

1.1 **Department of Human Services**

1.2 **Adopted Permanent Rules Relating to Community Action Programs**

1.3 **3350.0010 PURPOSE.**

1.4 This chapter establishes procedures to recognize and fund community action
1.5 programs. Entities eligible to receive, recognize, and operate community action programs
1.6 include community action agencies, Indian tribal governments, and migrant and seasonal
1.7 farmworker organizations.

1.8 **3350.0020 DEFINITIONS.**

1.9 Subpart 1. **Scope.** The terms used in this chapter have the meanings given them in
1.10 this part.

1.11 Subp. 2. **Act.** "Act" means Minnesota Statutes, sections 256E.30 to 256E.32.

1.12 Subp. 3. **Applicant.** "Applicant" means a community action agency, an Indian tribal
1.13 government, or a migrant and seasonal farmworker organization, which applies for a grant
1.14 under the act from the department to fund a community action program.

1.15 Subp. 4. **Cessation.** "Cessation" means a voluntary end to the performance of all
1.16 community action program services by a community action agency in a service area as
1.17 provided for in part 3350.0050 and the removal of the agency's designation for the entire
1.18 area that does not create the right of appeal.

1.19 Subp. 5. **Commissioner.** "Commissioner" means the commissioner of the Minnesota
1.20 Department of Human Services.

1.21 Subp. 6. **Community.** "Community" means the people to be served by the
1.22 community action agency, Indian tribal government, or migrant and seasonal farmworker
1.23 organization in its service area.

1.24 Subp. 7. **Community action agency.** "Community action agency" means an entity
1.25 that:

2.1 A. has the authority to receive funds under Minnesota Statutes, section
2.2 256E.30, to support community action programs as described in Minnesota Statutes,
2.3 section 256E.32;

2.4 B. has previously been determined eligible under federal law and regulations or
2.5 is eligible under federal law and regulations; and

2.6 C. has previously been designated and recognized or is designated as provided
2.7 under part 3350.0030 and recognized as provided under part 3350.0040.

2.8 Subp. 8. **Community action program.** "Community action program" means
2.9 activities consistent with Minnesota Statutes, section 256E.32.

2.10 Subp. 9. **Community services block grant.** "Community services block grant"
2.11 means federal funds authorized by United States Code, title 42, chapter 106, sections
2.12 9901-9926, and disbursed to grantees by the formula in the act.

2.13 Subp. 10. **Denial.** "Denial" means the department's rejection of a proposed
2.14 application for grant funds due to the applicant's failure to meet the requirements of part
2.15 3350.0170, subpart 6.

2.16 Subp. 11. **Department.** "Department" means the Minnesota Department of Human
2.17 Services.

2.18 Subp. 12. **Designation.** "Designation" means selection of an entity as a service
2.19 area's exclusive community action agency by a governing body after a public hearing
2.20 has been held.

2.21 Subp. 13. **Designee.** "Designee" means an entity nominated by a governing body to
2.22 become a community action agency.

2.23 Subp. 14. **Governing body.** "Governing body" means the elected governmental
2.24 authority of a political subdivision, as defined in subpart 19, which has the power to
2.25 designate a community action agency.

3.1 Subp. 15. **Grant.** "Grant" means an allocation of Minnesota community action
3.2 grant or community services block grant funds or both to an applicant in support of a
3.3 community action program described in the application, approved by the department,
3.4 and embodied in a grant contract.

3.5 Subp. 15a. **Grant contract.** "Grant contract" means a written instrument that defines
3.6 the legal relationship between the department and a grantee when the principal purpose
3.7 of the relationship is to transfer Minnesota community action grant funds or community
3.8 services block grant funds or both to the grantee to support a community action program.
3.9 The grant contract must contain the following contract clauses:

3.10 A. how often the grantee must submit client and fiscal performance reports and
3.11 financial status reports;

3.12 B. audit requirements as specified by state and federal law;

3.13 C. that any alteration to the grant contract and its attachments must be made
3.14 in writing and executed by the same parties who executed the original grant contract,
3.15 or their successors in office; and

3.16 D. how long records must be kept by the grantee according to state and federal
3.17 law.

3.18 Subp. 16. **Grantee.** "Grantee" means a community action agency, an Indian tribal
3.19 government, or a migrant and seasonal farmworker organization, whose application to
3.20 receive Minnesota community action grant money or community service block grant
3.21 money, or both, has been approved by the department.

3.22 Subp. 17. **Local unit of government.** "Local unit of government" means counties,
3.23 Indian tribal governments, cities, and townships.

3.24 Subp. 18. **Minnesota community action grant.** "Minnesota community action
3.25 grant" means state appropriated funds disbursed to grantees by the formula in the act.

