, contract and amendment interactions, CSBG work plan or budget planning, quarterly reporting, update(s) on the organization, other funder changes, new and terminated grant awards, and to monitor the status of applicable Observations, Findings or Deficiencies.

The SMR, following review and approval by the DCS management team, will be issued to the Eligible Entity within 60 days of the monitoring activity (or last activities) captured within the report.

Quarterly Reports submitted by Eligible Entities

- **Fiscal and Program Quarterly Attestation Form* (Attachment 5):**
 - The Fiscal and Program Quarterly Attestation form provides updated information to DOS on the eligible entity's status in the areas of fiscal, governance, administration, and reporting. Following a desk review, the PA or FFR will follow up as needed on the information provided.
 - Due date: This completed form is due to DOS 30 days following the end of each quarter.
 - The eligible entity must provide a copy of the Fiscal and Program Quarterly Attestation form to its board of directors.
- **Performance Program Report (PPR) and PPR Narrative – Eligible Entities* (Attachment 6):**
 - The PPR is a compilation of four (4) sections of the Community Action Plan (Attachment C, Section C-2), which consist of all pages contained within:
 1. C-2a – WP Capacity Building, which describes activities to increase agency/community capacity.
 2. C-2b – WP Agency Partners, which describes types of partnerships to be developed during the contract period.
 3. C-2c – Work Plan and PPR describes programs, services, and activities provided by the agency to

address CSBG objectives (may include non-CSBG funded programs, services, and activities).

4. C-2d – PPR Narrative describes anomalies identified each quarter in outcomes reported within the PPR.
 - It is the responsibility of the CSBG-funded entity to ensure that the PPR narrative explains each program’s progress or challenges in meeting the planned outcomes as instructed on the form.
 - Due Date: The PPR and PPR narrative sections are due to DOS 30 days following the end of each quarter.

Other reports may be required as directed by NYS. Additional reporting will be communicated to eligible entities as part of contract requirements or other guidance required by Federal funders or as required to support administration of grant funds.

- **Performance Program Report (PPR) or Contract Summary – Tribes and Discretionary funded Entities (Attachment 7):**
 - The type of quarterly outcome data report used depends on the type, amount, and contract period of discretionary funding received. Discretionary funded work plans (Attachment C) that include a:
 - PPR (includes columns for quarterly data reporting) must be submitted 30 days following the end of each quarter during the contract period. “Narrative Justification for Project” requires a final written narrative to summarize the performance (including purchases) completed as part of the funded initiative. This narrative is due 30 days following the last funded date of the discretionary contract

Tripartite Board Compliance and Guidance

Tripartite Board monitoring requirement applies to all CSBG Eligible Entities* (DOS Tripartite Board Compliance and Guidance, **Attachment 8**).

Board List of Current Directors

Eligible entities are required to have on file with DOS a list of current directors on the board. With each new contracting period, each eligible entity submits the “Board of Directors and Officers” list as part of the refunding contract package. Eligible entities must promptly update the board list as changes occur and must provide documentation to DOS to support that the board is in compliance with their bylaws and CSBG tripartite board composition requirements.

Board Documentation

To effectively monitor board activities, DOS requires each eligible entity to share board documents that support board composition and establish, as required by 42 U.S.C. § 9910(a)(1), that the board, “fully participates in the development, planning, implementation, and evaluations of the program to serve low-income communities.” DOS requires that each eligible entity’s board promptly submit board and subcommittee meeting minutes, updated bylaws, organizational operations manuals, and board policies.

Attend Board and Committee Meetings

DOS staff will attend, at least annually, board meetings to observe board function and to share information. DOS may schedule additional visits with the board or board committees as determined by monitoring or training and technical assistance needs. DOS will complete the Board Meeting Observation section, in the GSCR, that documents observations of the meeting and include it with the Grantee Services Contact Report (GSCR) or Supplemental Monitoring Report (SMR).

