



CENTERS FOR INDEPENDENT LIVING
COMPLIANCE REVIEW REPORT

Resources for Independent Living, Inc. Center for Independent Living

Grant Award Number: H132A010009 (Sacramento)

REVIEW DATES: October 24-26, 2012

Draft Report: January 28, 2013
CIL Response: February 26, 2013
Final Report: March 7, 2013

REHABILITATION SERVICES ADMINISTRATION

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I. PURPOSE OF THE ON-SITE MONITORING REVIEW

Sections 706(c) and 722 of the *Rehabilitation Act of 1973, as amended* (Rehabilitation Act) mandate that the Rehabilitation Services Administration (RSA) conduct on-site reviews of centers for independent living (CILs) funded under Title VII, Part C, Section 722. The objectives of on-site reviews are to:

- assess compliance with the requirements of Section 725(b) and (c)(3) of the Rehabilitation Act and 34 CFR 366.60-366.63;
- study program operations, organizational structure and administration of the CIL under Section 725(c)(1), (2), (5) and (6) of the Rehabilitation Act and 34 CFR 366.2 and 366.50;
- review documentation sufficient to verify the accuracy of the information submitted in the most recent 704 Annual Performance Report;
- verify that the CIL is managed in accordance with federal requirements in the Education Department General Administrative Regulations (EDGAR);
- assess CIL conformance with its work plan, developed in accordance with Section 725(c)(4) of the Rehabilitation Act and 34 CFR 366.50(d)(2), conditions of the CIL's approved application, and consistency with the State Plan for Independent Living (SPIL);
- identify areas of suggested or necessary improvements in the CIL's programmatic and fiscal operation and provide technical assistance resources available on the local, state, regional and national level;
- identify areas of exemplary work, projects and coordination efforts and make this information available to the larger CIL community; and
- provide an opportunity to share information with experienced nonfederal individuals involved in the operations of CILs and make available technical assistance to enhance CIL operations or to minimize or to eliminate problem areas.

II. METHODOLOGY

The on-site review of Resources for Independent Living, Inc. (RIL) was conducted from October 24 to 26, 2012. The program review covered the center's independent living (IL) operations and activities and the financial review examined the center's participation in Title VII, Part C, of the Rehabilitation Act. RSA used the On-Site Review Guide (ORG) to conduct the on-site review. During the review, interviews were conducted with the center's management, staff, consumers and members of the board of directors. In addition to the interviews, program and financial documents were reviewed in accordance with the protocol required by RSA's ORG, including written policies and procedures, a sample of consumer service records (CSRs), and other documents that verified compliance with standards and indicators. CSRs were selected for review on a random basis. RSA conducted an exit conference at the conclusion of the review to provide feedback on initial impressions from the review.

The RSA review team included the following individuals:

- Elizabeth Akinola, RSA program specialist;
- Rebecca Coffin, nonfederal reviewer; and
- Cheryl Kasai and Michelle Davis, representatives, designated state unit.

III. MISSION AND DESCRIPTION

RIL's mission is "Promoting the socio-economic independence of persons with disabilities by providing peer supported, consumer directed independent living services and advocacy." RIL serves Yolo and Sacramento counties. RIL was awarded a RSA grant under Title VII, Chapter 1, Part C, of the Rehabilitation Act in 1976.

In addition to the four core services, RIL is involved in the below projects on behalf of individuals with significant disabilities.

- **Assistive Technology (AT):** This program assists consumers to live and work as independently as possible through the use of AT techniques, adaptive aids, and devices. RIL assists consumers in obtaining AT and durable medical equipment (DME) such as wheelchairs, ramps, and computer voice recognition software. Consumers receive their AT and DME through their insurance company or Medi-Cal or Medicare. Staff provides advocacy services when AT or DME is denied or delayed and offers classes six times a year to train consumers on using AT.
- **DOGFITE:** This consumer-run program organizes and conducts advocacy activities to improve quality healthcare, establish universal health insurance, and in-home support services. Activities are also aimed at improving affordable and accessible housing, affordable and accessible transportation, and quality social services. The program promotes individual rights, liberty, and equality to protect the rights and interests of persons with disabilities. It also collaborates with private and public institutions to support immigration rights for individuals with disabilities, and promotes social justice so no community will be left behind.
- **Personal Assistants Services (PAS):** This program assists consumers with a wide variety of services including personal care, shopping, housework, and cooking. Personal assistants enable disabled consumers to live as independently as possible in the community and stay out of institutions. The program pays the cost of a personal assistant for those with disabilities that meet certain income requirements and who receive SSI or Medi-Cal. Consumers who do not receive SSI or Medi-Cal may qualify for PAS with a share of cost payment, depending on income. RIL provides referrals to consumers who wish to pay privately for personal assistants services.