4.1 Subp. 19. **Political subdivision.** "Political subdivision" means a local unit of
4.2 government that has jurisdiction over the entire area served by a community action
4.3 agency. Under no circumstances will the governmental unit be smaller than a county
4.4 unless the service area of the community action agency coincides with the jurisdictional
4.5 boundaries of the local unit of government.

4.6 Subp. 20. **Recognition.** "Recognition" means a process of:

4.7 A. review by the department to assure compliance with applicable state and
4.8 federal law and the designation procedures in part 3350.0040, subpart 1;

4.9 B. referral to the governor of the department's request for recognition in part
4.10 3350.0040, subpart 3; and

4.11 C. approval by the governor of the request for recognition.

4.12 Subp. 21. **Service area.** "Service area" means the geographic boundaries in which a
4.13 community action agency is designated to operate.

4.14 Subp. 22. **Subgrantee.** "Subgrantee" means any entity that a grantee contracts to
4.15 perform some or all of the community action program services authorized under a grant.

4.16 Subp. 23. **Termination.** "Termination" means the involuntary and permanent
4.17 elimination of or reduction in available grant money to a grantee that gives rise to a
4.18 grantee's right of appeal under part 3350.0060, subpart 5, and which may also coincide
4.19 with the removal of a community action agency's designation or recognition.

4.20 Subp. 24. **Withholding.** "Withholding" means the department's reservation of funds
4.21 available under a grant as provided in part 3350.0100 until corrective action by a grantee
4.22 has successfully remedied a defect identified by the department.

4.23 **3350.0030 DESIGNATION OF COMMUNITY ACTION AGENCIES.**

4.24 Subpart 1. **Authority to designate.** The designation of a community action agency
4.25 must be made by the political subdivision or combination of political subdivisions

5.1 having jurisdiction over the entire area to be served. A designation must be made by the
5.2 governing body of a political subdivision whose boundaries are at least coextensive with
5.3 the proposed service area. The power to designate may not be delegated.

5.4 Subp. 2. **Notice and documents.** Before a designee may be designated as a
5.5 community action agency by a political subdivision, the governing body of the political
5.6 subdivision having the requisite authority must prepare and file with the department a
5.7 notice of intent to designate and eligibility documents applicable to the designee. The
5.8 notice of intent to designate must state how the designee meets the requirements for an
5.9 eligible entity established under the Community Services Block Grant Act. Eligibility
5.10 documents are the following:

5.11 A. evidence of designee's incorporation or proposed efforts toward
5.12 incorporation, if applicable;

5.13 B. evidence of tax exempt status or proposed efforts toward achieving tax
5.14 exempt status, if applicable;

5.15 C. assurance of compliance with the act, including requirements for the
5.16 composition of the designee's existing or proposed board of directors;

5.17 D. a statement that describes the proposed area to be served; and

5.18 E. a proposed mission statement.

5.19 Subp. 3. **Notice of public hearing.** After the notice of intent to designate and the
5.20 eligibility documents have been filed with the department, the governing body must
5.21 hold a public hearing on the proposed designation. Notice of the hearing must be given
5.22 according to items A to D.

5.23 A. At least 30 calendar days before the hearing date, the governing body
5.24 must send a copy of the notice of intent to designate and information on the date, time,
5.25 location, and subject matter of the public hearing to all local units of government within

6.1 the designee's intended service area. During the 30 days before the hearing, the affected
6.2 local units of government will have an opportunity to respond in writing to the proposed
6.3 designation. All comments received will be included in the official record of the hearing.

6.4 B. During the 30-day period and at least ten calendar days before the hearing,
6.5 the governing body must also publish a notice of public hearing in a daily newspaper of
6.6 general circulation at the county seat of each county in the designee's proposed service
6.7 area. The published notice must describe the time, date, location, and subject matter of
6.8 the public hearing.

6.9 C. The governing body must inform the department of the public hearing at
6.10 least 30 calendar days before the hearing date.

6.11 D. Within the 30-day period and at least ten calendar days before the public
6.12 hearing, the department must mail notice of the public hearing to all low-income
6.13 households identified in the proposed service area. This mailed notice must contain the
6.14 date, time, location, and subject matter of the public hearing. Identified low-income
6.15 households are those specified on the previous community action agency's list or lists
6.16 of clients.

6.17 Subp. 4. **Public hearing.** A public hearing must be held 30 calendar days before
6.18 designation may occur. If the area to be served by the designee includes more than one
6.19 county, a public hearing in conformity with this part must be held in each county to be
6.20 served.

