

## **Title 20. Public Health and Welfare**

### **Chapter XIII. Division of County Operations, Department of Human Services**

#### **Subchapter A. Generally**

#### **Part 505. Community Services Block Grant Rule**

**Codification Notes.** Ark. R. 2025-26 (eff. November 1, 2025) provided:

"DO NOT CODIFY. Uncodified language of 20 CAR pt. 505 is amended to read as follows:

#### "SECTION I – PROGRAM SCOPE OF THE STATE LEAD AGENCY

The Arkansas Department of Human Services (DHS) is a place where we tackle big social issues with compassion, courage, respect, integrity, and action. This is not always easy, but the work we do is so important — to our neighbors and people in every community in the state. It matters because we:

- Ensure childcare centers and nursing homes are safe for everyone regardless of income.
- Provide health care and support for eligible Arkansans of all ages and abilities. That means we infuse billions of dollars into communities when we pay local doctors, hospitals, therapists, nursing homes, and others who keep people healthy and thriving.
- Provide a safety net for our most vulnerable citizens and for families or individuals who are facing difficult times and need a little help to get back on their feet.
- Operate the only state-funded psychiatric nursing home for people with specialized long- term care needs, the only state-funded psychiatric hospital for people with acute behavioral health needs, and five (5) facilities that provide 'round-the-clock support and care for residents with significant intellectual and developmental disabilities.
- Oversee the state's public mental health system, helping thousands of people access critical care each year.

- Serve, protect, empower, educate, and encourage children, at-risk youth, families, adults, aging adults and seniors, and people with disabilities so they move toward a better future, and so much more.

Whether our employees are processing applications, answering phones, conducting investigations, crunching numbers, working directly with clients, supporting other staff, or being part of a team to make big policy changes, we know that we could not accomplish our mission without each and every one of them.

We are not just a government agency. We are a tight-knit community of more than seven thousand (7,000) strong. We push each other to be better, to think outside the box to solve problems, and to never be OK with "good enough." Together we improve the quality of life of all Arkansans by protecting the vulnerable, fostering independence, and promoting better health.

We do all of this work through eight (8) divisions and seven (7) support offices headquartered in Little Rock and in eighty (80) offices across the state. There is at least one (1) office in every county.

We Care. We Act. We Change Lives.

The Division of County Operations (DCO) is here to make sure Arkansans who need food assistance, health care, and other services can access help. DCO processes applications for several public assistance programs, including: Health Care (Medicaid), the Supplemental Nutrition Assistance Program (SNAP), and the Transitional Employment Assistance (TEA) program. SNAP and TEA beneficiaries can access their benefits through the Electronic Benefit Transfer (EBT) system. In addition, DCO oversees the Community Services Block Grant program, which provides funding to support services to help low-income families become self-sufficient. Services are

provided through the fifteen (15) Community Action Agencies in the state. DCO also investigates potential Health Care (Medicaid), SNAP, and TEA beneficiary fraud.

DCO is divided into three (3) focus areas:

- Program and Grant Management– This unit oversees policy related to the programs that DCO administers as well as the training that they receive. In addition, this unit oversees the Community Service Block Grant program and ensures that subgrantee comply with all state and federal regulations.
- Field Operations – This unit is responsible for the day-to-day management of all DHS county offices as well as the employees who process applications for assistance.
- Administrative Support – This unit oversees the units that investigates beneficiary fraud, the client assistance unit, the quality assurance unit, and system support for the Division.

DHS has one or more offices in every county in the State. DCO oversees all eighty (80) of those offices as well as the Access Arkansas Processing Center in Batesville. You can find a list of county offices on our website.

You can apply for Health Care, SNAP, and TEA and manage your benefits by visiting [www.Access.Arkansas.gov](http://www.Access.Arkansas.gov).

## Community Grant Program

### Overview

Community Services Block Grant (CSBG) is an anti-poverty block grant which provides the core funding to more than one thousand (1,000) Eligible Entities across the United States for services that reduce poverty, promote self-sufficiency, and revitalize low-income communities.

CSBG funding supports projects that:

- Lessen or eliminate poverty in communities and foster self-sufficiency.
- Address the needs of low-income individuals including the homeless, migrants, and the elderly.
- Provide services and activities addressing employment, education, better use of available income, housing, nutrition, emergency services, and health.

The CSBG is federally funded and administered by the state through the Arkansas Department of Human Services (DHS). The CSBG funds are distributed to a network of local organizations known as Eligible Entities or Community Action Agencies. There are fifteen (15) Community Action Agencies in Arkansas that assist low to moderate-income individuals in all seventy five (75) counties.

The Community Action Agencies are characterized by their tri-partite board of elected public officials, representatives from the low-income community and from the private sector, to maintain the network's focus on community representation and accountability. They have a designated geographic service area not served by another Community Action Agency.

We care. We act. We change lives."

"Severability

The provisions of these rules are severable, and if any provision is held unconstitutional or a violation of statute by any court of competent jurisdiction, or shall otherwise cease to be effective, all other provisions of these rules shall remain in effect."

## **Subpart 1. Generally**

### **20 CAR § 505-101. The state roles and responsibilities.**

(a) The Office of Program Planning and Community Grants Services of the Division of County Operations is the agency designated by the Governor to administer and

distribute Community Services Block Grant funds.

(b)(1) In its second role, the state lead agency is responsible for performance-based reporting of Community Services Block Grant funds.

(2) This entails the collection of data from each agency, then compiling the data and submitting reports to the federal agency that is responsible for the funds.

(3) In the case of Community Services Block Grant funds, the performance-based element is referred to as Results Oriented Management and Accountability (ROMA).

(c)(1) A third role or responsibility that the state lead agency has is that of providing training and technical assistance to the eligible entities':

- (A) Executive directors;
- (B) Board members; and
- (C) Staff.

(2) Training and technical assistance covers a wide range of subjects including, but not limited to:

- (A) Workshops on succession planning;
- (B) ROMA;
- (C) Case management;
- (D) Financial management;
- (E) Community Services Block Grant organizational standards;
- (F) Reporting;
- (G) Office of Management and Budget guidance;
- (H) Monitoring; and
- (I) Board governance.

(3)(A) Technical assistance is provided both as a response to requests and because of monitoring reviews that indicate weaknesses.

(B) The state lead agency strongly encourages all the eligible entities to request technical assistance if they encounter issues or situations in which they feel guidance is needed.

(d)(1)(A) The fourth role of the state lead agency is determining if funds are used

in accordance with applicable federal and state laws, rules, regulations, or policies.

(B) The determination is made through monitoring reviews as well as audit reports.

(2)(A) In those instances where it is determined that the use of funds was not in compliance with applicable laws, rules, regulations, or policies, then corrective action must be determined.

(B) If the determination includes disallowed costs that must be repaid, then the subgrantee will be required to reimburse those funds to the state.

(e)(1) The state lead agency's fifth role with respect to eligible entities is that of partner.

(2)(A) The office works in partnership with not only the entities, but also with:

- (i) Other funding sources;
- (ii) State agencies; and
- (iii) The Arkansas Community Action Agencies Association.

(B) The partnerships serve to provide the widest range possible of services to the low income in the most cost-effective and efficient manner.

(C) The state lead agency will work directly with each eligible entity and its board pertaining to contractual matters or the affairs of that entity.

**Authority.** Arkansas Code § 20-80-309.

**20 CAR § 505-102. Revision of rules.**

(a)(1) Periodically it will be necessary to revise this part.

