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#### Authority

The provisions of this Chapter 133 issued under the Community Action Agencies Act (62 P. S. §§ 2801 and 2802), unless otherwise noted.

#### Source

The provisions of this Chapter 133 adopted April 29, 1970; renumbered from 16 Pa. Code Chapter 13, May 16, 1997, effective May 17, 1997, 27 Pa.B. 2415. Immediately preceding text appears at serial pages (2135) to (2148) and (125665).

### GENERAL PROVISIONS

#### § 133.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

*Act*—The Community Action Agencies Act (62 P. S. §§ 2801 and 2802).

*Agency*—Any private or public nonprofit community action agency which is recognized under the Federal Economic Opportunity Act of 1964, as amended (42 U.S.C.A. § 2701 et seq.) and which coordinates economic opportunity programs for cities, boroughs, town, townships and counties within this Commonwealth.

*Program*—The Community Action Agencies Program.

**§ 133.2. Purpose.**

The purpose of the Program is to:

- (1) Assist local agencies in providing the required matching effort for Federally-funded community action programs.
- (2) Encourage local initiative in the development of community action programs for which Federal funding is not available.
- (3) Stimulate local agencies to develop innovative program approaches to solving local community problems.
- (4) Provide employment for poor people.
- (5) Provide substantial benefits for the recipients of program services.

**§ 133.3. Authority of Department.**

Section 2 of the act (62 P. S. § 2802) empowers the Department to:

- (1) Develop guidelines and application forms to assist agencies in applying for State grants under the program.
- (2) Assist agencies in developing acceptable work programs and budgets.
- (3) Provide direction through technical assistance and provide fiscal forms and guidance to insure fiscal responsibility of agencies.
- (4) Grant funds to agencies for community action programs.
- (5) Terminate any grant-contract violation upon due cause, and compel return of unspent or unobligated State funds to the Commonwealth.

**§ 133.4. Responsibility of the Office of Community Services.**

(a) The Office of Community Services is responsible for administration of the act and shall develop necessary amendments to this chapter for the administration of the act.

(b) Field and program representatives of the Bureau shall be responsible for monitoring the program, making evaluation visits to agencies and submitting reports to the program manager.

**§ 133.5. Department regional offices.**

Inquiries and program applications shall be directed to one of the regional offices of the Department specified in § 1.3 (relating to Department regional offices).

**GRANT PROPOSAL****§ 133.11. Proposal assistance.**

The Department regional offices and field representatives and program supervisors of the Office of Community Services shall be available to assist grant applicants in the preparation of a grant proposal.

**§ 133.12. Submission.**

(a) All grant proposals, together with budgets, shall be submitted for final review and approval by the Department before a grant will be made.

(b) Grant proposals shall be submitted in four copies to the Department regional office in the county where the agency is located.

(c) The regional office shall acknowledge receipt of grant proposals and shall advise agencies that, upon review, further information shall be furnished.

**§ 133.13. Content requirements.**

All grant proposals shall be in writing and shall contain the following specific information:

(1) Applicant's name, address, telephone number, legal status and specific contact individuals, such as executive director and board chairperson or president of counties served by the agency.

(2) Needs and characteristics of the agency.

(3) Description of the community action program including:

(i) Statement of purpose of the proposal.

(ii) Description of the number and type of persons who will benefit as a group from the grant proposal, such as senior citizens, the poor and children.

(iii) Statement of the number and positions of persons that are to be employed as aides, supervisors, craftsmen and the like. When training is expected to be given to these persons, the method and scope of the training shall be fully explained, and the expected utilization of acquired skills in the job market shall be projected.

**§ 133.14. Plan for services.**

The plan of the agency for providing services shall include the following:

(1) *Background data.* The basis for initiation of the plan, the extent of community involvement, the factual information showing the extent of the problem, the reason for selection of the project and the relationship of the project to related ones in the area.

(2) *Approval.* The approval of any Commonwealth agency currently providing like services.

(3) *Funding.*

(i) Efforts to obtain funding from local, State or Federal agencies providing like services shall be stated in writing.

(ii) Where the work program is not to be a continuing program, efforts to obtain continuing funding support for the program.

(iii) An inventory of present and past funding sources, together with proposal descriptions.

**§ 133.15. Budget plan.**

A community action program budget for each component shall be submitted on a form provided by the Department and shall include the following seven cost categories:

- (1) *Personnel*. Includes salaries, wages, overtime, hospitalization and insurance, other fringe benefits and payroll taxes.
- (2) *Consultants and Contract Services*. Includes accounting, legal and other services.
- (3) *Travel*. Includes *per diem*, transportation and maintenance costs of vehicles rented or owned.
- (4) *Space and Rentals*. Includes rent, renovation and utility expenses.
- (5) *Consumable Supplies*. Includes costs of office supplies, postage, office accessories under \$50 per item, maintenance supplies and medical supplies.
- (6) *Rental or Lease of Equipment*. Includes expenses for office machines, furniture and fixtures, outdoor equipment, special equipment, rented office machines, rented furniture and equipment, rented outdoor equipment and rented special equipment.
- (7) *Other Items*. Includes expenses of transportation repairs, food, insurance, telephones and telegraphs, publications and printing, subscriptions, data processing and miscellaneous items.

