



**WYOMING DEPARTMENT HEALTH COMMUNITY SERVICES PROGRAM**  
122 West 25th Street, Suite 102E, Cheyenne, WY 82002  
(307) 777-8940

**Dated: July 1, 2024**  
**To: Community Services Block Grant (CSBG) Grantees**  
**From: Community Services Program**  
**Reference: CSP Policy #4: Redistribution, De-Designation and Close-Out**

**POLICY #4**

The Community Services Program (CSP), in accordance with the CSBG Act, assures that any CSBG Eligible Entity (EE) that received funding the previous fiscal year will not have its funding terminated or reduced below its proportional share except in the circumstances of a statewide redistribution of funds, voluntary relinquishment, or non-voluntary de-designation through failure to comply with State standards, requirements or the State Plan.

**Statewide Redistribution**

- A. CSP may determine that a state-wide redistribution of funds is necessary when:
  - 1. There are new census or other appropriate data results available.
  - 2. A new Grantee(s) is designated as an EE.
  - 3. To respond to severe economic or demographic dislocation or changes.
- B. In such instances, CSP shall provide the proposed changes to the allocation formula and the research behind the proposal at a public hearing. The public hearing may occur:
  - 1. At the same time as the legislative hearing, held once every three years.
  - 2. At the same time as the State Plan public hearing, held biannually.
  - 3. During a public hearing held specifically for this purpose.

**De-Designation**

- A. De-designation results from an EE voluntarily relinquishing its CSBG funds and designated area, from the termination of an EE (as detailed in the process noted below), or from another circumstance that prevents the EE from serving as the designated area’s community action agency. With termination, CSP no longer recognizes the former Grantee as eligible to receive future or continued CSBG funding.
- B. Voluntary Relinquishment of Eligible Entity Status
  - 1. Upon written notice that an EE has decided to voluntarily relinquish its EE status for a designated service area, CSP will initiate close-out procedures and formally report the change to OCS.

2. Notice of voluntary relinquishment should include a formal letter from the EE:
  - i. Stating the intention to “voluntarily relinquish” its EE status.
  - ii. The execution date of the relinquishment and service suspension.
  - iii. Signature by the Tripartite Board Chair.
  - iv. Attached Tripartite board meeting minutes documenting the board's decision to voluntarily relinquish their EE status.

C. Termination of Eligible Entity Status:

1. CSP may implement this policy when, based on monitoring, review, or investigation, a Grantee has failed in one or more of the following (Sections 676(c)(1)(B) and 676(c)(2)):
  - i. To comply with the terms of the WDH contract or State Plan.
  - ii. To provide CSBG services.
  - iii. To meet the State’s appropriate standards, goals, or other requirements, including performance objectives and Organizational Standards.
  - iv. To maintain the Tripartite Board Structure according to *Policy #2: Tripartite Board Size and Composition* and Section 676B of the CSBG Act.
  - v. Additionally, termination may be pursued when:
    - 1) The EE is engaged in fraudulent or illegal activity related to CSBG program management.
    - 2) The EE failed to act pursuant to a formal suspension of payment of CSBG funds.
    - 3) The EE maintained severe and/or persistent deficiencies in the management of the CSBG program.
2. Termination of the designation of an EE is pursued only when all attempts to resolve the issues through training and technical assistance, corrective action or Technical Assistance Plans (TAPs), and Quality Improvement Plans (QIPs) have been exhausted or are deemed not appropriate.
3. CSP shall document the basis for the determination and the specific deficiency or deficiencies that must be corrected. CSP shall also record any correspondence or other communications related to the determination of performance deficiencies and enforcement actions.
4. Examples of situations in which the CSP may determine that technical assistance, a TAP or QIP is not appropriate, as outlined in Information Memorandum (IM) #116, may include:
  - a. A deficiency for which the EE has the expertise and skills available within the organization to make corrective actions without assistance;

- b. A deficiency for which technical assistance has been previously provided and the EE has failed to institute corrective actions;
  - c. Multiple, widespread, and/or repeated deficiencies that cannot feasibly be addressed through technical assistance;
  - d. A deficiency that involves evidence of fraudulent reporting or use of funds, or other evidence of criminal wrongdoing and therefore presents a risk requiring immediate action.
5. In most instances, CSP expects deficiencies identified during routine monitoring or follow-up, review of organizational standards, or review of other compliance requirements to be addressed and resolved in a Technical Assistance Plan (TAP). In such cases CSP will provide an explanation of the non-compliance, will create a plan in partnership with the EE, and will support the EE in reaching compliance by providing directed training and technical assistance as deemed appropriate. TAPs must be resolved by the established date. EEs may request an extension by providing CSP with justification, progress made toward resolution, and a timeline for the extension. Extensions may be approved at the discretion of the CSP.
6. In instances in which the CSP has received whistle-blower complaints, referrals from a State or Federal investigative office, or evidence or suspicion of misuse of Federal or State funds, the CSP may suspend funds until a detailed review of actual expenditures has been completed or deficiencies have been resolved.
  - a. The withholding of funds will be determined on an individual basis, based on the seriousness of the circumstances.
  - b. In such an event, the EE will be notified in writing of CSP's intent to suspend payment of CSBG funds. The notification will identify the grounds for the suspension and may define the quality improvement necessary to resolve the suspension.
  - c. If the EE wishes to appeal the action and remove the suspension, it must submit a written request, via email no later than ten (10) business days after the issuance of the suspension notice to the CSP Program Manager.
    - i. The request must be signed by the EE signatory authority and chair of the Tripartite Board.
    - ii. The request must include what actions the EE has or will take to address the reasons for the suspension.
  - d. CSP will respond to the request with its decision within ten (10) days of receipt. The decision will include the reason for the continued suspension or for the removal of the suspension and any stipulations for such removal, if applicable.
7. In the event that CSP has determined there to be a significant or continued deficiency, in which a TAP has not been resolved or was deemed not appropriate, and cause exists for termination, CSP will take the following steps (Section 678C):
  - a. In writing, inform the eligible entity of the deficiency to be corrected, including the requirement that it be corrected and the date for completion.