(2) This may be in response to:

- (A) New federal or state laws, rules, regulations, or policies;
- (B) Changing circumstances among the low-income population; or
- (C) Resources available to low-income persons.

(b)(1) Therefore, the state lead agency will review this part on a regular basis and issue any changes in the form of policy directives.

(2) The state lead agency will ensure that all eligible entities receive notice of

changes via the policy directives and will make the appropriate revisions to this part as needed under the guidance of the Director of the Division of County Operations.

**Authority.** Arkansas Code § 20-80-309.

**20 CAR § 505-103. Implementation.**

Each eligible entity shall take all necessary steps, including but not limited to, the adoption of amendments to existing bylaws and policies, to comply with the requirements of this part and policy directives at their effective date.

**Authority.** Arkansas Code § 20-80-309.

**20 CAR § 505-104. Citizen access and privacy.**

(a) The following documents must be made available for public inspection:

(1) Funding applications submitted to the state lead agency;

(2) The eligible entity's most recent:

(A) Articles of incorporation;

(B) Bylaws;

(C) Board membership list;

(D) Needs assessment; and

(E) Strategic plan;

(3) All contracts, including funding, consulting, goods, and services, pertaining to Community Services Block Grant funds;

(4) All final reports, including audits, made to the state lead agency on projects funded with Community Services Block Grant funds;

(5) Minutes of the meetings of the board of directors; and

(6) Position titles, salary ranges, and job descriptions for all compensated positions.

(b) Custodians of records may only charge for the actual costs of reproducing public records, plus mailing expenses (see Arkansas Code § 25-19-105(d)(3) of the

Freedom of Information Act of 1967, Arkansas Code § 25-19-101 et seq.).

(c) In addition to the above, eligible entities must fully comply with the Freedom of Information Act of 1967.

(d) State and federal laws, rules, regulations, and policies shall apply for privacy of personal data held by the eligible entity relative to Community Services Block Grant-supported personnel, programs, and activities.

**Authority.** Arkansas Code § 20-80-309.

## **Subpart 2. State Plan and Appropriation of Funds**

### **20 CAR § 505-201. State plan and appropriation requirements.**

(a)(1) The state lead agency must develop a state plan to submit to the United States Department of Health and Human Services covering a period of no less than one (1) fiscal year and no more than two (2) fiscal years.

(2) This plan must be submitted no later than thirty (30) calendar days prior to the beginning of the fiscal year covered by the plan.

(b) The state lead agency is required to hold at least one (1) public hearing in the state giving enough time and notice of the hearing to provide the public with the opportunity to comment on the proposed use and distribution of funds prior to the submission of the state plan to the United States Department of Health and Human Services (see 42 U.S.C. § 9908(a)(2)).

(c) To be eligible to receive Community Services Block Grant funding, the state shall conduct one (1) legislative hearing every three (3) years in conjunction with the development of the state plan (see 42 U.S.C. § 9908(a)(2)(B) and (a)(3)).

**Authority.** Arkansas Code § 20-80-309.

### **20 CAR § 505-202. Eligible entity allocation.**

(a) **Ninety percent (90%) for eligible entities.**

(1)(A) Funds appropriated for the Community Services Block Grant shall be allocated annually to the eligible entities.

(B)(i) The funds will be allocated based on a historical allocation formula that was based on:

(a) Poverty;

(b) Population; and

(c) A "hold-harmless" indicator number.

(ii) The formula will stay in place for all fiscal years going forward.

(2)(A) Upon legislative approval of the Community Services Block Grant state plan and approval of appropriate spending authority, funding awards are released to the eligible entities for the fiscal year.

(B) Within thirty (30) calendar days of receipt of a notice of grant award from the United States Department of Health and Human Services, the state lead agency requests the necessary internal updates to purchase documents that will allow reimbursement payments to be generated to the eligible entities (see 42 U.S.C. § 9908(b)).

(b) **Five percent (5%) administrative.** 42 U.S.C. § 9907(b)(2) states, "No State may spend more than the greater of fifty-five thousand dollars (\$55,000), or [five percent (5%)], of the grant received under section 675A [42 USCS § 9905] or State allotment received under Section 675B [42 USCS § 9906] for administrative expenses, including monitoring activities. Funds to be spent for such expenses shall be taken from the portion of the grant under section 675A [42 USCS § 9905] or State allotment that remains after the State makes grants to eligible entities under subsection (a)".

(c) **Five percent (5%) discretionary.**

(1) The remaining funds will be allocated in accordance with Section 675B(1) (42 U.S.C. § 9906).

(2)(A) The remaining five percent (5%) of the funds can be used for a variety of Community Services Block Grant-related purposes.

(B) Examples of these purposes include awarding funds:

(i) To Community Services Block Grant network organizations to

provide training and technical assistance to community action agencies; and

(ii) On a competitive basis to organizations conducting:

(a) Community economic development activities;

(b) Rural community development activities;

(c) Case management;

(d) Fatherhood initiatives;

(e) Disaster relief; and

(f) Neighborhood innovation projects.

(3) Arkansas will also use these funds to provide for the identification, adoption, purchase, and implementation of a state-wide data collection system for the eligible entities.

(d)(1) All Arkansas-eligible entities must operate their Community Services Block Grant-related programs on a reimbursement basis.

(2) Full documentation of expenses must accompany requests for reimbursement.

**Authority.** Arkansas Code § 20-80-309.

**History.** Ark. R. 2025-26 (eff. November 1, 2025)

### **Subpart 3. Governing Boards**

#### **20 CAR § 505-301. Legislative mandate.**

(a)(1) The Community Services Block Grant Act, 42 U.S.C. § 9901 et seq., as amended in 1998, requires the state lead agency to provide an assurance that each community action agency or nonprofit organization administering the Community Services Block Grant program has a tripartite board which will be constituted as follows:

(A)(i) One-third (1/3) of the members of the board are elected public officials, currently holding office or their representatives, except if the number of elected officials reasonably available and willing to serve is less than one-third (1/3) of

the membership of the board.

(ii) Membership on the board of appointed public officials may be counted in meeting such one-third (1/3) requirement;

(B) At least one-third (1/3) of the members are persons chosen in accordance with democratic selection policies adequate to ensure that they are representative of the low income in the area served; and

(C) The members remaining are comprised of representatives of business, industry, labor, religious, welfare, education, or other major groups and interests in the community.

(2) Strict adherence to these requirements is necessary in order for a member to be eligible for receipt of Community Services Block Grant funding and for continued designation as an eligible entity.

(b)(1) The bylaws of the organization must set forth the process for compliance with the federal and state statutory mandates for the composition of the board of directors.

(2) A copy of the bylaws must be on file with the Office of Program Planning and Community Grant Services of the Division of County Operations.

(3) The eligible entities are required to comply with the process set forth in its bylaws.

**Authority.** Arkansas Code § 20-80-309.

**20 CAR § 505-302. Board composition.**

(a) A community action agency board of directors shall have not less than fifteen (15) members and not more than fifty-one (51) members.

(b) The board composition shall be as follows in accordance with United States Department of Health and Human Services, Administration for Children and Families, Office of Community Services Information Memorandum 82:

(1)(A) The federal Community Services Block Grant Act, 42 U.S.C. § 9901 et seq., requires that the eligible entity select the members of the tripartite board.

(B) This means that the eligible entity tripartite board makes the final approval of board members that have been elected according to the eligible entity democratic selection process;

(2) Boards of community action agencies with Head Start programs are subject to the requirements of the Head Start Act, 42 U.S.C. § 9831 et seq., on:

(A) Composition;

(B) Responsibilities; and

(C) Conflicts of interest; and

(3) A board of a community action agency that operates a federally qualified community health center or intends to qualify as a Community Housing Development Organization must meet additional composition requirements (see hud.gov).