**Cross References**

This section cited in 12 Pa. Code § 133.23 (relating to approval of changes).

**THE GRANT****§ 133.21. Grant payments.**

- (a) Grant payments will be rendered in three equal installments as follows:
  - (1) First payment will be an advance payment of 1/3 of the total entitlement.
  - (2) Second payment of 1/3 of the total entitlement will be made when the agency produces financial statements showing need for more funds predicated upon program expenditure patterns and fulfillment of work programs and established budgets.
  - (3) Third payment will be released only after an interim audit has been submitted as described § 133.34 (relating to auditing of agency).
- (b) All regional statistical progress and fiscal reports shall be current in order for allotment requests to be approved for payment.
- (c) The agency shall submit the original and four copies of the invoice to the Department for all payments. The invoice shall be:
  - (1) On the agency letterhead.
  - (2) Dated and shall describe work programs and amount of installment.

(3) Signed by the executive director and the board chairperson or president of the agency.

**§ 133.22. Grant limitations.**

- (a) Grants made through the Department will not exceed 10% of the program budget as officially approved in writing by the Office of Economic Opportunity.
- (b) Unused portions of grants shall be returned to the Department.

**§ 133.23. Approval of changes.**

- (a) The Department will not participate in any expenditures not included in the final work program and budget except where prior written permission has been obtained from the Community Empowerment Office.
- (b) The agency shall submit work program and budget change requests in writing and shall not make changes without written acknowledgment and approval by the Bureau in writing.
- (c) Proposal budgets shall be on a form entitled, Budget For Component Project.
- (d) Budget changes following the original Department approval shall be submitted on a form entitled, "Component Amendment." When such form is approved, the agency shall submit another form entitled "Budget for Component Project," to show a new line budget covering all seven cost categories as specified in § 133.15 (relating to budget plan).

**§ 133.24. General expenditures.**

- (a) *Capital expenditures.* The purchase of real estate, facilities, automobiles and major items of equipment will not be approved by the Department.
- (b) *Renovation of facilities.*
  - (1) Renovation of existing facilities not to exceed 15% of the entitlement allowed under the act will be permitted.
  - (2) Bids on such renovations shall be reviewed by a regional office of the Department before awarding the contract.

**§ 133.25. Executed contracts.**

- (a) The contract shall be fully executed only when all required signatures are obtained, including the signatures of:
  - (1) the Governor in contracts exceeding \$100,000; or
  - (2) the Secretary or his duly authorized deputy in contracts not exceeding \$100,000.
- (b) An agency shall accept the terms of the contract by affixing the signature of the board president or chairperson. The signature shall be attested to by the executive director, together with the corporate or official seal of the agency.
- (c) The agency shall make no expenditures or obligations against the contract grant until the contract is signed as provided in subsection (a) and dated.

**Cross References**

This section cited in 12 Pa. Code § 133.26 (relating to effective starting date) and 12 Pa. Code § 133.33 (relating to letter of intent).

**§ 133.26. Effective starting date.**

The date of signature pursuant to § 133.25 (a) (relating to executed contracts) shall be the effective starting date of the contract.

**AGENCY RESPONSIBILITIES****§ 133.31. General.**

The agency receiving a grant under the program shall be responsible for the development and administration of its community action program.

**§ 133.32. Agency bond.**

(a) An agency shall provide in the budget a sum of money to adequately protect the financial interests of the Commonwealth with a fidelity bond. The fidelity bond shall be for 1/3 of the total amount of grant entitlement or \$25,000, whichever is greater. The bond shall be in favor of the Commonwealth and a copy shall be submitted to the Department.

(b) The period of coverage shall be for 1 year and shall be renewable for each succeeding fiscal year until the end of the programs.

(c) Whenever a fidelity insurance premium is paid with a State grant and the policy is cancelled, the rebate of the prepaid premium shall be returned to the Department.

**§ 133.33. Letter of intent.**

Agencies shall submit a letter of intent from a bonding company stating that the fidelity bond shall be effective on the effective date of the contract. The letter shall accompany the contract returned for signature pursuant to § 133.25 (a) (relating to executed contracts).

**§ 133.34. Auditing of agency.**

(a) Agencies shall provide provisions within the budget for making interim and final audits by an independent certified public accountant or public auditing source.