Annual Board File Certification Form and Board Tracker (**Attachment 9**)

DOS monitors Board compliance by reviewing Director files to ensure that tripartite sector qualifications are adequately documented with the use of the Board File Certification Form and Board Tracker (i.e., low-income candidates are selected by low-income individuals and families, public officials are in office at the time of selection, all Directors are selected by the entity, bylaw language is consistent with CSBG federal legislation, etc.). It is the responsibility of the eligible entity to ensure that documents are maintained and shared with DOS to reflect the current board composition.

Fiscal Monitoring Activities

Fiscal Reviews

FFRs conduct both on-site visits and desk reviews for the primary purpose of monitoring the expenditure of CSBG funds and risks that may negatively impact CSBG programming. Monitoring includes a general review of the overall fiscal integrity of the eligible entity and an in-depth review of related books and records, and financial activities. Samples of an eligible entity's expenditures are tested for compliance with CSBG requirements.

For routine monitoring, the assigned FFR will contact the assigned eligible entity to schedule visits. Unannounced visits may be conducted. The number of visits to an eligible entity will vary and may change over the course of any period of time depending upon the results of the annual Fiscal Monitoring Frequency Assessment (FMFA) review, the needs of the eligible entity, and financial risks identified through any DOS monitoring activity.

FFRs will:

1. Complete a Fiscal Monitoring Frequency Assessment annually for each eligible entity.
2. Conduct a comprehensive review of expenditures of CSBG funds and agency financial practices to ensure compliance with all rules and regulations, and other provisions that apply.
3. Provide feedback on areas of concern related to contract requirements, allowable costs, and questioned or unallowable expenditures.
4. Conduct a general review of the overall fiscal integrity of the eligible entity.
5. Follow-up on concerns noted in the quarterly Fiscal and Program Attestation.
6. Provide guidance regarding CSBG forms and reports and contract requirements to eligible entity fiscal staff and board and finance committee members, as needed.
7. Provide feedback to PAs regarding findings, and other areas of concern that may impact compliance with the executed contract.
8. Review refunding applications, contracts, amendments, financial reports, unaudited financial statements, and state and federally required reports.
9. Conduct the triennial review.
10. Prepare a GSCR-F after each monitoring visit. Upon finalization, distribute the GSCR-F to the eligible entity's Executive Director, Finance Director, Board Chair and appropriate DOS staff.

To achieve the general monitoring responsibilities noted above, The FFR will conduct reviews of the eligible entity's books and records. Documents to be reviewed may include, but are not limited to:

- revenue and expenditure reports
- general ledger transaction detail
- payroll registers and allocation reports
- time sheets and corresponding personal activity reports (PARS)
- agency and contract budgets
- bank statements and corresponding reconciliations
- indirect cost agreements/cost allocation plans
- invoices, cancelled checks, and other disbursement documentation.
- independent audit(s)
- tax filings
- insurance policies
- balance sheets, trial balances, aged payable and receivable reports
- Fiscal Policy and Procedure manuals

- board/committee meeting minutes and documents

Grantee Services Contact Report - Fiscal (GSCR-F) (Attachment 10)

Fiscal monitoring is documented within the GSCR-F form. FFRs will meet with staff during a visit to review expenditure and fiscal information in support of the executed contract. The GSCR-F is completed and returned to the eligible entity to demonstrate the status of the visit. Findings will be noted, and recommendations are made which will include deadlines for Eligible Entity response and/or correction in the form. Corrections or resolutions to findings are the responsibility of the Eligible Entity and should be communicated to the FFR as soon as possible.

Fiscal Monitoring Frequency Assessment (FMFA) Tool (Attachment 11)

A FMFA will be prepared by the FFR annually for each eligible entity. The purpose of the FMFA is to identify and assess areas of concern and items of potential risk that may require increased fiscal monitoring. The recommended minimum number of fiscal visits per year is two. Based upon the scoring of the FMFA or other issues identified through routine monitoring, this number may be increased to three, four, or more.