**Authority.** Arkansas Code § 20-80-309.

### **20 CAR § 505-303. Residency requirements.**

Each member of the board selected to represent a specific geographic area within the community must reside in the area which they represent.

**Authority.** Arkansas Code § 20-80-309.

### **20 CAR § 505-304. Conflict of interest.**

(a)(1) A person who serves on the board as an officer or an employee of an organization that wants to perform a component of the work program funded by the Community Services Block Grant must publicly disclose the intent to bid for the component.

(2) They must also recuse themselves from all discussion and any selection determinations regarding award of the component.

(b) Generally, public officials serving on the agency's boards will not be in conflict if the agency should contract with their jurisdiction to perform a component to the work program funded by a Community Services Block Grant.

(c)(1) A person may not serve on the board if an immediate family member is employed by the agency.

(2) An immediate family member is defined as anyone related by blood or marriage.

**Authority.** Arkansas Code § 20-80-309.

**20 CAR § 505-305. Limitations on board service.**

(a) Everyone on an eligible entity governing board, regardless of sector represented, must be elected in accordance with a democratic selection process defined in the eligible entity bylaws.

(b)(1) The bylaws of each eligible entity shall define the term of office and its board election process.

(2) The term of service may be up to five (5) years as defined in the eligible entity bylaws.

(c) The eligible entity may set the term lower than the state lead agency requirement but must hold an election at the end of each term of service.

(d)(1) Public officials elected to the eligible entity board may select a representative to serve in their stead during the term of board service.

(2) Public officials, or their representatives, serve only if the public official is currently holding office, and they are subject to the eligible entity selection process and term of service.

(e)(1) The state lifetime term limit of ten (10) years for the private and low-income sectors has been removed.

(2) However, each eligible entity must demonstrate that an election has been held at the end of each term of service for all three (3) sectors, public, private, and low-income.

**Authority.** Arkansas Code § 20-80-309.

**20 CAR § 505-306. Governing power of the board of directors.**

(a) The board members or governing board acting as one have the legal powers and responsibilities granted under its state charter as the board of directors of a private, not-for-profit corporation.

(b) For example, the board must have the power to enter into legally binding agreements with any federal, state, or local agency or with any private funding organization for operating programs or providing services to low-income recipients.

**Authority.** Arkansas Code § 20-80-309.

**History.** Ark. R. 2025-26 (eff. November 1, 2025)

**20 CAR § 505-307. Bylaws requirements.**

In accordance with United States Department of Health and Human Services, Administration for Children and Families, Office of Community Services Information Memorandum 82, the eligible entities' bylaws must address at least the following:

(1)(A) Composition of the board.

(B) The bylaws shall set the number of seats on the board and the allotment of seats to:

(i) Public officials;

(ii) Representatives of the low income; and

(iii) Representatives of the private sector;

(2)(A) Selection process.

(B) The bylaws shall include processes for selecting all sectors of the board;

(3)(A) Public officials.

(B) The bylaws of the board may authorize each public official serving on such board to appoint a representative who will then serve as the board member.

(C) These representatives need not be public officials themselves, but they shall have full authority to act on behalf of the public officials whom they represent

at meetings of the board regarding the business of the board;

(4)(A) Low income.

(B) Representatives of the low-income population shall be selected/elected in accordance with a democratic selection process adequate to ensure representation of low-income persons residing in the area served.

(C) Representatives of the low-income population may be democratically selected either to represent a specific area or community served by the agency, or at large to represent the entire area served by the agency.

(D) The following democratic selection process may be used, either separately or in combination:

(i) Nominations and elections, either within the community, specific areas, or the entire area served by the agency;

(ii) Election at a meeting or conference of low-income persons where date, time, and place have been adequately publicized;

(iii) Selection or election of representatives of a community-wide board by members of a neighborhood organization who are themselves selected by a low-income neighborhood of area residents; and

(iv)(a) Democratic selection of representatives by existing organizations designated by the board whose membership is predominantly composed of low-income persons or their representatives.

(b) This is not meant to limit the variety of selection processes which may be used.

(c) Any democratic selection process which ensures adequate representation of the low income where date, time, and place have been adequately publicized in advance of the selection, is acceptable.

(E) The entity will have these processes documented in its bylaws or in a separate board-approved document that must accompany the bylaws.

(F) The defined boundaries for the democratic selection of representatives of the low-income population will be maintained in documented form in the entity's files for review by the state lead agency.

(G)(i) Low-income representatives must be truly representative of current residents of the geographic area to be served, including racial and ethnic composition, as determined by periodic selection or reselection by the community.

(ii) Being current should be based on the recent or annual demographics changes as documented in the community assessment.

(iii) This does not preclude extended service of low-income community representatives on boards but does suggest that continued board participation of longer-term members be revalidated from and kept current through some form of democratic process and the assessment of community changes.

(H) Eligible entities must maintain documentation of the selection and election process;

(5)(A) Private sector.

(B) Private sector members shall be selected in such a manner as to ensure that the board will benefit from broad community involvement.

(C) Such representation shall come from members of business, social service agencies, industry, labor, religious, and educational institutions, or other major groups or constituencies of the low-income population concerned with specific problems of the community.

(D) Once an organization is selected, it shall nominate its own representative on the board in accordance with the bylaws.

(E) Each representative shall be empowered to speak and act on behalf of the organization which they represent regarding the business of the board;

(6)(A) Petition by other groups for adequate representation on the board.

(B) The community action agencies shall include in their bylaws the establishment of policies allowing community agencies and representative groups of the low income who feel themselves inadequately represented on the board to petition for adequate representation.

(C) The bylaws shall specify in these policies the:

(i) Channel of communication to be used;

(ii) Number of signatures required for a valid petition; and

(iii) Action required of the board in response to a petition for more adequate representation.

(D) The board bylaws shall include provisions for adjusting its composition in cases where a petition is granted to maintain the proper percentage of public officials and of representatives of the low income;

(7)(A) Removal of a board member.

(B) The bylaws must include a description of the grounds for removal of a board member and the policies to be followed for removing that member;

(8)(A) Alternates.

(B) The Arkansas Nonprofit Corporation Act of 1993, Arkansas Code § 4-33-101 et seq., does not address the use of alternates to represent board members in their absence, therefore, alternates are prohibited;

(9)(A) Vacancies.

(B) A vacancy on the board exists when:

(i) A member has been notified of their official removal by action of the board for cause;

(ii) A member notifies the board of their resignation;

(iii) A member dies; or

(iv) A public official leaves office.

(C) When the seat of a public official is vacant, the board shall ask the designating officials to select another public official to fill the seat.

(D) When the seat of a representative of a private sector is vacant, the board shall ask that organization to name another representative to finish out the term.

(E) When the seat of a representative of the low income is vacant, the board may include in its bylaws either of two (2) options:

(i) The board may repeat the democratic selection process; or

(ii) The board may allow the remaining representatives of the low-income population to select a person to finish out the term, with the condition that the person selected represents the same constituency as the original representative.

(F) The board must fill all vacancies within ninety (90) calendar days after

the vacancy occurs;

(10)(A) Quorum.

(B) A quorum for a meeting of the board shall be over fifty percent (50%) of the board total as established in the agency's bylaws;

(11)(A) Calendar of meetings.

(B)(i) The board shall have not less than four (4) regular meetings per program year with a quorum.

