



DEPARTMENT OF ECONOMIC SECURITY
Your Partner For A Stronger Arizona

Douglas A. Ducey
Governor

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Director

May 31, 2019

To: Community Action Network
From: Frank Migali, Deputy Assistant Director of Community Service Programs
Division of Aging and Adult Services
Subject: Community Service Block Grant (CSBG) and Low Income Home Energy
Assistance Program (LIHEAP) policy updates

The following ALERTS are attached:

<u>ALERT</u>	<u>FUND SOURCE/TYPE</u>
ALERT SFY-20-J1	Policy: General Policy 2019-2 - Advances of CSBG and LIHEAP Funding

ALERTS are available on the DAAS Website using the link: <https://www.azdes.gov/daas/alerts>. Scroll down to ALERTS at the bottom of the Webpage and select the respective ALERT. Community Action Programs and Services Policies and Procedures are available on the DAAS Website at the following link: <https://www.azdes.gov/daas/policy>.

Should you have any questions, please contact your assigned Contract Specialist, or Edward Chien at 602-542-3269

cc: Priscilla Kadi, Frank Migali, Cindy Saverino, Shelley Morgan, Edward Chien, Diana Gravett, Ben Kauffman, Bridget Casey, Matt Lecrone, and DAAS FSA Team, DAAS file



Division of Aging and Adult Services
ALERT

SFY-20-J1

**SPECIAL ALERT - Policy and Procedures
for SFY 2019 and 2020**

Policy and Procedure ALERTS are intended to notify Community Action Program (CAP) Agencies on newly developed, updated or revised Division of Aging and Adult Services (DAAS) Policies and Procedures. Please ensure that all appropriate CAP staff is provided with this information.

Background

Contracted agencies on occasion due to unexpected demand or other funding constraints, request to submit invoices to draw advance funding against their annual allocations. DAAS has historically evaluated and approved these requests on a case by case basis.

Summary

The purpose of the written policy is to codify DAAS policy and procedures for advance requests for CSBG and LIHEAP and to ensure consistent practice within the program. Attachment #J1.A contains a policy regarding advance reimbursement of allowable expenditures for the CAPS programs Community Services Block Grant (CSBG) and the Low Income Home Energy Assistance Program (LIHEAP) funds. The attached policy sets forth the responsibilities, parameters and timelines for the requesting agency and DAAS.

Implementation

This policy takes effect immediately.

Please direct any questions regarding the policies and procedures to Edward Chien at (602) 542-3269, or echien@azdes.gov.

DAAS/CAAPA
General Policy 2019-2:
Advances of Community Services Block Grant (CSBG) and Low Income Home Energy Assistance
Program (LIHEAP) Funding
Effective immediately

1.0 Definitions

- 1.1 "Advance" here refers to the advance disbursement of funds for future allowable expenditures to be incurred under contract.
- 1.2 "Agency" here refers to any organization which receives funding from the Division of Aging and Adult Services (DAAS) under a Scope of Work for Community Action Program Services, Weatherization, or Community Action Coordination.
- 1.3 "LIHEAP Voucher" refers to funds allocated for direct provision of services.
- 1.4 "LIHEAP Admin" refers to funds allocated for the purpose of administering the LIHEAP program (see CAAPA LIHEAP Policy 2019-1 for the definition of administrative costs).

2.0 Allowable Criteria for Advances

- 2.1 Agencies may request advances of CSBG and/or LIHEAP funding.
- 2.2 Requests for advances must be broken out by funding source and subtype (e.g. LIHEAP Voucher, LIHEAP Admin, etc.).
- 2.3 Requests for advances may not exceed one-twelfth of the agency's total allocation of that funding source for the year. For example, if an agency has been allocated \$120,000 of LIHEAP Voucher, \$12,000 of LIHEAP Admin, and \$60,000 of CSBG funds, then the agency may request an advance of up to \$10,000 for LIHEAP Voucher, \$1,000 for LIHEAP Admin, and \$5,000 for CSBG.

3.0 Procedure to Request Advances

- 3.1 Requests for advances should be submitted to the agency's designated DAAS Contracts Specialist.
- 3.2 Requests for advances must be submitted by June 30 of the current fiscal year in order to be considered for the upcoming fiscal year.
- 3.3 Requests for advances must be submitted on DAAS' provided template and include the following:
 - a. A description of the agency's "actual, immediate cash requirements" (cf. 2 CFR §200.305(b)(1)) in contrast to its cash position.
 - b. A description of how the agency will minimize the time elapsing between receipt of the advance and liquidation of that advance by the agency.
 - c. A recoupment plan that details when DAAS will recoup the funds advanced. All funds will be recouped within the same contract year in which the advance was made.

4.0 Resolution of Requests for Advances

- 4.1 Upon receipt of the request for an advance, within two weeks DAAS will either approve it, deny it, or notify the agency that additional information is needed.
- 4.2 Once DAAS approves a request for an advance, the agency must submit an invoice for the approved amount in the DAARS system. The agency must designate the invoice type as **Advance**. Upon receipt of the invoice, DAAS will process and pay it according to DAAS' normal invoice procedures.
- 4.3 DAAS will recoup advanced funds according to the agreed upon recoupment plan.