6.21 Subp. 5. **Hearing procedure.** The governing body will appoint a presiding officer
6.22 to conduct the public hearing. The governing body, however, may not appoint one of its
6.23 current members as the presiding officer. The presiding officer will not have a vested
6.24 interest in the outcome of the proposed designation and will ensure that all persons
6.25 involved in the hearing are treated fairly and impartially. At the public hearing, the
6.26 representative of the designee and a representative of the governing body will make an

7.1 affirmative presentation of facts establishing the designee's qualifications, expertise, and
7.2 experience in providing community action program services to low-income people.
7.3 Furthermore, the designee's representative will describe the mission of the community
7.4 action program, the focus and direction of proposed services, and the goals for outreach
7.5 to and participation by low-income people. The designee may rely upon facts presented
7.6 by others on the record during the hearing to support its proposed designation. At the
7.7 hearing, any interested person will be given the opportunity to present testimony and to
7.8 ask questions of the designee's representative and of the governing body's representative.
7.9 Furthermore, any interested party may submit written comments or exhibits.

7.10 Subp. 6. **Official record.** An official record of the hearing consisting of an electronic
7.11 recording and minutes of the proceedings must be kept. The official record must also
7.12 include all testimony, written comments, and exhibits received pertaining to the proposed
7.13 designation. The hearing record must remain open to receive written comments and
7.14 exhibits for 20 calendar days following the date of hearing.

7.15 Subp. 7. [See repealer.]

7.16 Subp. 8. **Official resolution.** Once the official record of the public hearing is
7.17 received and 30 calendar days have passed from the date of the hearing, the governing
7.18 body may act to designate the designee as a community action agency. The governing
7.19 body must pass a resolution designating the designee as a community action agency if
7.20 after review of the official record the governing body finds that:

7.21 A. the opinion of the community was fairly and impartially expressed;

7.22 B. the opinion of low-income people in particular was actively encouraged,
7.23 representatively sampled, and fairly expressed during the whole process;

7.24 C. the designee established the qualifications, expertise, and experience
7.25 necessary to be an effective community action agency; and

8.1 D. the designee's proposed mission, services, and goals were supported by
8.2 testimony and written comments received as a result of the public hearing process.

8.3 Subp. 9. **Review by department.** Before provisional recognition may occur in part
8.4 3350.0040, subpart 1, the governing body must have submitted to the department for
8.5 review copies of the following documents:

8.6 A. eligibility documents required in subpart 2;

8.7 B. official resolution of the governing body designating the designee;

8.8 C. notices of public hearing and a list of all publications and dates of publication
8.9 of notices of hearing;

8.10 D. list of all local units of government sent copies of the notice of intent to
8.11 designate and the notice of public hearing, including any responses received;

8.12 E. affidavit of service of the notice of public hearing upon low-income
8.13 households identified in the service area; and

8.14 F. official record of the hearing.

8.15 Subp. 10. **Costs.** Costs attributable to the designation process, including costs
8.16 associated with public hearings other than contested case hearings, are the responsibility
8.17 of the governing body.

8.18 **3350.0040 RECOGNITION OF COMMUNITY ACTION AGENCIES.**

8.19 Subpart 1. **Provisional recognition.** The department will provisionally recognize a
8.20 designation if the department establishes compliance with applicable state law, federal
8.21 law, all the designation requirements of part 3350.0030, and, where applicable, with the
8.22 change of designation requirements of part 3350.0050. Provisional recognition may occur
8.23 within 60 calendar days of the department's receipt of the documents required in part
8.24 3350.0030, subpart 9, an approved transition plan, where applicable, as specified in part
8.25 3350.0050, subpart 4, and the most current copies of the following:

9.1 A. articles of incorporation and bylaws;

9.2 B. Internal Revenue Service certificate of 501(c)(3) tax exempt status and
9.3 Minnesota Department of Revenue certificate of tax exempt status where applicable to
9.4 nonprofit community action agencies; and

9.5 C. list of board of directors, including their addresses and telephone numbers,
9.6 that indicates officers and committee memberships, and the sector each director represents.

9.7 If the department finds noncompliance it must inform both the governing body and
9.8 the designee within the 60-day period and, if possible, offer remedies for achieving
9.9 compliance.

9.10 Subp. 2. **Governor's recognition.** After the requirements in subpart 1 have been
9.11 met and the department has provisionally recognized a designation, the department will
9.12 request recognition by the governor.