(ii) The annual meeting may count as one (1) of these meetings.

(iii) The schedule shall be defined in the agency's bylaws.

(C) The board shall provide notice of the agenda in writing to all its members for any meeting as specified in its bylaws.

(D)(i) All board of directors' meetings shall be posted in places in the community frequented by the public to ensure the public is informed of the time and date of each meeting in accordance with the Freedom of Information Act of 1967, Arkansas Code § 25-19-101 et seq.

(ii) If a preliminary agenda is not available, the posted notice shall include a general description of the nature and purpose of the meeting.

(iii) Agencies should identify in the posted notices whether the meeting to be conducted is a full board or committee meeting;

(12)(A) Notice requirements (see Arkansas Code § 25-19-106 of the Freedom of Information Act of 1967):

(i) Regular meetings: time and place must be given to anyone who asks; and

(ii) Special/emergency meetings: time, place, and date must be given two (2) hours in advance to news media:

(a) In the county where the meeting is held; and

(b) Located elsewhere that cover the regular meetings and that have asked to be notified.

(B) All eligible entity board meeting notices must be in accordance with the current Freedom of Information Act of 1967;

(13)(A) Minutes.

(B)(i) The agency shall maintain a roster of attendance and written minutes for board and committee meetings including a record of votes on all motions.

(ii) The members making and seconding motions must be identified in the minutes.

(iii) If motions are not unanimous, there must be a record of each member's vote.

(iv) A record of attendance or sign-in sheet must be maintained along with the minutes.

(C)(i) A signed copy of the minutes, roster of attendance, roster of those absent, and any written material distributed at the meeting must be submitted to the state lead agency within thirty (30) calendar days after the minutes have been approved by the board.

(ii) All minutes must be approved within ninety (90) calendar days of the meeting;

(14)(A) Committees.

(B) The board may establish any committee it considers necessary for conducting its business.

(C) The composition of these committees shall fully reflect the composition of the board.

(D) Public notices and quorums for committee meetings and full board meetings are required to be in accordance with the Freedom of Information Act of 1967 and a quorum is over fifty percent (50%) of the established membership of the committee;

(15)(A) Compensation.

(B) Regular compensation to members for their services on the board is not permitted.

(C) Travel reimbursement to all members of the board for expenses to attend the meetings is permitted.

(D) Reimbursement for a meal is allowed if no meal is provided during the

board meeting;

(16)(A) Officials.

(B) Define the responsibilities of the officers of the board, meaning the:

- (i) Chair;
- (ii) Vice chair;
- (iii) Secretary; and
- (iv) Treasurer.

(C) There must be a description of duties in each member file;

(17)(A) Evaluation and oversight of the executive director.

(B) Define the responsibility and authority of the board regarding the hiring and firing of the executive director and the responsibility of the performance of the executive director.

(C) All timesheets and travel requests for the executive director must be approved and signed by the chair or his or her designee (board member);

(18)(A) Tripartite board updates.

(B) The state lead agency requires that eligible entities provide updates regarding the composition of the board, vacancies on the board, and the efforts to fill those vacancies as a part of the quarterly program report; and

(19)(A) Tripartite board verification.

(B) The state lead agency will:

- (i) Attend board meetings;
- (ii) Assess organizational standards;
- (iii) Interview board members during the on-site monitoring review;
- (iv) Review copies of board meeting minutes; and
- (v) Track board vacancies and composition to verify validity of the

eligible entity board.

**Authority.** Arkansas Code § 20-80-309.

#### **Subpart 4. State Community Services Block Grant Implementation**

**20 CAR § 505-401. Service delivery system.**

(a) The provision of Community Services Block Grant services to low-income individuals and families statewide is carried out primarily through Arkansas’s network of eligible entities (community action agencies).

(b) These entities provide services with expectations of outcomes based on the national performance indicators in all seventy-five (75) counties in Arkansas.

**Authority.** Arkansas Code § 20-80-309.

**20 CAR § 505-402. Linkages.**

A programmatic element of the community action plans submitted by the eligible entities will include the development of linkages and cooperative agreements at the local level.

**Authority.** Arkansas Code § 20-80-309.

**20 CAR § 505-403. Coordination with other public and private resources.**

(a) Other public and private funding resources are submitted with estimated amounts leveraged as part of each community action plan.

(b)(1) The state lead agency requires each local entity to submit coordination plans for the entity grant activity.

(2) The coordination plan describes how:

(A) Local entities have conferred with area service providers and established working relationships;

(B) Linkages have been developed to fill identified gaps in services;

(C) Funding will be coordinated with other public and private resources;

and

(D) All the above will result in a multi-program impact on the client’s progress toward self-sufficiency.

(c) As the state lead agency becomes aware of available grants, the information will be disseminated to the eligible entity network either directly or through the Arkansas Community Action Agencies Association.

**Authority.** Arkansas Code § 20-80-309.

**20 CAR § 505-404. Innovative community and neighborhood-based initiatives.**

The eligible entities can use Community Services Block Grant funds to support innovative community and neighborhood-based initiatives related to the purpose of the Community Services Block Grant, including fatherhood initiatives and other initiatives with the goal of strengthening families and encouraging effective parenting.

**Authority.** Arkansas Code § 20-80-309.

**20 CAR § 505-405. Community assessment.**

(a) As a condition of funding, each subgrantee is required to submit every three (3) years a comprehensive community needs assessment for the community served.

(b)(1) The community needs assessment may be coordinated utilizing assessments conducted for other programs.

(2) However, a single-funding-source needs assessment may not be substituted for the required three-year Community Services Block Grant community needs assessment.

(c)(1) Each entity is responsible for conducting or securing its own needs assessment.

(2) The needs assessment of each entity shall describe how the assessment was conducted and provide aggregate results.

(3) The state lead agency realizes that eligible entities require flexibility in conducting a local needs assessment, as each area varies in the resources available and the services provided.

(d) 42 U.S.C. § 9908 § 676(b)(11) of the Community Services Block Grant Act, 42 U.S.C. § 9901 et seq., requires “an assurance that the State will secure from each eligible entity in the State, as a condition to receipt of funding by the entity through a [CSBG] made under this subtitle [42 USCS § 9901 et seq.] for a program, a community action plan (which shall be submitted to the Secretary, at the request of the Secretary, with the State plan) that includes a community-needs assessment for the community served, which may be coordinated with community-needs assessments conducted for other programs[.]”.

(e) The community needs assessment must be updated at least annually or when major changes occur within that agency's geographic service area, for example: loss of major employer, natural disaster, etc.

(f) The state lead agency will provide training and technical assistance, either directly by state staff or outsource, in conducting and creating a written agency-wide community needs assessment.

**Authority.** Arkansas Code § 20-80-309.

**History.** Ark. R. 2025-26 (eff. November 1, 2025)

### **20 CAR § 505-406. Community action plan.**

Prior approval for any changes to the scope or objectives of the community action plan must be obtained prior to the calendar quarter of the proposed change.

**Authority.** Arkansas Code § 20-80-309.

## **Subpart 5. Community Services Block Grant Allowable Activities, Costs, and Domains**

### **20 CAR § 505-501. Allowable costs generally.**

(a) Community Services Block Grant allowable costs are those that support services

and activities which are targeted to the low-income population in order to alleviate poverty and to promote self-sufficiency for those individuals and families.

(b) Community Services Block Grant domains:

- (1) Employment;
- (2) Education and cognitive development;
- (3) Income and asset building;
- (4) Housing;
- (5) Health and social and behavioral development;
- (6) Civic engagement and community involvement; and
- (7) Outcomes and services across multiple domains.