(b) Audits shall cover Commonwealth grant expenditures and shall conform to approved budget allocations.

(c) Agencies shall:

(1) agree to program and fiscal reviews of State programs where the Department deems necessary; and

(2) permit auditing of grants by Department auditors or auditors from the Department of the Auditor General.

**Cross References**

This section cited in 12 Pa. Code § 133.21 (relating to grant payments).

**§ 133.35. Agency fiscal responsibilities.**

(a) An agency shall return unused grant funds to the Department upon demand for any violation of contract, work program or budget.

(b) An agency shall not combine grant funds with any other funds and shall maintain separate accounting and internal controls for Commonwealth funds.

**§ 133.36. Financial reports.**

Monthly financial reports shall be submitted on form DCA-30 for each component and summary by the 15th day of the following month. Failure to do so will result in a hold being placed on funds.

**§ 133.37. Excess grant funds.**

Grant funds in excess of two-months operating costs shall be handled in accordance with the following:

- (1) Placed in a savings account, where interest earned shall be submitted to the grantor as received and interest checks shall be made payable to "Commonwealth of Pennsylvania—Department of Community and Economic Development."
- (2) Transferred back into a checking account as needed.

**§ 133.38. General requirements.**

The agency shall agree to the following:

- (1) No interest in the contract shall be assigned or transferred whether by assignment or novation.
- (2) No funds received under the contract shall be used in a manner resulting in a reduction of local or private appropriations to the agency.
- (3) No discrimination because of race, creed or color shall be permitted by the agency in its activities.
- (4) No existing local efforts against poverty shall be replaced, but shall only be supplemented and raised by grant assistance.
- (5) Monitoring, evaluation and investigations of all programs using grant funds under the act shall be permitted or established.

**DELEGATION BY AGENCY****§ 133.41. General.**

An agency shall be responsible for the actions of each delegated activity, and shall:

(1) Execute a contract or agreement, in writing, for the delegation of activities, signed by the executive director, and board chairperson or president of the delegated agency.

(2) Submit to the Department copies of the delegate agreement for approval, after which the agreement shall become an integral part of the work program and budget of the agency.

**§ 133.42. Performance.**

Delegates shall, in a satisfactory manner as determined by the agency, either perform all activities for the agency, or the obligation of the delegate, as explicitly described in writing.

**§ 133.43. Compliance with approved program.**

All activities authorized by the written agreement shall be performed in accordance with the approved work program, the approved budget, the grant conditions and relevant Department directives.

**§ 133.44. Reports, records and evaluation.**

The agency shall supervise, evaluate and provide guidance and direction to the delegate in the conduct of activities delegated under the contract. The delegate shall submit to the agency such reports as may be required by the Department or by the agency, including reports on work program progress for each delegated activity, and financial statements on a form provided by the Department, wherein each component is fiscally reported and then summarized on the form. These requirements shall be on a monthly basis and every delegated expenditure shall be fully documented.

**§ 133.45. Audits.**

Each agency shall obtain from delegates copies of interim and final audits, as a part of the agency audit responsibility to the Department. All delegates handling cash shall submit a copy of a fidelity bond to the agency for 1/3 of the total grant or \$25,000, whichever is larger. The bond shall be in favor of the Commonwealth and shall become effective on the effective date of the contract. Bonds are renewable each year and whenever any premium rebates are made, the rebated sum shall be payable to the "Commonwealth of Pennsylvania—Department of Community and Economic Development." All earned interest on program funds shall be turned over to the Department.

**§ 133.46. Changes.**

The agency may from time to time request changes in scope of services or budget changes for the delegate. All such requests for change shall be in writing and shall take effect only when approved by the agency and the Department.

**§ 133.47. Time and attendance.**

Delegates shall keep time and attendance records for all employees, signed jointly by employe and supervisor before payment shall be made for services.

**§ 133.48. Compliance with laws.**

Delegates shall comply with all applicable laws, ordinances and codes of the Commonwealth and its political subdivisions. Delegates shall agree in writing to assure compliance with the Civil Rights Act of 1964 and its amendments (21 U.S.C.A. § 1981 et seq.).

**§ 133.49. Covenant against contingent fees.**

The delegate shall warrant that no person, sales agency or other organization has been employed or retained to solicit or secure the contract upon an agreement or understanding for a commission, percentage or brokerage, or contingent fee. Breach of such warranty shall give the agency or the Department the right to annul the contract without liability, or at their discretion, to deduct from, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee, or to seek such other remedies as legally may be available.