9.13 Subp. 3. **Maintenance of recognition records.** To maintain recognition, a
9.14 community action agency must maintain the following records and make current copies
9.15 available to the department as requested:

9.16 A. articles of incorporation with any amendments and bylaws with any
9.17 amendments;

9.18 B. Internal Revenue Service certificate of 501(c)(3) tax exempt status and
9.19 Minnesota Department of Revenue certificate of tax exempt status where applicable to
9.20 nonprofit community action agencies;

9.21 C. list of board of directors ~~which~~, including their addresses and telephone
9.22 numbers, that indicates officers and committee memberships, tenure on the board, and
9.23 the sector each director represents as required by the act;

9.24 D. board minutes of the past year and latest annual corporate report;

10.1 E. organizational chart, personnel policies, data privacy policies, affirmative
10.2 action plan, voter registration plan, and client service appeals policy; and

10.3 F. the planning and evaluation processes described in parts 3350.0130 and
10.4 3350.0140.

10.5 Subp. 4. [See repealer.]

10.6 Subp. 5. **Merging of designated and recognized community action agencies.** Two
10.7 or more community action agencies previously designated by one or more governing
10.8 bodies and recognized by the state may seek approval to merge their organizations. The
10.9 boards of directors of the community action agencies seeking to merge must:

10.10 A. notify the department of their intent to merge;

10.11 B. submit to the department a transition plan for the composition of the board
10.12 of directors, the leadership and staffing of the merged agency, and the uninterrupted
10.13 continuation of services; and

10.14 C. provide documentation showing that the board of directors of each
10.15 community action agency involved in the proposed merger supports the merger.

10.16 Subp. 6. **Review and approval of merger transition plan.** The department has
10.17 60 days from the date of receipt of the transition plan to either approve or disapprove
10.18 the plan. The department may request additional information and meetings with the
10.19 boards of directors or their representatives and with the leadership of the agencies. The
10.20 department will consider the proximity of the service areas and the priorities listed in part
10.21 3350.0050, subpart 2, when it reviews proposed merger plans. If the transition plan is not
10.22 approved, the department must provide written comments and the options for remedy of
10.23 the department's concerns. The boards of directors may submit a subsequent transition
10.24 plan consistent with the department's comments.

10.25 **3350.0050 CESSATION AND CHANGE OF DESIGNATION.**

11.1 Subpart 1. **Circumstances for cessation.** A governing body may change its
11.2 designation of a community action agency to serve the area under its jurisdiction after
11.3 a request to cease all community action program operation in the entire area has been
11.4 received from the designated community action agency.

11.5 Subp. 2. **Priority among possible designees.** A governing body may choose a
11.6 designee under this part, in descending order of priority, by:

11.7 A. requesting an existing community action agency that is located and is
11.8 providing services in a contiguous area to expand its program operations into the service
11.9 area;

11.10 B. requesting an existing community action agency closest to the service area
11.11 or an existing community action agency within reasonable proximity to the service area
11.12 to expand its program operations into the service area, if no existing community action
11.13 agency in a contiguous area agrees to expand its operations; and

11.14 C. nominating any entity eligible or potentially eligible to be designated
11.15 under federal law and regulations and to be recognized under part 3350.0040, when no
11.16 community action agency accepts the request to operate in the service area.

11.17 Subp. 3. **Procedure.** The governing body must follow the procedure in part
11.18 3350.0030 in order to change designation and must also prepare a transition plan for
11.19 continuation of community action program services. The governing body must submit the
11.20 transition plan to the department simultaneously with the notice of intent to designate.
11.21 In addition to the notice requirements in part 3350.0030, subpart 3, the governing body
11.22 must also serve copies of the notice of intent to designate and the notice of public hearing
11.23 upon any existing community action agency concurrently operating in the same political
11.24 subdivision and all subgrantees in the service area. Upon request, copies of the designee's

11.25 eligibility documents and the transition plan must be made available by the governing
11.26 body to any interested party.

12.1 Subp. 4. **Additional review by department.** In addition to the review requirements
12.2 in part 3350.0030, subpart 9, the department must also review the transition plan for
12.3 service delivery in the interim before the governor's recognition as provided in part
12.4 3350.0040, subpart 2. The department has 30 calendar days from the date of receipt of
12.5 the transition plan to either approve or disapprove of the plan. If the transition plan is not
12.6 approved, the governing body may not proceed to designate a community action agency
12.7 under the procedure of part 3350.0030. Without an approved transition plan in operation,
12.8 the department will not forward to the governor a request for recognition as provided in
12.9 part 3350.0040. If the transition plan is not approved, the governing body may submit a
12.10 subsequent transition plan consistent with the department's comments. Along with the
12.11 transition plan, the department must also receive evidence of service of additional notice
12.12 on interested parties as required in subpart 3.

12.13 **3350.0060 TERMINATION FOR CAUSE.**

12.14 Subpart 1. **Cause.** A community action agency's funding, as well as its designation
12.15 or recognition, will be terminated for cause. An Indian tribal government's or a migrant
12.16 seasonal farmworker organization's funding will be terminated for cause. There may be
12.17 multiple causes which apply. Termination for cause includes the following:

12.18 A. actions threatening imminent danger to health or safety of members of
12.19 the community;

12.20 B. failure to involve low-income people in planning, oversight, and evaluation
12.21 of programs and services;

12.22 C. violation of the terms of the grant contract by the grantee including:

12.23 (1) failure to maintain financial procedures, reports, and audits according to
12.24 part 3350.0160, subparts 1 and 2;

13.1 (2) failure to maintain recognition according to part 3350.0040, subpart
13.2 3; and

13.3 (3) failure to follow the requirements of federal and state laws;

13.4 D. failure to remedy a defect after withholding or funding termination as
13.5 provided in part 3350.0100, subparts 2 and 4; or

13.6 E. denial of an application as provided in part 3350.0170, subpart 6.

13.7 Subp. 2. **Termination by governing body of community action agency**
13.8 **designation.** A governing body may terminate a community action agency's designation
13.9 for cause under subpart 1, item A or B.