(c) For Community Services Block Grant program reporting requirements, the Office of Community Services of the United States Department of Health and Human Services defines "direct" program and "administrative" costs in accordance with three (3) criteria:

- (1) Meeting Congressional intent for the program;
- (2) Achieving consistency with United States Department of Health and Human Services audit and financial management standards; and
- (3) Ensuring a common basis for relating expenditures to the Community Services Block Grant Results Oriented Management and Accountability System (ROMA) in its updated format that was Office of Management and Budget-approved in January 2017.

(d) All costs charged to the Community Services Block Grant must be in accordance with 2 C.F.R. pt. 200.

(e) Any program or activity supported by Community Services Block Grant funds must be identified in the community action plan.

**Authority.** Arkansas Code § 20-80-309.

**20 CAR § 505-502. Administrative costs.**

(a)(1) Administrative costs include administering and managing central staff and

centralized functions of the agency and prorated costs associated with the entities' audit.

(2) Administrative costs also include expenditures for support for members of the entities' governing body.

(b)(1) Administrative costs do not include costs for administration, management, or overhead expenses directly linked to a specific project operated by the eligible entity.

(2)(A) Such administrative costs should be included as part of the program.

(B) For example, administrative overhead and general support for an eligible entity's community services projects, such as space, supplies, and program manager, should be reported under Programmatic Costs (United States Department of Health and Human Services, Administration for Children and Families, Office of Community Services Information Memorandum 37).

**Authority.** Arkansas Code § 20-80-309.

### **20 CAR § 505-503. Programmatic and case management costs.**

(a) Programmatic and case management costs include services and activities geared toward:

- (1) Attaining an adequate education;
- (2) Securing meaningful employment;
- (3) Acquiring adequate housing and living environments;
- (4) Obtaining emergency assistance;
- (5) Participating in community affairs;
- (6) Addressing the needs of youth; and
- (7) Removing obstacles to improve stability and self-sufficiency.

(b)(1) Community Services Block Grant-funded services may be provided to households up to the percentage of the poverty income guidelines set by the United States Congress as found on the [Division of County Operations Forms and Documents webpage](#).

(2)(A) Office of Management and Budget poverty income guidelines apply to

Community Services Block Grant-funded services and to services provided by Community Services Block Grant-funded staff.

(B) However, if Community Services Block Grant-funded staff provide services funded by other sources with income guidelines that differ from the Community Services Block Grant guidelines, the other funding sources' guidelines shall apply for those services.

(3) Household income eligibility documentation must be maintained on all clients served either directly or served by staff who are paid with Community Services Block Grant funds.

(c)(1) The state lead agency will not attach a specific percentage of Community Services Block Grant funding to case management-related activities.

(2) However, each entity will be asked to identify funds which are used specifically for case managed clients.

(d)(1) The state lead agency will not assign a specific number of clients that each eligible entity is expected to assist in transitioning out of poverty.

(2)(A) However, it is expected as part of the annual community action plan that each eligible entity will set a goal that is at least two percent (2%) higher than the goal for the previous fiscal year.

(B) This requirement can also be met by showing that case managed services are being provided by entity partnerships with other entities.

(e) The eligible entities are expected to partner with local entities such as the local workforce development boards, the Department of Human Services, and other local poverty fighting agencies to provide the tools that will empower individuals and families to become self-sufficient (42 U.S.C. § 9901).

**Authority.** Arkansas Code § 20-80-309.

**History.** Ark. R. 2025-26 (eff. November 1, 2025)

## **20 CAR § 505-504. Eligible entity policies.**

(a)(1) All agencies shall be required to develop and implement written standards of operation to include program policies to govern the programs administered utilizing Community Services Block Grant funds.

(2) Uniform Administrative Requirement, Cost Principles, and Audit Requirement, 2 C.F.R. pt. 200, outlines the policies that each eligible entity is required to have in place.

(b) The cost principles are updated annually, so each entity is responsible for current policies in place.

(c) The below, at a minimum, are expected to be in place and updated in accordance with the Community Services Block Grant Organizational Standards and 2 C.F.R. pt. 200:

(1) Financial procedures manual:

(A) Travel policy; and

(B) Credit card policy;

(2) Human resources manual;

(3) Procurement procedures manual;

(4) Conflict of interest policy;

(5) Management information systems policy;

(6) Whistleblower protection policy;

(7) Records retention; and

(8) Security:

(A) Physical (files or sensitive information); and

(B) Data.

**Authority.** Arkansas Code § 20-80-309.

**20 CAR § 505-505. Appeal procedure.**

(a) Each eligible entity shall develop and implement an appeal procedure which outlines the method that the applicants should follow if they should decide to appeal any decision made regarding their eligibility determination or addressing claims of

discrimination.

(b) The appeal procedure shall either be disseminated to each applicant prior to application or be posted in a conspicuous area within the agency in plain view of all potential applicants.

**Authority.** Arkansas Code § 20-80-309.

**20 CAR § 505-506. Federal Hatch Act.**

While employees of private nonprofit organizations are not generally subject to the Federal Hatch Act, certain employees of private nonprofit community action agencies are because of the receipt of Community Services Block Grant funds.

**Authority.** Arkansas Code § 20-80-309.

**Codification Notes.** The Hatch Act was originally enacted as Pub. L. No. 76–252.

**20 CAR § 505-507. Codes of conduct.**

(a) Eligible entities must maintain written standards of conduct governing the performance of its board members and employees engaged in the award and administration of contracts.

(b) No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by federal funds if a real or apparent conflict of interest would be involved.

**Authority.** Arkansas Code § 20-80-309.

**20 CAR § 505-508. Nondiscrimination.**

The Community Services Block Grant subrecipient is prohibited from discrimination based on:

- (1) Race;

- (2) Color;
- (3) Religion;
- (4) Sex;
- (5) Age;
- (6) National origin; or
- (7) Disability.

**Authority.** Arkansas Code § 20-80-309.

**20 CAR § 505-509. Financial management.**

**(a) Bonding and insurance.**

(1) Each entity is required to have a current fidelity bond providing coverage at a minimum ten percent (10%) of any funds received from the Office of Program Planning and Community Grant Services of the Division of County Operations in which the agency is liable for the reimbursement of federal or state funds to the grantor.

(2) The United States Department of Health and Human Services reserves the right to require agencies to maintain adequate bonding and insurance if the current bonding or insurance is deemed inadequate to protect the interests of the federal government.

(3)(A) The eligible entity must, as a condition for the receipt of Community Services Block Grant funds, secure fidelity bond coverage for appropriate eligible entity officials.

(B) Coverage must be secured for each person authorized to sign or countersign checks or to transport, maintain custody of, or disburse sizable amounts of cash, such as for payrolls, in the minimum amount equal to ten percent (10%) of the total funds awarded to be disbursed.

(C)(i) Prior to its initial agreement with the state lead agency for funding, each eligible entity shall submit assurance that this condition has been met.

(ii) This assurance shall take the form of a letter from a bonding company or agent stating:

- (a) The type of bond;
- (b) Amount and period of coverage;
- (c) Positions covered; and
- (d) The annual cost of the bond that has been obtained.

(D) The state lead agency must be notified by the eligible entity within thirty (30) calendar days of any changes in bonding coverage.

(b) The Employee Retirement Income Security Act of 1974 (ERISA) is a federal law that sets minimum standards for most voluntarily established pension and health plans in private industry to provide protection for individuals in these plans.

