



DEPARTMENT OF HEALTH & HUMAN SERVICES

AUG 06 2009

Michael P. Starkowski
Commissioner
Connecticut Department of Social Services
25 Sigourney Street
Hartford, Connecticut 06106

ADMINISTRATION FOR CHILDREN AND FAMILIES
370 L'Enfant Promenade, S.W.
Washington, D.C. 20447

RECEIVED
State of Connecticut

AUG 11 2009

Dept. of Social Services
Commissioner's Office

Dear Mr. Starkowski:

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

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

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

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

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

Programmatic Changes

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

Funding Formula

Under Section 676(b)(8) of the CSBG Act, States may not terminate funding or reduce the proportion of funds received by an eligible entity pursuant to Section 675C(a)(1) of the CSBG Act below the proportion of funding the entity received in the previous fiscal year “unless, after providing notice and an opportunity for a hearing on the record, the State determines that cause exists for such termination or such reduction,” subject to Federal review as provided in section 678C(b) of the CSBG Act.

Construction

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

Nondiscrimination

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

Financial Management

Fiscal control and accounting procedures must be sufficient to: (1) permit preparation of reports required by the statute authorizing the CSBG and Recovery Acts; and (2) permit the tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of the CSBG or the ARRA statutes. Audits of CSBG expenditures must comply with the provisions of the Single Audit Act (Public Law 98-502 and 31 U.S.C. 7501-7507) as interpreted by the Office of Management and Budget Circular A-133, as amended. Provisions regarding audits are also contained in the Code of Federal Regulations at 45 CFR 96.31(a).

Loan Programs and Mortgage Assistance in CSBG

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

Risk Assessment for ARRA Funds

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

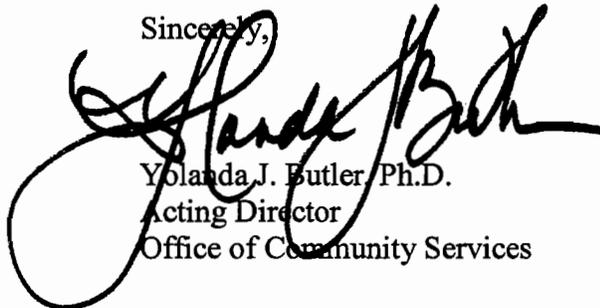
1) previous audit or monitoring findings; 2) internal controls and procedures; 3) statutory and regulatory compliance; 4) equipment and property; and 5) risk mitigation plans. Time frames and guidelines for risk assessments will be provided by OCS in an Information Memorandum (IM) document.

Quarterly Reports

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

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

Sincerely,

A handwritten signature in black ink, appearing to read "Yolanda J. Butler". The signature is fluid and cursive, with a large loop at the end.

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



**ADMINISTRATION FOR CHILDREN AND FAMILIES
COMMUNITY SERVICES BLOCK GRANT**
American Recovery and Reinvestment Act (Recovery Act) Funds

TERMS AND CONDITIONS (REVISED MAY 2009)

FISCAL YEAR 2009

October 1, 2008 – September 30, 2009

By acceptance of this award, the State, Tribe or Territory agrees to comply with the terms and conditions detailed below. Failure to comply with these terms and conditions may result in the loss of Federal funds and may be considered grounds for the suspension or termination of this grant.

This award is subject to the following terms, conditions and provisions:

PROGRAM STANDARDS

1. The provisions of Public Law 105-285, Title II – Community Services Block Grant Program, Subtitle B – Community Services Block Grant Program of the Community Services Block Grant Act, the provision of the current approved Community Services Block Grant State plan, including all approved amendments or revisions. OMB M-09-10, Initial Implementing Guidance for the American Recovery and Reinvestment Act of 2009.