**§ 133.50. Schedule of payment.**

Subject to receipt of funds from the Department the agency shall reimburse the delegate for authorized expenditures. An advance of money, mutually agreed upon, shall be paid to the delegate for authorized expenditures. An advance of money, mutually agreed upon, shall be paid to the delegate for estimated expenditures for mutually agreed upon numbers of months. The delegate shall submit to the agency or the Department vouchers that are sufficient to support payment under accounting procedures established or approved by the accountant of the agency or the accounting requirements of the Department. Within 30 days the agency shall approve or disapprove payment of the vouchers, and shall make additional payments equal to the amount of such approved expenditures to the delegate. The delegate shall not be reimbursed for any cost categories in excess of the approved budget, except as it has received prior written authorization from the agency or the Department, which authorization shall be incorporated into and shall be attached to the contract.

**§ 133.51. Records and equipment retention.**

All records of transactions, such as time and attendance, internal controls, checkbook stubs, cancelled checks, cash receipts and cash disbursement journals and general ledgers shall be retained by the delegate for a period of 3 years or turned over to the Department upon request. Equipment purchased with program funds by delegates shall be turned over to the agency or the Department upon request for contract termination made for cause.

**§ 133.52. Termination of delegate agreement.**

The agency may, by giving reasonable written notice specifying the effective date, terminate a contract with a delegate in whole or in part for any of the following reasons:

- (1) Failure of the delegate to fulfill for any reason the obligations under the contract, including compliance with the approved program and attached conditions, and such statutes, agency or Department directives as may become generally applicable at any time.
- (2) Submission by the delegate to the agency or Department of any required reports or statements that are incorrect or incomplete in any material respect.
- (3) Ineffective or improper use of funds provided under the contract.
- (4) Suspension or termination by the Department of the grant to the agency under which the contract with the delegate is made, or the portion thereof delegated by the contract.
- (5) Termination of the contract with the agency upon mutual agreement in writing which sets forth explicit reasons for such actions.

**§ 133.53. Termination procedure.**

(a) In the event of termination of the delegate agreement the following provisions shall be followed:

- (1) *Disposal of property.* All property and finished or unfinished documents, data, studies, and reports prepared, or equipment purchased by the delegate under the contract shall be disposed of according to agency or Department directives and the delegate shall be compensated for unreimbursed expenses reasonably incurred in the satisfactory performance of the contract.
- (2) *Release of liability.* The delegate shall not be released of liability to the agency or Department for damages sustained by virtue of any breach of contract by the delegate.
- (3) *Reimbursement.* The agency or Department may withhold reimbursement to the delegate for the purpose of setoff until such time as the exact amount of damages due the agency or Department from the delegate has been agreed upon.
- (4) *Authorization.* The agency shall ensure that persons signing for the delegate have the specific authorization of the agency to commit the delegate.

(b) Upon termination of the contract all programs, records and unused grant monies shall be turned over to the Department.

**PROGRAM ADMINISTRATION****§ 133.61. Office of Community Services functions.**

(a) The Office of Community Services shall make copies of this chapter and the appropriate forms available to all persons requesting them.

(b) The Office of Community Services shall give notice of the availability of cash grants to community action agencies under this chapter:

- (1) Directly through the Department regional offices.
- (2) Indirectly through the news media.

**§ 133.62. Program Evaluation Review Committee system.**

(a) The Department procedure for processing a grant proposal is the Program Evaluation Review Committee system.

(b) Grant proposals shall be reviewed according to the following procedure:

(1) The regional office shall review grant proposals, and after approval, shall forward them to the Office of Community Services.

(2) The Office of Community Services will evaluate the grant proposal as to its feasibility, funding and legality. Upon approval, the grant proposal will be forwarded to the Program Evaluation Review Committee.

(3) The Program Evaluation Review Committee will review and evaluate the grant proposal and shall return the completed proposal to the Director of the Office of Community Services stating that it is approved, disapproved or tabled.

(4) The Office of Community Services Director will notify the appropriate regional office of the disposition of the grant proposal.

(5) The regional office will notify the grant applicant of the final disposition of the grant proposal.

(6) The Director of the Office of Community Services will initiate preparation of a contract for approved grant proposals.

**TERMINATION****§ 133.71. Termination by Department.**

The Department may, by giving written notice 5 days in advance of the effective date of termination, terminate the contract with an agency, in whole or in part for:

- (1) Failure of the agency to fulfill, for any reason, the obligations under the contract.
- (2) Violation of any of the covenants, agreements or stipulations of the contract.

**§ 133.72. Termination within 1 year.**

Unless extended by mutual agreement in writing by the Department and agency, the contract shall be terminated 1 year after the date of execution of the contract within which time the agency shall have completed:

- (1) Programs specified in the approved work plan budget.
- (2) Application for Community Grant within 1 year after date of execution of the contract.

**§ 133.73. Termination by mutual agreement.**

The contract may be terminated prior to the expiration of the contract period by mutual written agreement between the Department and the agency.

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