(c) The state lead agency also requires each eligible entity provide proof of adequate coverage under a director's and officer's policy.

**Authority.** Arkansas Code § 20-80-309.

**Codification Notes.** The Employee Retirement Income Security Act of 1974 (ERISA) was enacted by Pub. L. No. 93-406.

**20 CAR § 505-510. Carryover funds.**

(a) Eligible entities will be allowed to reprogram Community Services Block Grant funds from their annual Community Services Block Grant budget.

(b) Carryover funds must be obligated, expensed, and invoiced by the end date of the federal award to which the funds are attached.

**Authority.** Arkansas Code § 20-80-309.

**20 CAR § 505-511. Agency annual audit.**

(a) The Office of Program Planning and Community Grant Services of the Division of County Operations requires the eligible entities to follow the guidelines outlined in 2 C.F.R. pt. 200, subpt. F, Audit Requirements.

(b) In addition to the 2 C.F.R. pt. 200 requirements, the office requires the

following:

- (1) A copy of the signed audit engagement letter between the entity and the auditor;
  - (2) A copy of the payment (check copy/bank reconciliation showing proof of payment) to the auditor;
  - (3) A timeline with updates from the auditor on completion date of the audit;
- and
- (4) A letter from the auditor showing the date that the audit will be presented to the board.

**Authority.** Arkansas Code § 20-80-309.

**20 CAR § 505-512. Disallowed costs.**

(a)(1) In those instances in which a subrecipient cannot document the allowability of certain cited questioned costs that will meet the applicable federal or state laws, rules, regulations, or policies, the state lead agency will have no recourse but to disallow these costs.

(2) Once this determination is made, the subrecipient will be officially notified by the state lead agency in writing of such a determination.

(b)(1) The subrecipient will be given thirty (30) calendar days from the date of the state lead agency's letter to remit the amount disallowed.

(2) The remittance must be paid from nonfederal funds (2 C.F.R. pt. 200).

**Authority.** Arkansas Code § 20-80-309.

**20 CAR § 505-513. Debt collection.**

(a)(1) The debt collection process begins with the state lead agency's letter to the affected subrecipient and establishes the debt owed to the state lead agency because of costs that were disallowed during the audit resolution process.

(2) The subrecipient must remit the disallowed costs to the state lead agency

within thirty (30) calendar days from the date of the state lead agency's letter.

(b) Those subrecipients who do not remit disallowed costs or within this timeframe may be charged interest at the applicable prime rate on the debt starting the day after the due date of the remittance (2 C.F.R. pt. 200).

**Authority.** Arkansas Code § 20-80-309.

**20 CAR § 505-514. Purchase or permanent improvement of real property.**

The use of Community Services Block Grant funds is prohibited 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 except as defined in 42 U.S.C. § 9918 of the Community Services Block Grant Act, 42 U.S.C. § 9901 et seq.

**Authority.** Arkansas Code § 20-80-309.

**20 CAR § 505-515. Termination of the agreement, reduction, or suspension of funding.**

If the state lead agency elects to terminate, reduce, or suspend funding to the subrecipient, it shall do so in accordance with the provisions of United States Department of Health and Human Services, Administration for Children and Families, Office of Community Services Information Memorandum 116.

**Authority.** Arkansas Code § 20-80-309.

**20 CAR § 505-516. Hearing on appeal.**

(a) Prior to the suspension of funds or termination of the grant agreement for noncompliance with grant conditions, the subrecipient shall be granted a hearing by the state lead agency upon written request made by the subrecipient within ten (10) calendar days from the date of notification of intent to suspend or terminate the

Community Services Block Grant agreement.

(b) The hearing shall be conducted at the state lead agency's offices in Little Rock, Arkansas, or any other appropriate location at the state lead agency's discretion, with a written notification of the time, place, and subject matter by the state lead agency to the subrecipient.

**Authority.** Arkansas Code § 20-80-309.

**History.** Ark. R. 2025-26 (eff. November 1, 2025)

## **Subpart 6. Client Eligibility**

### **20 CAR § 505-601. Income eligibility.**

(a) To be eligible for Community Services Block Grant services or benefits, clients must be at or below the set percentage of the federal poverty line as determined by the federal Office of Management and Budget based on the most recent federal United States Bureau of the Census data and as revised annually.

(b)(1) The federal Community Services Block Grant law does not require any particular process for determining client income eligibility, nor do United States Department of Health and Human Services regulations.

(2)(A) However, in order to ensure that Community Services Block Grant funds are being used for income-eligible clients, eligible entities should screen for income eligibility.

(B) The eligible entity may adopt its own written procedures for doing so.

(C) These procedures may, based on the eligible entity's community needs assessment, give priority to certain client populations within the applicable income limit, such as:

- (i) People with disabilities;
- (ii) People who are homeless;
- (iii) The elderly;

- (iv) People who are unemployed; or
- (v) People with children under eighteen (18) years of age.

**Authority.** Arkansas Code § 20-80-309.

**History.** Ark. R. 2025-26 (eff. November 1, 2025)

**20 CAR § 505-602. Definition of family.**

(a) Neither the United States Department of Health and Human Services poverty guidelines, the federal Community Services Block Grant Act, 42 U.S.C. § 9901 et seq., nor applicable United States Department of Health and Human Services regulations define the term “family”.

(b) Following are two (2) examples of how the term family might be defined (reasonable definitions are also acceptable):

**Example 1:** The income of all members of each family unit must be included in determining the income eligibility. A family unit may be either: (1) related individuals; or (2) an unrelated individual.

The term “related individuals” means two (2) or more persons related by birth, marriage, or adoption who reside together.

The term “unrelated individual” means an individual who is not an inmate of an institution: (1) who resides alone; or (2) who resides with anyone who is not related to them by birth, marriage, or adoption. (Examples of unrelated individuals residing with others include: a lodger, a foster child, a ward, or an employee).

If a household includes more than one (1) family unit, the poverty guidelines shall be applied separately to each family unit, and not to the household as a

whole.

**Example 2:** For purposes of determining income eligibility, the term “persons in family” in the United States Department of Health and Human Services poverty guidelines means persons in a household. A household includes any individual or group of individuals who are living together as one (1) economic unit. The income of each individual in the household who is eighteen (18) years of age or older must be included in determining income eligibility. In determining whether an individual is part of a household, the eligible entity may consider factors such as whether the individual pays for their own food and occupancy.

**Authority.** Arkansas Code § 20-80-309.

### **20 CAR § 505-603. Income.**

(a) Neither the United States Department of Health and Human Services poverty guidelines, the federal Community Services Block Grant Act, 42 U.S.C. § 9901 et seq., nor applicable United States Department of Health and Human Services regulations define the term “income”.

(b)(1) Following is an example of how the term “income” might be defined.

(2) Other reasonable definitions are also acceptable.

(3) Income includes total annual cash receipts before taxes.

**Example:** Income includes:

- Wages and salaries before any deductions;
- Net receipts from nonfarm self-employment (receipts from a person’s own unincorporated business, professional enterprise, or partnership, after deductions for business expenses); Net receipts from farm self-employment (receipts from a farm, indicating which individual operates as an

owner, renter, or sharecropper, after deductions for farm operating expenses);

- Regular payments from Social Security, railroad retirement, unemployment compensation, strike benefits from union funds, workers' compensation, veterans' payments, public assistance (including Temporary Assistance for Needy Families, Supplemental Security Income, and nonfederally funded General Assistance or General Relief money payments);
- Training stipends;
- Alimony, child support, and military family allotments or other regular support from an absent family member or someone not living in the household;
- Private pensions, government employee pensions, including military retirement pay, and regular insurance or annuity payments;
- College or university scholarships, grants, fellowships, and assistantships;
- Dividends, interest, net rental income, and net royalties;
- Periodic receipts from estates or trusts; and
- Net gambling or lottery winnings.