Annual Compliance Review

Annual Compliance Review of CSBG Organizational Standards (ACROS) (Attachment 12)

Not-for-profit eligible entities are required to comply with the 58 CSBG Organizational Standards identified in HHS Information Memorandum #138 (dated January 26, 2015, [CSBG IM #138 State Establishment of the Organizational Standards for CSBG Eligible Entities](#)). Public eligible entities must comply with 50 CSBG Organizational Standards. The State is required to verify compliance annually. In guidance to the states, HHS permits the states to verify compliance based on a desk review of a self-assessment conducted by the eligible entity. DOS encourages all eligible entities to use the CSBG Organizational Standard Self-Assessment Tool created by the National Community Action Partnership (NCAP) in preparation for submission of all documents supporting compliance with the CSBG Organizational Standards. The tools can be located in the following links:

- Private: https://communityactionpartnership.com/publication_toolkit/organizational-standards-state-assessment-tool-for-private-cees/
- Public: https://communityactionpartnership.com/publication_toolkit/organizational-standards-self-assessment-tool-for-public-cees/

Beginning in FFY 2024, DOS piloted the use of SharePoint to allow Eligible Entities to submit ACROS documentation. This option was available to all eligible entities in FFY 2025 and will continue in FFY 2026 and 2027. Eligible entities will continue to be required to submit documentation to substantiate compliance that will be reviewed by the assigned PA and FFR. Once the ACROS review is completed by DOS, a report will be issued to the eligible entity. If applicable, eligible entities will have until September 30 each year to submit documentation to substantiate Standards that are “Not Met” in DOS’ initial review. DOS will develop a Technical Assistance Plan (TAP) for each “Not Met” Standard to help the eligible entity meet the Standard.

During FFY 2026 and 2027, DOS will continue to provide training and technical assistance to eligible entities. DOS will communicate all updates with eligible entities through email, the DOS Newsletter, and announced trainings and network meetings.

Organizational Standards trainings, provided by DOS in partnership with the New York State Community Action Association (NYSCAA), are available at the following links:

- [Part 1- History and How to Submit](#)
- [Part 2 - Maximum Feasible Participation](#)
- [Part 3 - Vision and Direction](#)
- [Part 4 - Operations and Accountability: Financial Operations and Oversight](#)

- [Part 5 - Operations and Accountability: HR and Data](#)

State Triennial Review

Triennial Review for Accountability and Compliance with Standards (TRACS) (Attachment 13)

Purpose

The TRACS was designed by DOS to comply with the CSBG Act, §678B, *codified* at 42 U.S.C. 9914, which requires each state to conduct a full review of each eligible entity at least once during each three year period, and to assess compliance with the CSBG Organizational Standards put forth by the United States Department of Health and Human Services (HHS) in Community Services Block Grant (CSBG) Information Memorandum #138 (dated January 26, 2015). The TRACS was created in consultation with representatives from NYSCAA, the CSBG Advisory Council, and several Community Action Agencies (CAA). The TRACS was shared with all NYS eligible entities in March 2015 for review and comment.

Currently, DOS is utilizing the TRACS to serve as the triennial assessment tool to comply with the CSBG Act, §678B, *codified* at 42 U.S.C. 9914. In an ongoing effort to reduce administrative burden and eliminate redundancies, DOS is working to transition from the TRACS assessment tool to the State Triennial Assessment & Review Tool (STAR).

The transition to the STAR tool is planned for FY2027, and intends to replace the current TRACS tool, once finalized and approved for use. DOS plans to release the STAR document, prior to implementation, for feedback and comments from the network.

State Triennial Assessment & Review (STAR)

Purpose

The STAR is being designed by DOS to comply with the CSBG Act, §678B, *codified* at 42 U.S.C. 9914, which requires each state to conduct a full review of each eligible entity at least once during each three-year period, and to assess compliance with the CSBG Organizational Standards. The STAR is intended to replace the Triennial Review and Accountability for Compliance of Standards (TRACS) once finalized and approved for use by DOS. The Organizational Standards are assessed annually by DOS (See Annual Compliance Review of the Organizational Standards).