13.10 A. The governing body must follow the steps in subitems (1) to (4):

13.11 (1) adopt termination as the official action;

13.12 (2) notify the department of its intent to terminate the community action
13.13 agency's designation;

13.14 (3) serve notice of termination upon the community action agency to be
13.15 terminated and provide a copy to the department. The notice of termination must:

13.16 (a) explain the cause for termination;

13.17 (b) describe how the community action agency's funding may be
13.18 affected; and

13.19 (c) provide a description of the community action agency's appeal
13.20 rights according to subpart 5; and

13.21 (4) prepare a transition plan for phasing out currently provided services
13.22 and for substituting services in the interim until a successor community action agency is

13.23 recognized. The transition plan must be provided to the department no later than the close
13.24 of the contested case hearing on the appeal of the terminated community action agency
14.1 or, if no hearing is held, filing with the department the notice of intent to designate a
14.2 successor community action agency. The department must approve the plan as well as the
14.3 interim community action agency providing community action program services.

14.4 B. The department will notify low-income households of the termination. Upon
14.5 request from the department, the community action agency must provide its current list
14.6 or lists of identified low-income households to the department. Identified low-income
14.7 households are those specified on the community action agency's list or lists of clients.

14.8 C. If a community action agency's designation is terminated and the community
14.9 action agency's appeal rights have also been exhausted, the department must terminate
14.10 funding. Where the department intervenes as a party in a contested case concerning
14.11 termination of designation, funding by the department may be immediately terminated.

14.12 Subp. 3. **Termination by department of community action agency funding or**
14.13 **recognition.** The department may terminate for cause a community action agency's
14.14 funding or recognition or both under subpart 1.

14.15 A. The department may terminate all or part of current or future funding for
14.16 a community action agency. If the department terminates all future funding, it must
14.17 also terminate a community action agency's recognition. If the department terminates a
14.18 community action agency's recognition it must also terminate funding.

14.19 B. If the department decides to terminate a community action agency's funding
14.20 or recognition, it will serve notice of termination upon the community action agency to be
14.21 terminated and provide a copy to the governing body. The notice of termination must:

14.22 (1) explain the cause for termination;

14.23 (2) describe how the funding may be affected; and

14.24 (3) provide a description of the community action agency's appeal rights
14.25 according to subpart 5.

15.1 C. The department will notify identified low-income households of the
15.2 termination. Upon request from the department, the community action agency must
15.3 provide its current list or lists of identified low-income households to the department.
15.4 Identified low-income households are those specified on the community action agency's
15.5 list or lists of clients.

15.6 Subp. 4. [See repealer.]

15.7 Subp. 4a. **Termination by department of Indian tribal government or migrant**
15.8 **and seasonal farmworker organization funding.** The department may terminate for
15.9 cause an Indian tribal government's or migrant and seasonal farmworker organization's
15.10 funding under subpart 1. The department may terminate all or part of current or future
15.11 funding for an Indian tribal government or migrant and seasonal farmworker organization.

15.12 A. If the department decides to terminate an Indian tribal government's or
15.13 migrant and seasonal farmworker organization's funding, it will serve notice of termination
15.14 upon the Indian tribal government or migrant and seasonal farmworker organization
15.15 to be terminated and provide a copy to the tribal council or the migrant and seasonal
15.16 farmworker organization's board of directors. The notice of termination must:

15.17 (1) explain the cause of termination;

15.18 (2) describe how the funding may be affected; and

15.19 (3) provide a description of the Indian tribal government's or migrant and
15.20 seasonal farmworker organization's appeal rights according to subpart 5.

15.21 B. The department will notify identified low-income households of the
15.22 termination. Upon request from the department, the Indian tribal government or migrant
15.23 and seasonal farmworker organization must provide its current list or lists of identified

15.24 low-income households to the department. Identified low-income households are
16.1 those specified on the Indian tribal government's or migrant and seasonal farmworker
16.2 organization's list or lists of clients.