Income does not include:

- Tax refunds;
- Assets drawn down as withdrawals from a bank or the sale of property, such as a house or a car;
- Capital gains;
- Gifts, loans, lump-sum inheritances, one-time insurance payments, or compensation for injury;

- Employer-paid or union-paid portion of health insurance or other employee fringe benefits;
- Food or housing received in lieu of wages;
- Federal or state noncash benefit programs as Medicare, Medicaid, food stamps, school lunches, and housing assistance; and
- Payments required under federal or state law to be excluded from the definition of income for calculating eligibility for federal or state public benefit programs, such as cost reimbursements under the federal Foster Grandparent Program (see 45 C.F.R. § 2552.47).

**Authority.** Arkansas Code § 20-80-309.

**History.** Ark. R. 2025-26 (eff. November 1, 2025)

**20 CAR § 505-604. Income determination period.**

(a) Neither the United States Department of Health and Human Services poverty guidelines, the federal Community Services Block Grant Act, 42 U.S.C. § 9901 et seq., nor applicable United States Department of Health and Human Services regulations specify the period to be used when determining a client’s income.

(b) The following are examples of periods that could be used in determining a client’s income:

**Example 1:** The period for determining the annual income must not be more than twelve (12) months nor less than ninety (90) days preceding the request for assistance.

**Example 2:** Total monthly or annualized gross household income should be used to determine eligibility. The monthly income should be calculated for the

thirty-day period preceding and including the date of application.

**Example 3:** There is no prescribed look-back period for income assessment. Depending on an individual client's circumstances and the documentation available, it may be reasonable to calculate client income based upon the household's gross income in the past thirty (30) days (multiplied by twelve (12)) or based upon a review of the past year. For example, if a client has become unemployed or was the victim of domestic violence and has left the abusive household within the past year, it may be inaccurate to use the data of the past year to assess income. The use of a shorter period of time, perhaps several months, may be a more appropriate and accurate assessment of the client's income. In addition, case-by-case circumstances such as seasonal employment or an isolated and temporary spike or decline in earnings may require an eligible entity to exercise reasonable discretion to determine on a case-by-case basis the most appropriate time period to review in order to most appropriately and accurately assess income. It is recommended that no period shorter than the past thirty (30) days or longer than the past year should be used. However, in exercising this reasonable discretion, the eligible entity's goal in each case should be to most accurately determine a client's actual financial position at the time of assessment.

**Authority.** Arkansas Code § 20-80-309.

**History.** Ark. R. 2025-26 (eff. November 1, 2025)

### **20 CAR § 505-605. Redetermination.**

(a) After initial determination, the income level of a client receiving ongoing services should be redetermined at least annually and should be reviewed any time the eligible entity becomes aware of a significant income-changing event or circumstance.

(b) An eligible entity retains the right to review a client's income level at any time

while the client is receiving Community Services Block Grant-funded benefits or services for the purpose of determining continued program eligibility.

**Authority.** Arkansas Code § 20-80-309.

**20 CAR § 505-606. Income documentation.**

(a) Neither the Community Services Block Grant Act, 42 U.S.C. § 9901 et seq., nor applicable United States Department of Health and Human Services regulations specify the type of income documentation that eligible entities should review in determining an applicant's income eligibility.

(b) Following are two (2) possible examples of documentation that an eligible entity could review in determining a client's income:

**Example 1:** Applicants must provide documentation of their household's source or sources of income. Some examples of acceptable documentation include pay stubs; a current tax return; IRS Form W-2 or 1099; a letter from an employer; a Social Security check or benefits statement; retirement income statement; unemployment insurance benefit statement; child support payments documentation (copies of checks, history of payments, or court papers); or self-employed accounting records. Documentation of current participation in public benefits programs with income eligibility standards at or below the United States Department of Health and Human Services federal poverty guidelines.

Applicants who claim no household income must sign a form attesting to that fact and to the accuracy of the information provided to the eligible entity. This form must also be signed by a staff member indicating that the staff member has, in good faith, attempted to verify this condition, and that the information on eligibility in the file is accurate to the best of the staff member's knowledge.

**Example 2:** Before an applicant is determined to be eligible based on family income, the applicant must submit information to the program concerning the family's income. Verification must include examination of documents such as individual income tax forms, W-2 forms, pay stubs, pay envelopes, or written statements from employers, if individual income tax forms, W-2 forms, pay stubs, or pay envelopes are not available.

**Authority.** Arkansas Code § 20-80-309.

**History.** Ark. R. 2025-26 (eff. November 1, 2025)

**20 CAR § 505-607. Third-party verification.**

(a) When appropriate, in cases in which no documentation regarding the income eligibility of the applicant has been received by the eligible entity, or when it is either more efficient or reliable to do so rather than to search for eligibility documentation, eligible entities may:

(1) Seek information from third parties who have first-hand knowledge about the applicant's eligibility; and

(2) Document each such third party's:

(A) Name;

(B) Title;

(C) Organizational affiliation, if any; and

(D) Relationship to the applicant in the applicant's record.

(b) Eligible entities also may seek third-party information in cases where documents are not submitted to prove a claim that an applicant has no income.

(c)(1) If eligible entities plan to seek third-party verification from one (1) or more parties regarding an applicant's eligibility, staff must inform the applicant about each party that they intend to contact.

(2)(A) In addition, the applicant must sign a consent form permitting the eligible entity to contact specified third parties.

(B) This provides applicants the opportunity to withhold their consent for third-party verification from one (1) or more parties.

(C) An applicant must be given the opportunity to withhold consent that is related to each party that the eligible entity would like to contact.

(D) If applicants do not sign the consent form, the eligible entity may not contact that party and the applicant remains responsible for providing appropriate documentation.

**Authority.** Arkansas Code § 20-80-309.

**20 CAR § 505-608. Documenting eligibility determination.**

(a) At a minimum, an eligible entity should retain documentation that is sufficient to demonstrate that, where an individualized determination of income was required, a staff member has screened the applicants for income eligibility.

(b) The following are two (2) possible examples of the records that could be kept in order to document the fact that an eligible entity reviewed a client's income and determined the client to be eligible for Community Services Block Grant services or benefits:

**Example 1:** An eligible entity maintains a statement that identifies which documents staff examined and states that the applicant is eligible for Community Services Block Grant services or benefits. The statement is signed by an employee who reviewed the documentation and determined the applicant to be eligible for Community Services Block Grant services or benefits.

Where an applicant claims no household income, the eligible entity maintains the form attesting to that and signed by the applicant and the staff member who attempted to verify the applicant's household income.

**Example 2:** An eligible entity keeps an eligibility determination record for each applicant for Community Services Block Grant services or benefits, which includes:

- Copies of all documents submitted by the applicant relating to the applicant's eligibility for services and any staff member's notes recording any other information related to eligibility received from any source;
- A signed and dated statement by the applicant certifying that the documents and information that the applicant provided concerning eligibility are accurate to the best of the applicant's knowledge;
- Documentation establishing that a staff member has sought to verify the accuracy of the information on eligibility provided to the eligible entity by:
  - Conducting an in-person interview with the applicant; and
  - Seeking information from third parties who have first-hand knowledge about the applicant's eligibility in cases in which no documentation regarding the income eligibility of the applicant has been received by the eligible entity, or when it is either more efficient or reliable to do so rather than to search for eligibility documentation. The record should include the names, titles, and affiliations of the third parties, and the applicant's signed consent form permitting the program to contact each third party; and
- A signed and dated statement by the staff person who made the eligibility determination certifying that the information on eligibility in the file is accurate to the best of the person's knowledge and based on that information the person has determined the applicant to be eligible for services.