- b. In writing, offer training and technical assistance, if appropriate, to help correct the deficiency and,
  - i. Submit to the Health and Human Services (HHS) Secretary, through the Office of Community Services, a report describing the training and technical assistance offered; or
  - ii. If the CSP determines that training and technical assistance are not appropriate, the CSP should submit to the HHS Secretary, through the Office of Community Services, a report describing the reason for the determination.
- c. In writing, provide the EE an opportunity to submit a Quality Improvement Plan (QIP) for CSP approval, if deemed appropriate.
  - i. The EE must develop the QIP within 60 days of being informed about the deficiency and receiving CSP approval to submit a QIP.
    - 1) The QIP will outline the actions that will be taken to correct the deficiency and a timeline for completion.
  - ii. The CSP, no later than 30 days after receiving the QIP, will inform the entity in writing of the CSP's:
    - 1) Approval of the QIP as submitted, or
    - 2) Required modification(s) to the QIP and the reason for the modification(s), or
    - 3) Denial of the QIP and the reason for the denial.
- d. If the QIP is either denied or approved/modified, but not completed on time, CSP will:
  - i. Provide notice of the failure to correct, if applicable;
  - ii. Provide notice of the initiation of termination or reduction in funding proceedings; and
  - iii. Provide the EE an opportunity to request a hearing prior to the final decision.
    - 1) If the EE does not request a hearing, the CSP will notify the eligible entity and OCS of the final decision to terminate or reduce funding.
    - 2) If the EE requests a hearing and it is determined that there is cause for termination or reduction in funding, the CSP will notify the eligible entity and OCS of the final decision to terminate or reduce funding.
- e. EEs notified of the final decision to terminate or reduce funding have the right to request a Federal Review within 30 days of the notice from the CSP, as outlined in IM #116 and in accordance with 45 CFR §96.92.

- i. If an EE does not request a Federal Review within the 30-day limit, the CSP's final decision will become effective immediately.
- ii. If an EE does request a Federal Review in accordance with the rules stated, CSP will provide to the OCS:
  - 1) A copy of the notice provided in advance of the hearing that includes the date of the notice and the date of the hearing;
  - 2) The name of the presiding hearing official;
  - 3) The name(s) of official(s) or individual(s) responsible for the determination of hearing findings or decisions (e.g. the CSBG State Official);
  - 4) The names of the individuals participating in the hearing; and
  - 5) Documentation of evidence presented at the hearing.
- iii. If an EE does request a Federal Review in accordance with the rules stated, CSP will not discontinue present or future funding, until:
  - 1) The OCS has had ninety days to review all necessary documentation provided by the CSP.
  - 2) The OCS has not completed its review within ninety days, at this point the CSP's final decision shall become effective immediately.

### **De-Designation Close-Out and Continued Requirements**

- A. When an EE experiences a status change as a result of voluntary relinquishment, termination, or other means, the previously designated EE shall be required to complete the CSP CSBG close-out procedures including facilitating an onsite visit by CSP personnel and completing the grant close-out tool.
- B. The agency must also do the following in accordance with 2 CFR 200.344:
  1. Retain CSBG client and personnel files in accordance with their file retention policies, or for at least three (3) years following the end date of the designation, whichever is longer
  2. Submit all financial, performance, and other reports as required by the contract's terms and conditions no later than 30 days after the end date of the designation, or an earlier due date if specified by CSP.
  3. Retain financial records, supporting documents, statistical records, and all other records pertinent to the CSBG grant for at least three (3) years from the date the final expenditure report is submitted.
  4. Liquidate all obligations incurred under the contract and return any unspent CSBG funds not later than 90 calendar days following the end date of the designation, or November 15 of that year, whichever is earlier.

5. Take all reasonable measures to:
  - a. Account for any real and personal property acquired with CSBG funds by providing CSP with property records that include a description of the property, a serial number or another identification number, the location, use, and condition of the property, and any other factors under 2 CFR 200.313; and to
  - b. Follow all disposition requirements for property with a unit cost of \$5,000 or greater as set by 2 CFR 200.313.
  - c. Comply with any requests for data or financial records by CSP or WDH for three (3) years following the end date of designation.
  - d. Facilitate the transfer of designation to a new agency for the unserved service area to the best of their ability.
6. Closeout occurs upon the final payment by WDH CSP to the agency for allowable reimbursable costs under the contract.
7. The closeout of the CSBG award does not affect any of the following:
  - a. The right of WDH CSP to disallow costs and recover funds based on a later audit or other review. WDH CSP must make any cost disallowance determination and notify the local government within the record retention period of 3 years. 6. Closeout shall be completed upon the final payment from WDH CSP for allowable reimbursable costs under the contract.
  - b. The obligation of the agency to return any funds due as a result of later refunds, corrections, or other transactions including final indirect cost rate adjustments.
  - c. WDH Audit Requirements.

### **Definitions**

- A. Proportional Share: The amount of non-discretionary CSBG funds an entity receives as a percentage of the funds administered to the State of Wyoming. An EEs proportional share is determined by the allocation chart and the awarded amount for the service area based on the established poverty level.
- B. Redistribution: A change to the allocation formula used to determine the proportional share of the CSBG funds distributed to service areas administered by the EEs.
- C. Voluntary Relinquishment: The voluntary choice by a CSBG EE to relinquish their EE status.
- D. Termination: The non-voluntary suspension of funding to and status of a CSBG EE.