16.3 Subp. 5. **Appeal procedure.** If, after receipt of the notice of termination, a grantee is
16.4 aggrieved, the grantee may request a contested case hearing from the department within
16.5 30 calendar days of the receipt of the notice. If the grantee's request for a contested case
16.6 hearing is not received by the department during the 30-day period the grantee loses its
16.7 right of appeal under this subpart. The hearing will be initiated and conducted according
16.8 to parts 1400.8505 to 1400.8612 unless the grantee objects within ten business days. If the
16.9 grantee objects, the hearing will be conducted according to parts 1400.5010 to 1400.8401.
16.10 The request for a contested case hearing before an administrative law judge must be in
16.11 writing. As provided for in part 1400.6200 or 1400.8570, the department will have the
16.12 right to intervene as a party in a contested case hearing on termination of designation by
16.13 a governing body.

16.14 Subp. 6. **Federal appeal rights.** Federal appeal rights may also exist for an
16.15 aggrieved grantee under the Community Services Block Grant Act, United States Code,
16.16 title 42, chapter 106, section 9915, subsection (b).

16.17 Subp. 7. **Successor.** If a community action agency's designation or recognition is
16.18 terminated, the governing body will follow the priority guidelines in part 3350.0050,
16.19 subpart 2, and the procedure in part 3350.0030 to designate a successor.

16.20 Subp. 8. **Costs.** Only costs directly attributable to the contested case hearing process
16.21 in subpart 5 are the responsibility of the department.

16.22 **3350.0070 ALLOCATION OF FUNDS.**

16.23 Subpart 1. **Formula.** The department will allocate funds under the act according to
16.24 the formula in Minnesota Statutes, section 256E.30, subdivision 2.

17.1 Subp. 2. **Poverty level population.** For purposes of the formula in subpart 1, the
17.2 poverty level population will be based on Department of Commerce, Bureau of the
17.3 Census, statistics, as revised.

17.4 **3350.0090 DUE DATES FOR MONTHLY, PERIODIC, AND FINAL REPORTS.**

17.5 Monthly, periodic, and annual reports are due on the dates specified in the grant
17.6 contract. If reports are delinquent, incomplete, or inaccurate, the department must proceed
17.7 to withhold available funds from a grantee under part 3350.0100.

17.8 **3350.0100 WITHHOLDING OF CASH DISBURSEMENTS.**

17.9 Subpart 1. **Circumstances for withholding.** The department will withhold cash
17.10 disbursements available for drawdown under a grant, wherever appropriate, in lieu of
17.11 termination under part 3350.0060 if a grantee is not:

17.12 A. complying with the reporting requirements of the grant as required by its
17.13 grant contract with the department;

17.14 B. following its submitted and approved work plan or budget or both;

17.15 C. fulfilling the terms of its grant contract; or

17.16 D. maintaining recognition as provided in part 3350.0040, subpart 3.

17.17 Subp. 2. **Notice, of withholding.** Before withholding cash disbursements, the
17.18 department will notify the grantee of its defective action or omission, inform the grantee
17.19 of potential withholding and specify a reasonable date by which corrective action should
17.20 occur. The specified date must be at least ten working days from the date of the grantee's
17.21 receipt of the notice of withholding. If the defect is not remedied satisfactorily by the date
17.22 specified in the notice, the department will begin to withhold available funds after that
17.23 date. Upon remedying the defect, the department will reimburse the grantee for the time
17.24 period between the date of the withholding in the notice to the date the defect was remedied

18.1 if the grantee submits a cash request, with documentation, that clearly substantiates that
18.2 expenses were used by the grantee to perform services according to the grant contract.

18.3 Subp. 3. **Conversion option.** During any time within 90 calendar days following
18.4 the department's actual withholding of funds, the grantee may, at its option, convert the
18.5 withholding to a termination under part 3350.0060, subpart 1, item C, with right to a
18.6 contested case hearing. A grantee must request in writing both a conversion to termination
18.7 and a contested case hearing. After receipt of a grantee's request for conversion to
18.8 termination and a contested case hearing, the department must initiate a contested case
18.9 hearing and the department must initiate contested case proceedings as provided in part
18.10 3350.0060, subpart 5. The department will also send the grantee a notice of termination
18.11 and comply with the other procedural requirements of part 3350.0060, subpart 3 or 4 4a.

18.12 Subp. 4. **Notice and termination.** If the grantee has not exercised its right of
18.13 conversion during 90 days of withholding and if the defect has not been remedied during
18.14 90 days of withholding, the department will proceed under part 3350.0060, subpart 1, item
18.15 D, to terminate the grantee's available funding for a period covering the total of:

18.16 A. the time during which the funds have been withheld; and

18.17 B. the time remaining before the grant expires.

18.18 The department must first issue a final notice ten calendar days before proceeding to
18.19 termination under part 3350.0060. If following a period of funding termination for failure
18.20 to remedy a defect, the grantee has still not successfully remedied the identified defect,
18.21 the department will deny subsequent applications by the grantee under part ~~3350.0160~~
18.22 3350.0170, subpart 6, item D, until corrective action has occurred.