The STAR is being created in consultation with representatives from NYSCAA, the CSBG Advisory Council, and several CSBG eligible entities who participated in the CSBG Monitoring & TRACS workgroups from FFY's 2021 through 2025. Based on feedback from the network in an effort to streamline, the focus of the new triennial assessment tool is to ensure compliance with New York State legislation, regulations, contracting requirements and CSBG network workgroup recommendations in all areas of organizational operations. Each State Standard is accompanied by specific guidance and recommended documentation, and related activities that will identify how each State Standard can be classified as "Met."

Triennial Assessment Process

Prior to a triennial assessment, DOS will send blank TRACS/STAR form to the CEO and board chair of the eligible entity. The eligible entity is responsible for gathering responsive documentation to support each standard. Within each standard there is a list of document examples that may assist in demonstrating compliance. Eligible entities may provide any document to demonstrate compliance and may do so onsite or prior to the assessment date. DOS will review the documents submitted for each standard to verify whether they have been met. While on-site DOS may request additional documents to assess an eligible entity's compliance with the Standards.

DOS may pursue additional electronic options to facilitate the exchange of documents for monitoring assessments. Incorporating the triennial assessment into a shared electronic document portal may involve revisions to the process detailed above.

Rating

Ratings are based on the percentage of compliance documented compared to the total number of applicable standards, which were determined to be “Met” or “Not Met”.

Reports

Within 60 days following the last date DOS was onsite, DOS will distribute a report to the eligible entity with the status of each Standard.

Follow Up

During the triennial assessment process, if an eligible entity has “Not Met” a Standard, a Technical Assistance Plan (TAP) will be developed in partnership with the eligible entity and approved by DOS. This may include, but is not limited to, identifying T&TA resources and outlining a time frame for the eligible entity to meet the standard(s). The TAP may also provide a listing of requirements and/or recommendations for each “Not Met” area of compliance. DOS will verify the eligible entity’s progress in carrying out the recommendations in the plan during visits.

If appropriate, DOS may initiate action in accordance with section 678C of the CSBG Act (42 U.S.C. § 9915), including issuance of a Notice of Deficiency and the establishment of a Quality Improvement Plan (QIP) with clear timelines and benchmarks for progress.

In the event that, based on its assessments of the eligible entity, DOS determines the eligible entity is moving toward meeting the identified standards, under a technical assistance plan, QIP, or other oversight mechanism, and no ongoing significant deficiencies or material weaknesses have been noted, DOS may continue to constructively engage the eligible entity to meet the areas of compliance as required.

Technical Assistance Plan (TAP)

As a result of any “Not Met” standards from the annual or triennial assessment, a Technical Assistance Plan (TAP) is developed. DOS, in partnership with the eligible entity, will utilize the TAP to provide support and follow up on any “Not Met” standards that are needed to maintain and achieve full compliance.

During the TAP process, DOS is committed to supporting the needs of the eligible entity and will provide any T&TA needed to address the “Not Met” standards.

Identifying and Reporting Significant Issues Involving CSBG Eligible Entities:

Process for Identifying and Reporting Observations, Findings, and Deficiencies.

There are three classifications for issues that may require special attention and further action that are identified during a monitoring visit or through other means by the PA and FFR: Observations, Findings, and Deficiencies. To determine proper classification and response, consultation may be needed with Program and/or Fiscal Supervisors and DOS legal counsel. Supervisors and legal counsel are consulted as a matter of course any time non-compliance is found, and a Notice of Deficiency (NOD) is considered.

Observations (*Training and Technical Assistance/Recommendation of Practice change or improvement*)

An Observation is not a violation of laws, regulations, cost principles, contracts, State Plans, or policies. Observations require attention because they may be opportunities to mitigate risk or may lead to Findings or Deficiencies. DOS will provide training, technical assistance and/or recommendations that will assist eligible entities in addressing the Observation. An example of an Observation may be the need to adopt an internal control procedure to mitigate the risk of the misuse of funds.

DOS has also provided a grace period, referred to as an Observation, for the initial 90 days following a board vacancy that

may impact CSBG Tripartite Compliance (see the Tripartite Board Compliance and Guidance, **Attachment 8**).

DOS will notify, via email, the eligible entity when a vacancy is identified that impacts the Tripartite Compliance. The email notification will include the date the vacancy occurred and when the Observation period to fill the vacancy will end. It is the eligible entity's responsibility to immediately notify DOS of any board vacancy and the plan to fill the vacancy.