ADMINISTRATIVE REQUIREMENTS

2. The following regulations from Title 45 of the Code of Federal Regulations (CFR):

45 CFR Part 16 – Procedures of the Departmental Grant Appeals Board;

45 CFR Part 30 – Claims Collection;

45 CFR Part 76 – Debarment and Suspension from Eligibility for Financial Assistance (Nonprocurement);

45 CFR Part 80 - Nondiscrimination Under Programs Receiving Federal Assistance through the Department of Health and Human Services, Effectuation of Title VI of the Civil Rights Act of 1964;

45 CFR Part 81 - Practice and Procedure for Hearings Under Part 80 of this Title;

45 CFR Part 84 - Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving Federal Financial Assistance;

45 CFR Part 86 – Nondiscrimination on the Basis of Sex in Education Programs and Activities Receiving or Benefiting from Federal Financial Assistance;

45 CFR Part 87 – Equal Treatment for Faith-Based Organizations;

45 CFR Part 91 – Nondiscrimination on the Basis of Age in HHS Programs or Activities Receiving Federal Financial Assistance;

45 CFR Part 93 – New Restrictions on Lobbying;

45 CFR Part 96 – Block Grants;

45 CFR Part 97 – Consolidation of Grants to the Insular Areas;

45 CFR Part 100 – Intergovernmental Review of Department of Health and Human Services Programs and Activities.

3. The following Circulars from the Office of Management and Budget (OMB):

OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the Single Audit Act of 1984, as amended.

4. Direct Federal grants, sub-awards, or contracts under this program shall not be used to support inherently religious activities such as religious instruction, worship, or proselytization. Therefore, organizations must take steps to separate, in time or location, their inherently religious activities from the services funded under this program. Regulations pertaining to the prohibition of Federal funds for inherently religious activities can be found on the HHS website at: <http://www.os.dhhs.gov/fbc/waisgate21.pdf>.
5. Federal grant funds provided under this award may not be used by the grantee or any sub-grantee to support lobbying activities to influence proposed or pending Federal or State legislation or appropriations. This prohibition is related to the use of Federal grant funds and is not intended to affect an individual's right or that of any organization, to petition Congress, or any other level of Government, through the use of other resources. (See 45 CFR Part 93.)
6. In accordance with Public Law 103-333, the "Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act of 1995," the following provisions are applicable to this grant award:

Section 507: "Purchase of American-Made Equipment and Products - It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made."

Section 508: "When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, all States receiving Federal funds, including but not limited to State and local governments and recipients of Federal research grants, shall clearly state (1) the percentage of the total costs of the program or project which will be financed with Federal money, (2) the dollar amount of Federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be financed by nongovernmental sources."

7. In accordance with Part C of Public Law 103-227, the "PRO-KIDS Act of 1994," smoking may not be permitted in any portion of any indoor facility owned or regularly used for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs wither directly or through State or local governments. Federal programs include grants, cooperative agreements, loans and loan guarantees, and contracts. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions or facilities and used for inpatient drug and alcohol treatment.

The above language must be included in any subawards that contain provisions for children's services and that all subgrantees shall certify compliance accordingly. Failure to comply with the provisions of this law may result in the imposition of a civil monetary penalty of up to \$1,000 per day.

8. This award is subject to the requirements listed in the enclosed terms and conditions. This award is subject to the requirements of Section 106(g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104). For the full text of the award term, go to: http://www.acf.hhs.gov/grants/award_term.html. The use of Federal funds from this award constitutes the State's acceptance of these terms and conditions.
9. Recovery Act funds may be used 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 fully self-sufficient.

SUB-RECIPIENTS AND VENDORS UNDER GRANTS

Sub-Recipients/Sub-Grantees and Vendors/Contractors

10. Sub-recipient/Sub-grantee and vendor determinations. States are required to determine recipient type when sub-granting or contracting using Federal funds. Recipient type includes sub-grantees/sub-recipients, vendors and contractors. OMB Circular A-133 establishes the standards for determining the difference between a sub-grantee and a vendor, based on the substance of the relationship with the State, rather than the form of the agreement.