18.23 **3350.0110 PROGRAM GUIDELINES AND ELIGIBLE ACTIVITIES.**

18.24 Subpart 1. **Program guidelines.** Each community action program must:

18.25 A. be of benefit to low-income persons;

- 19.1 B. represent progress toward the elimination of poverty;
- 19.2 C. utilize resources from other programs operating in the service area; and
- 19.3 D. be of sufficient scope and size for maximum effectiveness and efficiency.

19.4 Subp. 2. **Eligible grant activities.** A variety of activities as determined by the local
19.5 planning process may be included in a community action program funded by a grant.

19.6 Eligible activities are those designed to help low-income persons to:

- 19.7 A. secure and retain meaningful employment;
- 19.8 B. attain an adequate education;
- 19.9 C. obtain and maintain adequate housing and a suitable living environment;
- 19.10 D. make better use of available income;
- 19.11 E. obtain emergency assistance through loans or grants;
- 19.12 F. meet immediate and urgent individual and family needs, including the need
19.13 for health services, nutritious food, housing, and employment-related assistance;
- 19.14 G. remove obstacles and solve problems which block the achievement of
19.15 self-sufficiency;
- 19.16 H. achieve greater participation in the affairs of the community; and
- 19.17 I. make more effective use of other programs related to the purposes of the
19.18 Community Services Block Grant Act.

19.19 Subp. 3. **Federal prohibitions.** Activities ineligible for funding with community
19.20 services block grant money are those listed in the community services block grant state
19.21 plan. A copy of the community services block grant state plan is available by request from
19.22 the Department of Human Services, Office of Economic Opportunity, P.O. Box 64962, St.
19.23 Paul, MN 55164-0962.

19.24 **3350.0120 PARTICIPATION BY LOW-INCOME PERSONS.**

20.1 Grantees must ensure maximum feasible participation of low-income persons in
20.2 the local planning process of part 3350.0130, the annual work plan of part 3350.0170,
20.3 subpart 1, and the evaluation process of part 3350.0140. Each grantee must devise specific
20.4 opportunities for involvement of low-income people in proposing, planning, approving,
20.5 and evaluating the activities of community action programs.

20.6 **3350.0130 LOCAL PLANNING PROCESS.**

20.7 Each grantee must develop and maintain a written plan for submission to the
20.8 department as part of its grant application. The plan must include a description of how
20.9 the local planning process will be implemented, how the grantees will publicize major
20.10 planning activities to encourage community participation, and how the grantee will
20.11 involve low-income persons in the planning process. Each work plan submitted as part
20.12 of a grant application under part 3350.0170, subpart 1, must be consistent with, and
20.13 complementary to, this local planning process. The local planning process of a grantee
20.14 includes the following activities:

20.15 A. develop a mission statement which defines the overall grantee's purposes
20.16 and which represents the views and opinions of the grantee's board of directors or tribal
20.17 council, low-income groups, and representatives of the community;

20.18 B. identify and analyze community needs in order to respond to the poverty
20.19 in the community and its causes;

20.20 C. assess available resources from both the public and private sectors which are
20.21 available to solve the causes of poverty;

20.22 D. establish priorities and set goals for the program year;

20.23 E. develop strategies, to implement the specified goals;

20.24 F. identify programs to achieve the specified goals;

21.1 G. select the program or combination of programs to be undertaken during a
21.2 program year; and

21.3 H. analyze evaluation and monitor information to influence the structure of
21.4 future programming.

21.5 **3350.0140 EVALUATION PROCESS.**

21.6 Each grantee must develop and maintain a written process for evaluating its own
21.7 community action program using the results of the evaluation to influence the grantee's
21.8 future planning. The grantee must involve low-income persons in the evaluation process.
21.9 The written evaluation process must be approved by the grantee's board of directors or
21.10 tribal council. The written evaluation process must be maintained and available to the
21.11 department upon request in order to maintain community action agency recognition under
21.12 part 3350.0040, subpart 3.

21.13 **3350.0160 ADMINISTRATION OF GRANTS.**

21.14 Subpart 1. **Grantee financial control system.** Grantees must establish and use
21.15 a financial control system that complies with federal and state reporting and fiscal
21.16 procedures and the grant contract.

21.17 Subp. 2. **Grantee audit.** Each grantee must follow the audit requirements contained
21.18 in the grant contract with the department.

21.19 Subp. 3. **Alterations.** A grantee must obtain prior written approval from the
21.20 department before changing its work plan and budget as described in its grant contract.