Findings

Findings are minor or short-term violations of laws, regulations, cost principles, contracts, State Plans, or policies. Generally, Findings can be corrected by an eligible entity through simple actions and have not existed longer than ninety days. Findings will be documented on the Finding Report Form (**Attachment 14**). A Finding may also be memorialized in a Letter of Concern. If appropriate, DOS may provide or arrange for training and technical assistance to address the Finding. Eligible entities are expected to correct a Finding within the timeframe documented on the Finding Report Form.

For example, a FFR may note a small, immaterial disallowance. The eligible entity then removes the cost from the CSBG ledger and charges it to an appropriate funding source within the timeframe requested.

An eligible entity that is not able to correct a Finding within the required timeframe may submit a time extension request, using the Finding Form, providing a brief explanation as to why a time extension is needed and the anticipated date of correction. DOS, in its sole discretion, may extend the time in which an eligible entity has to correct a Finding. Findings that proliferate or remain uncorrected may become Deficiencies.

Deficiencies

Deficiencies are substantial or long-term violations of laws, regulations, cost principles, contracts, State Plans, or policies. Generally, Findings that have persisted longer than 180 days without substantial improvements may become Deficiencies. Other examples of Deficiencies include a significant material disallowance, fraud, or a material failure to deliver services in the contract's workplan.

DOS will address Deficiencies with eligible entities according to section 678C of the CSBG Act (42 USC § 9915) and HHS's Information Memorandum #116, Corrective Action, Termination, or Reduction of Funding ([IM #116 Corrective Action, Termination, or Reduction of Funding](#)). Deficiencies will be documented in DOS monitoring reports and will generally require a written Notice of Deficiency. A Notice of Deficiency will require the eligible entity to correct the Deficiency, discuss whether training and technical assistance is appropriate, and whether a Quality Improvement Plan will be required.

When DOS identifies a Deficiency with a Community-Based Organization (CBO) or Tribe, DOS does not need to proceed according to section 678C of the CSBG Act (42 USC §9915) and HHS's Information Memorandum #116. DOS may still consider providing training and technical assistance or opportunities for corrective action. DOS may also suspend or terminate the contract.

When an eligible entity corrects a Finding or Deficiency DOS will document its closure of the Finding or Deficiency. For Findings this will be accomplished through a determination on the Finding Report Form that the finding has been resolved and noted on the next DOS monitoring report.

When DOS provides an eligible entity with the opportunity to correct a Deficiency through a QIP, DOS will issue a letter to the eligible entity noting the successful completion of the necessary corrective action and resolution of the Deficiency.

The failure of an eligible entity to meet multiple areas of compliance, or in cases where one or more serious deficiencies (including but not limited to, contractual non-compliance, financial irresponsibility, failure to adequately provide services, conversion, fraud, corruption, or abuse) may reflect deeper organizational challenges and risk. In those cases, DOS must determine whether it may be necessary to take additional actions, including initiating action to reduce or terminate funding, in accordance with section 678C of the CSBG Act (42 U.S.C. § 9915; see also, CSBG IM 116, "Corrective Action, Termination, or Reduction of Funding," issued May 1, 2012).

The CSBG Funded Contract

Eligible entities are subject to the terms and conditions of the State of New York Contract for Grants. The contract's budget establishes a plan for expending funding under the awarded contract. The contract's workplan establishes the programs, activities, and services provided by the eligible entity.

All obligations must be incurred during the approved term identified on the face page of the State of New York Contract for Grants and must be consistent with the approved line-item budget and workplan. DOS is not liable for any deviation made by the eligible entity from the approved line-item budget. Eligible entities must submit a requests, to DOS, to amend the budget and workplan. DOS will review these requests and will provide a written response. Eligible entities will have the opportunity to request budget amendments at the end of each budget period upon review of unaudited financial statements or financial reports if variances are identified. All amendments must comply with allowable costs and must support approved programming.