**Authority.** Arkansas Code § 20-80-309.

**20 CAR § 505-609. Special eligibility determination circumstances.**

(a) There are certain circumstances where individualized determination of income eligibility may not be required:

**(1) Services provided on a group basis.**

(A)(i) Services are provided on a group, rather than individual, basis and circumstances indicate that those benefiting are likely to meet the Community Services Block Grant income eligibility requirements.

(ii) For example, a financial literacy class provided to parents of children in the eligible entity's Head Start program or a job skills class provided to residents of a homeless shelter.

(B)(i) Services are provided on an individual basis, but circumstances make it impossible or impracticable to obtain documentation and indicate that those benefiting are likely to meet the Community Services Block Grant income eligibility requirements or that the services facilitate linkages and coordination of services to low-income people in the community.

(ii) For example:

(a) A community resource hotline that provides referrals to local health and human services providers;

(b) General information and referrals regarding benefits and services available to low-income people in the community; and

(c) Disaster response and relief, such as emergency shelters or provision of food and clothing during or immediately following a disaster.

(C)(i) Services are intended to increase community awareness of or involvement in poverty issues.

(ii) For example, an eligible entity:

(a) Sponsors a community forum on improving healthcare access for low-income people;

(b) Convenes a meeting of organizations in the community

serving homeless clients to discuss coordinating service delivery; or

(c) Holds an open house to publicize the availability of its programs to members of the low-income community;

**(2) Using Community Services Block Grant funds to support another program.**

(A) When Community Services Block Grant funds are used to support another program that does not have eligibility requirements, that has higher income eligibility requirements than the Community Services Block Grant program, or that does not limit services to the eligible entity's Community Services Block Grant service area, clients should be screened for Community Services Block Grant eligibility and identified as Community Services Block Grant-eligible or not Community Services Block Grant-eligible.

(B)(i) The eligible entity should have a reasonable, documented basis for allocating the program costs between the Community Services Block Grant and the other funding source or sources based on the relative benefit each funding source receives.

(ii) This can be done, for example, by demonstrating that either:

(a)(1) The proportion of program clients who are Community Services Block Grant-eligible is equal to or greater than the proportion of program costs paid with Community Services Block Grant funds.

(2) For example, if seventy percent (70%) of program costs are paid from Community Services Block Grant funds and thirty percent (30%) are paid from another source, at least seventy percent (70%) of the clients served must meet Community Services Block Grant eligibility requirements; or

(b)(1) The proportion of the program staff's time that is devoted to serving Community Services Block Grant-eligible clients is equal to or greater than the proportion of program costs paid with Community Services Block Grant funds.

(2) For example, if seventy percent (70%) of program costs are paid from Community Services Block Grant funds and thirty percent (30%) are paid from another source, at least seventy percent (70%) of the staff's time must be

allocated to serving Community Services Block Grant-eligible clients;

**(3) Residency requirement.**

(A) If residency in the Community Services Block Grant service area is an eligibility requirement of the eligible entity or state Community Services Block Grant statutes or rules, an eligible entity may require documentation indicating that the applicants for Community Services Block Grant services or benefits live in the eligible entity's Community Services Block Grant service area.

(B)(i) Applicants provide documentation of their current residential address.

(ii) Examples of acceptable documentation include:

*(a)* A copy of the utility bill;

*(b)* The lease or rental agreement;

*(c)* A receipt from the landlord showing that rent was received;

*(d)* A copy of the mortgage statement;

*(e)* A written statement from the landlord affirming residency; or

*(f)* A letter from a homeless shelter.

(C) Applicants who live with someone else and do not receive mail at that address may provide a signed, notarized letter from that person and documentation of that person's current residential address.

(D) Self-certification is permitted in the case of applicants who are homeless and have no current residential address;

**(4) Staff, board members, and members of their families.**

(A) There is no prohibition against an eligible entity providing Community Services Block Grant-funded services or benefits to members of its tripartite board and its staff or members of their families who apply for those services or benefits, provided that the:

(i) Applicant meets all applicable eligibility criteria for the services or benefits;

(ii) Applicant does not receive preferential treatment in receiving the services or benefits due to their connection with the eligible entity; and

(iii) Services or benefits are provided on terms similar to those provided to individuals who are not so connected to the entity.

(B) Neither the applicant nor a member of their family should make the determination of whether the applicant is eligible for the Community Services Block Grant-funded services or benefits;

(5) **Noncitizens.** The United States Department of Health and Human Services, Office of Community Services, Information Memorandum 30 (September 30, 1998) states that noncitizens should not be banned from Community Services Block Grant programs based solely on their alien status unless the exclusion is authorized by another statute;

(6) **Substance abusers.**

(A) There is no prohibition on the use of Community Services Block Grant funds to provide services or benefits to substance abusers.

(B) Eligible entities use Community Services Block Grant funds to provide substance abuse treatment or to provide additional services to clients in their substance abuse treatment programs;

(7) **Convicted felons.** Convicted felons are eligible for Community Services Block Grant services;

(8) **Ineligible clients.** Other than people who do not meet the Community Services Block Grant income eligibility requirements, no one is categorically ineligible for Community Services Block Grant services;

(9) **Referrals.**

(A) The Community Services Block Grant Act, 42 U.S.C. § 9901 et seq., requires states to include in their Community Services Block Grant state plans, "information provided by eligible entities in the State, containing ... a description of how linkages will be developed to fill identified gaps in services, through the provision of information, referrals" (see 42 U.S.C. § 9908(b)(3)(B)).

(B) Thus, it is clear that Community Services Block Grant funds may be used to provide information and referrals, assuming that the services are targeted to those who are Community Services Block Grant-eligible; and

**(10) Intake and eligibility screening.**

(A) An eligible entity may use Community Services Block Grant funds for initial intake and eligibility screening for general eligible entity services.

(B) If an applicant is determined not to meet the Community Services Block Grant eligibility requirements, but is eligible for other services or benefits provided by the eligible entity or by other organizations or entities that have less restrictive eligibility requirements, such as higher income, Community Services Block Grant funds may be spent on staff time and related expenses for the intake staff to inform the applicant about the availability of those services or benefits and to refer the applicant to a staff person whose time is paid out of the funding sources for those services and benefits for more information about and intake for those services and benefits.

(b)(1) As noted in the Appendix, eligible entities must conduct Community Services Block Grant eligibility determinations in a manner that does not discriminate against applicants on the basis of:

- (A) Race;
- (B) Color;
- (C) National origin;
- (D) Age; or
- (E) Disability.

(2) In addition, eligible entities that are religious organizations are prohibited from discriminating against applicants on the basis of religion.

**Authority.** Arkansas Code § 20-80-309.

**Appendix A. Reference Items in CSBG Act, Civil Rights and Uniform Guidance used to document and establish CSBG Eligibility Section 673(2) of the CSBG Act, 42 U.S.C. § 9902(2)**

**Link:**

<https://CodeOfARRules.arkansas.gov/docs/CARCodeAppendices/Appendice>

[s/168/20CARpt.505AppendixA.pdf](#)

**History.** Ark. R. 2025-26 (eff. November 1, 2025)