21.21 **3350.0170 GRANT APPLICATIONS.**

21.22 Subpart 1. **Forms and documents.** Forms necessary for completion of the
21.23 application will accompany the guidelines mailed to all grantees. Assistance in completing
21.24 the forms may be requested directly from the department at its central office. A grantee

22.1 will submit to the department a work plan and budget on forms supplied by the department
22.2 as part of the grant application process.

22.3 Subp. 2. [See repealer.]

22.4 Subp. 3. **Waiver of application deadline.** Upon written request, the department
22.5 may waive the application deadline and allow an applicant to submit its grant application
22.6 after that date. A request for a waiver must be signed by the chair of the applicant's board
22.7 of directors or chair of the tribal council and contain justification for a waiver. The request
22.8 for a waiver must be received by the department on or before the original application
22.9 deadline. The department will respond to the request in writing. The department will
22.10 grant a waiver if the grantee has shown good cause for why the application deadline
22.11 was not met. If the department has determined that the grantee has shown good cause
22.12 for missing the application deadline, the department will establish another deadline for
22.13 receipt of the application.

22.14 Subp. 4. **Approval of application.** The department will review all submitted
22.15 applications. When the department approves an application for a grant, it will provide
22.16 written notification of approval to the applicant. Requests for cash cannot be processed
22.17 until an application has been approved. After applications have been approved, the
22.18 department and the applicant will enter into a grant contract.

22.19 Subp. 5. **Late, incomplete, or noncomplying application.** A previously funded
22.20 grantee must submit an application within 45 calendar days of the application deadline
22.21 or the waiver deadline established by the department, or the department will deny
22.22 the application under subpart 6. If a submitted application remains incomplete or
22.23 noncomplying for 30 calendar days after the department's request for a revision of the
22.24 application, supplementary information, or other required documents or 45 calendar days
22.25 from an applicable the application deadline or the waiver deadline, whichever period is
22.26 greater, the department will deny the application under subpart 6.

23.1 Subp. 6. **Denial of application.** Before the department denies an application, it will,
23.2 as soon as possible, provide written notification of the deficiency leading to a possible
23.3 denial and, where appropriate, request a revision of the application, supplementary
23.4 information, or other required documents. An application will be denied if any of the
23.5 following occur:

23.6 A. application is submitted after the deadlines in subpart 5;

23.7 B. applicant submits an incomplete application;

23.8 C. applicant submits a noncomplying application where:

23.9 (1) applicant's annual work plan activities are:

23.10 (a) inconsistent with community action program activity as defined in
23.11 the act and part 3350.0110;

23.12 (b) not demonstrative of participation by low-income persons as
23.13 required by part 3350.0120; or

23.14 (c) inconsistent with the local planning process in part 3350.0130;

23.15 (2) applicant cannot demonstrate adequate fiscal management capabilities
23.16 as required in part 3350.0160; or

23.17 (3) applicant's budget does not support, or is inconsistent with, the work
23.18 plan activities; or

23.19 D. applicant, after a period of funding termination, has not remedied a defect
23.20 that first led to withholding under part 3350.0100, subpart 2.

23.21 The department's denial of an application based on items A, B, and C is cause for
23.22 termination of available funds for two years under part 3350.0060, subpart 1, item F
23.23 E. Depending on the circumstances, the department's denial of an application based on
23.24 item D is cause for termination of available funds for two years under part 3350.0060,
23.25 subpart 1, item E.

24.1 **3350.0190 RECORD KEEPING.**

24.2 All records and books of account related to grants must be kept by the grantee for the
24.3 time period specified in the grant contract.

24.4 **3350.0200 MONITORING.**

24.5 The department will perform on-site monitoring activities to ensure that grantees
24.6 are in compliance with parts 3350.0010 to 3350.0200, the act, and other federal and
24.7 state requirements.

24.8 **REPEALER.** Minnesota Rules, parts 3350.0030, subpart 7; 3350.0040, subpart 4;
24.9 3350.0060, subpart 4; 3350.0080; 3350.0150; and 3350.0170, subpart 2, are repealed.

24.10 **RENUMBERER.** In the next publication of Minnesota Rules, the revisor shall renumber
24.11 the part number in column A to the part number in column B, and correct internal
24.12 references.

24.13	3350.0010	9571.0010
24.14	3350.0020	9571.0020
24.15	3350.0030	9571.0030
24.16	3350.0040	9571.0040
24.17	3350.0050	9571.0050
24.18	3350.0060	9571.0060
24.19	3350.0070	9571.0070
24.20	3350.0090	9571.0080
24.21	3350.0100	9571.0090
24.22	3350.0110	9571.0100
24.23	3350.0120	9571.0110
24.24	3350.0130	9571.0120
24.25	3350.0140	9571.0130
24.26	3350.0160	9571.0140
24.27	3350.0170	9571.0150

10/20/08

REVISOR

SS/PT

AR3739

25.1

3350.0180

9571.0160