Minority and Women Owned Business Enterprises

Article 15-A of the New York State Executive Law, as amended, authorized the creation of a Division of Minority and Women's Business Development to promote employment and business opportunities on state contracts for minorities and women. This law supersedes any other provision in state law authorizing or requiring an equal employment opportunity program or a program for securing participation by minority and women-owned business enterprises. Under this statute, State agencies are charged with establishing business participation goals for minorities and women. The Department of State administers a Minority and Women-owned Business Enterprises (MWBE) Program as mandated by Article 15-A.

While not required for federally funded grants, grantees may engage certified MWBEs in the purchasing of commodities, services and technology in the performance of their contracts with the Department. If MWBE utilization is obtained, a quarterly MWBE utilization report (Form F – **Attachment 15**) may be submitted to the Department with information of the utilization percentage achieved during that quarter. Contractor Reporting Forms are found at: <https://dos.ny.gov/supplier-diversity>.

Questions regarding this program should be directed to the Department's Minority and Women-owned Business Program by calling (518) 474-2754 or emailing dos.sm.mwbe@dos.ny.gov. Potential contractors can access the NYS Directory of Certified Minority and Women-owned Business Enterprises on-line through the Empire State Development website at <https://ny.newnycontracts.com>. The Department makes no representation with respect to the availability or capability of any business listed in the Directory.

NYS CSBG Annual Federal Funding

NYS DOS must receive a Notice of Award (NOA) from the Department of Health and Human Services (HHS), Administration for Children and Families (ACF) before any disbursement of CSBG federal funds. During some years, and depending on when the federal budget is approved, DOS may receive NOAs that represent federal payment allotments for part of the Federal Fiscal Year (October 1 through September 30). The total CSBG grant awarded to New York State is dependent on the final NOA issued each fiscal year. There have been instances when the release of the final NOA has been delayed, until later into the fiscal year, resulting in end-of- year budget adjustments for CSBG eligible entities. With this in mind, DOS is committed to communicating the status of NYS CSBG annual funding (NOA) to all eligible entities throughout each year.

In recent years, final approval of the annual federal budget has been delayed, and it was necessary for Congress to pass Continuing Resolutions (CR) to keep the government running temporarily until a final federal budget was approved. When a CR is in place, the NOA for CSBG will only grant federal payment allotments for the period of time specified by the CR. Once the NOA is received for the period covered by the CR, DOS will make payments to the eligible entities consistent with the amount of funding allocated in the NOA.

NYS Annual State Budget

New York State’s fiscal year begins April 1 and ends on March 31. When approval of the State’s budget does not occur by April 1, it may be necessary for the State Legislature to pass “extender” bills to ensure government, essential services and schools receive payments to continue operations until the budget is approved and executed. Unless included in the language of each “extender” bill, payments to state contracts, including CSBG, may be held until the budget is executed. Eligible entities with approved contracts who may experience “hardships” due to the delayed approval of the state budget, may submit a request for payment or expedited payments to DOS at any time.

Contract Refunding/Amendment Process

DOS monitoring includes compliance with timelines for administrative processes, including contract development and execution. The Refunding Application package, as allowed by executed contract terms and conditions, contains all required federal and state forms and documents. The refunding package is sent to the eligible entity and technical assistance is provided as needed. Payment cannot be made on a contract until the refunding process is complete and the contract amendment is executed. Similarly, contracts requiring amendment, generally of the budget or workplan, cannot receive funding for the amended budget line until the amendment is fully executed. DOS must comply with NYS Office of Comptroller requirements in all refunding and amendment processes. Eligible entities will receive training and technical assistance in the preparation of documents. Each document will have a due date; it is critical for eligible entities to comply with due dates to ensure timely flow of funding, and to prevent interruption in local services.

Federal Requests for Information

In the event that, a Federal entity (Office of Community Services, Office of the Inspector General, or any of its agents) requests information for the purpose of a federal investigation/audit, NYS DOS will permit and cooperate in accordance with Section 678D of the CSBG Act. Federal requests for information will first be acknowledged by the DOS Program, then reviewed by NYS DOS Program/Fiscal/Legal/Executive. Once the response has been approved for release, it will be submitted to the appropriate requesting federal authority.