A recipient is considered a sub-grantee and is subject to OMB Circular A-133 if it meets the following conditions:

- a. Determines who is eligible to receive what Federal financial assistance;
- b. Has its performance measured against whether the objectives of the Federal program are met;
- c. Has responsibility for programmatic decision making;
- d. Has responsibility for adherence to applicable Federal program compliance requirements;
- e. Uses the Federal funds to carry out a program of the organization as compared to providing goods or services for a program of the pass-through entity;

A recipient is considered a vendor and is not subject to OMB Circular A-133 if it meets the following conditions:

- a. Provides the goods and services within normal business operations;
 - b. Provides similar goods or services to many different purchasers;
 - c. Operates in a competitive environment;
 - d. Provides goods or services that are ancillary to the operation of the Federal program;
 - e. Is not subject to compliance requirements of the Federal program.
11. No organization may participate in this project in any capacity or be a recipient of Federal funds designated for this project if the organization has been debarred or suspended or otherwise found to be ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension." (See 45 CFR 92.35.) States must include a similar term and/or condition for all sub-awards or contracts awarded under this program. Prior to issuing subawards or contracts under this grant, the state must consult the ineligible parties list to ensure that organizations under funding consideration are not ineligible. The list is available on the Web at <http://www.epls.gov>.
12. The State is responsible for monitoring grant, sub-grant/sub-recipient and contract supported activities to assure compliance with Federal requirements and that performance goals are being achieved. Grantee monitoring must cover each program, function and activity. (See 45 CFR 92.40.)
13. States are required to advise sub-grantees/sub-recipients of requirements imposed on them by Federal laws, regulations, and the provisions of grant agreements or contracts as well as any supplemental requirements imposed by the State. These include grant administrative requirements and cost principles according to recipient type. For example, nonprofit subrecipients are subject to the cost principles at OMB Circular A-122; educational institution subrecipients are subject to those at OMB Circular A-21; and commercial organization vendors or subcontractors are subject to the cost principles under 48 CFR Part 31.

14. States must ensure that sub-recipients and sub-grantees expending more than \$500,000 or more in Federal awards during the sub-recipient/sub-grantee's fiscal year have an audit in compliance with the requirements of OMB Circular A-133.

FINANCIAL AND PROGRAM PROGRESS REPORTING

15. **In accordance with 45 CFR 96.30, ARRA status expenditure reports must be submitted quarterly using Short Form SF-269A. The report is due within 10 days after each the quarter had ended. Failure to submit reports on time may be the basis for withholding financial assistance payments, suspension or termination of funding. The final report is due within 90 days after the close of the applicable statutory grant period.**
16. Uses and restrictions for Recovery Funds differ from the uses and restrictions that apply to allotments to States from regular CSBG annual appropriations with regard to allowable State use of funds and the percentage of funds allocated to eligible entities. Recovery Funds cannot be used for discretionary activities and administrative costs are limited to one (1) percent of the funds for activities relating to the identification and enrollment of eligible individuals and families in Federal, State, and local benefit programs.
17. States must ensure all funds provided by the Recovery Act are clearly distinguishable from non-Recovery Act funds. As such States are required to track expenditures of these funds separately from their formula CSBG allotment.
18. In accordance with Action Transmittal OA-ACF-AT-01-05 (January 25, 2005), in lieu of paper copies, States are encouraged to submit their periodic financial reporting forms electronically, via the ACF On-Line Data Collection (OLDC) system.

States that elect to submit these reports in writing must send an original signature copy of Form SF-269A to:
Administration for Children and Families
Division of Mandatory Grants
370 L'Enfant Promenade, SW - 6th Floor East
Washington, DC 20447

19. Program progress reports should be submitted to:
Office of Community Services
Administration for Children and Families
U.S. Department of Health and Human Services
370 L'Enfant Promenade, SW
Washington, DC 20447

PAYMENT ARRANGEMENTS

20. Payments under this grant will be made through the Department of Health and Human Services' Payment Management System (PMS). Note: Recovery Act funds will be drawn down separately from the formula CSBG allotment. The State must comply with requirements imposed by the PMS on-line system. Please direct any questions concerning grant payments to the PMS at 1-877-614-5533.

NOTE: The U.S. Government Accountability Office (GAO) maintains **FraudNET**, a system for reporting allegations of fraud, waste and abuse under Federal grants and cooperative agreements. Reports are kept confidential; you need not provide your name. Information provided through the Internet web site is secure and all information is safeguarded against unauthorized disclosure.

To report the possible misuse of federal funds, the E-mail address is fraudnet@gao.gov ; the fax number is 202-512-3086 and the mailing address is GAO **FraudNET**, 441 G Street N.W., Washington, D.C. 20548. When you submit allegations, please provide as much detailed information as possible.