Terms of Use

ACROS	Annual Compliance Review of Organizational Standards
ARU	Administrative Review Unit (contained within the DOS Division of Community Services which distributes and processes contracts, contract amendments and the CSBG Annual Report)
CBO	Community Based Organization (that receives CSBG discretionary funding)
CEO	Chief Executive Officer
CNA	Community Needs Assessment
CRU	Contract Review Unit (contained within the DOS Bureau of Fiscal Management)
CSBG	Community Services Block Grant
CSBG Workplan	NYS CSBG Community Action Plan
CSPA, PA	Community Services Program Analyst or Program Analyst
DCS	Division of Community Services
Discretionary Funds	CSBG Discretionary funds (up to 5% of the remaining funds from the CSBG Notice of Award allocation)
DOS	New York State Department of State

ED	Executive Director
Eligible Entity	A recipient of CSBG funds that receives a historical proportion of CSBG funds
Entity	Subrecipient Refers collectively to Eligible Entities, CBOs and Tribes that receive CSBG funds
FFR, Fiscal Rep	Fiscal Field Representative, Senior Accountant, DOS Bureau of Fiscal Management
FFY	Federal Fiscal Year
FPL or FPG	Federal Poverty Line or Federal Poverty Guidelines as determined by the U.S. Department of Health and Human Services each year
GSCR	Grantee Services Contact Report
GSCR-F	Grantee Services Contact Report – Fiscal
IMP	Individual Monitoring Plan
Low-Income Sector	Sector of the CSBG Tripartite Board composed of persons chosen in accordance with democratic selection procedures adequate that these members are representatives of low-income individuals and families in the neighborhood served
Organizational Standards	CSBG National Organizational Standards
PPR	Performance Progress Report (due 30 days after the end of each quarter within the contract period)
PPR – Narrative	Performance Progress Report Narrative (tab contained within the CSBG Work Plan Attachment C).
Private Sector	Sector of CSBG Tripartite Board composed of “officials or members of business, industry, labor, religious, law enforcement, education, or other major groups and interests in the community services”
Public Sector	Sector of CSBG Tripartite Board composed of “elected public officials, or their representatives”
QIP	Quality Improvement Plan
Quarter	The CSBG FFY is broken into four reporting quarters as follows: Quarter 1 (Q1) is October 1 through December 31; Quarter 2 (Q2) is January 1 through March 31; Quarter 3 (Q3) is April 1 through June 30; and Quarter 4 (Q4) is July 1 through September 30.
SMR	Supplemental Monitoring Report
STAR	State Triennial Assessment Review
T&TA	Training and Technical Assistance
TAP	Technical Assistance Plan
TRACS	Triennial Review for Accountability and Compliance with Standards

Attachments

(The following attachments should be used as examples only. The templates may have been updated. Please consult your PA if a blank template is needed for use.)

- Attachment 1** DOS Memo: Determining Income Eligibility for CSBG Funded Activities and Programs
- Attachment 2** Risk Assessment
- Attachment 3** Individual Monitoring Plan (IMP)
- Attachment 4** Grantee Services Contact Reports (GSCR)
- Attachment 5** Program and Fiscal Quarterly Attestation Form
- Attachment 6** Performance Program Report (PPR) & PPR Narrative – Eligible Entities
- Attachment 7** Performance Program Report (PPR) & Contract Summary – Tribes and Discretionary
- Attachment 8** DOS Memo: Tripartite Board Compliance and Guidance

- Attachment 9** Annual Board file Certification Form and Board Tracker
- Attachment 10** Grantee Services Contact Report – Fiscal (GSCR-F)
- Attachment 11** Fiscal Monitoring Frequency Assessment (FMFA)
- Attachment 12** Annual Compliance Review of Organizational Standards (ACROS)
- Attachment 13** Triennial Review for Accountability and Compliance with Standards (TRACS)
- Attachment 14** Finding Report Form
- Attachment 15** Minority and Women Owned Business Enterprise (MWBE) Form F