IV. ORGANIZATIONAL STRENGTHS AND EMERGING PRACTICES

- **Housing Opportunities Program:** RIL offers one-on-one assistance to consumers in locating affordable and accessible housing through the housing opportunities program. This program has multiple components described below.
 - **Transitional Living Center (TLC):** This 12-month program was established in 1985 to provide independent living skills (ILS) training to individuals with disabilities who are homeless to enable them live in the community safely and with dignity. Classes are held twice a week and developed around a nine-part curriculum that covers:

- health and safety; community resources; meal planning and nutrition; self- advocacy; sexual awareness; personal assistance management; household management; recreation and leisure; and money management. This program is operated by RIL in partnership with Housing and Urban development (HUD), Sacramento Housing and Redevelopment Agency (SHRA), and Sacramento Steps Forward (HUD Continuum of Care). Annually, six consumers are placed in subsidized accessible apartments provided by SHRA and located throughout Sacramento County at 30 percent of the consumer's income monthly rent. In FY 2012, the program provided housing rental subsidy in the amount of \$36,000 to its six current participants. The subsidized apartment in conjunction with RIL's ILS classes provides the residential stability consumers need for learning the skills necessary to prevent future homelessness.
- Housing I&R: RIL maintains a housing list that is updated quarterly, and staff directly contacts landlords to ensure that information provided to consumers about available housing is accurate. Consumers who are homeless are able to use RIL's telephone facilities to contact and receive calls from landlords. In FY 2012, 500 consumers benefitted from this program, about 226 of whom successfully secured and/or maintain residential stability in the community.
 - Shelter Plus: RIL has staff assigned to work in the Shelter Plus Care program funded by Housing and Urban Development (HUD). This is an outreach program that provides housing services to three underserved disability groups: HIV and AIDS, mental health disabilities, and drug and/or substance abuse. This program offers subsidized rent along with ongoing intensive case management services. The program provides subsidized rent and supportive services to over 30 families yearly. In FY 2012, Shelter Plus provided over \$202,000 in rental subsidy and over \$161,000 in supportive services to consumers.
 - **Garden Project:** This program was started in 2007 as a resource for independent living skills training (ILS), and to serve as a place for RIL's consumers with mental health disabilities to gather for skills-related activities. Initially, the garden occupied one five by five square foot plot but has since expanded, currently covering six plots in Sacramento county. RIL's geographic location the Sacramento Valley provides an ideal year-round climate for such activities as growing vegetables and herbs, tended by RIL consumers. RIL staff and consumers discuss nutritional content of various foods in the process of tending the garden. As part of the twice weekly training curriculum, consumers also learn to prepare produce harvested from the garden. This project provides hands-on experience that corresponds to concepts taught in the meal planning and nutrition ILS classes. In addition, RIL intends to use the garden project as a source for generating program income through selling the produce.

V. OBSERVATIONS AND RECOMMENDATIONS

During its review activities, RSA identified the observations below and made recommendations that RIL may consider. In addition, the completed ORG is attached to the report.

1. CSR management

Observation: RSA randomly selected and reviewed 20 (twenty) Consumer Service Records (CSRs) at RIL: 15 (fifteen) active and 5 (five) inactive. All the CSRs reviewed contained complete and specific information about services requested, services provided, IL goals or objectives established, and independent living plans (ILPs) and waivers. However, RSA identified the below areas for improvements.

- None of the CSRs reviewed had evidence that the consumer was able to provide feedback although the review team was provided with the survey instrument that RIL uses to solicit consumer input.
- None of the release of information forms contained permission for use of consumer photographs for CIL activities and publications.
- Five of the inactive CSRs reviewed did not contain sufficient information about case closure or the reason for such closure. In at least four of the inactive CSRs, “closure” was indicated at the end of any conversation with the consumer. However, information in one CSR indicated that the record was closed a few days after the consumer had informed the IL specialist by telephone that contact had not been made with her because she had been admitted to the hospital. In this instance, the consumer indicated that she would like to have her case remain active.
- Interviews with the IL specialists and their supervisor indicated that staff works very well with consumers but that the various languages found in their services area is sometimes a barrier to accurate documentation. For example, a Chinese-speaking IL specialist would provide I&R services over the telephone and when the conversation is over, the IL specialist would record a case “closure” in the database.

Recommendation: RSA recommends that RIL:

- 1.1 revise and update its CSR management system to ensure that all CSRs contain accurate information about IL goals and objectives achieved by CIL consumers; and
- 1.2 improve its quality assurance procedures to ensure that no CSRs are closed unless there is documentation that the consumer has achieved his or her IL goals and that the consumer has made the decision to have his or her CSR closed.

RIL Response: RIL agrees and has begun implementation of all RSA recommendations including:

- 1.1 RIL has revised and updated its CSR management system to ensure that all CSRs contain accurate information about IL goals and objectives achieved by CIL consumers. All staff attending regular staff trainings had training on RSA Services and Goals and how to distinguish in the service record the difference between them.
- 1.2 RIL has retrained all RIL employees on quality assurance procedures to ensure that no CSRs are closed unless there is documentation that the consumer has achieved his or her IL goals and that the consumer has made the decision to have his or her CSR closed.

In addition RIL utilized the ILRU web based, 3 part training module series on the delivery of services and the maintenance of consumer records and files. All staff have certificates of completion in their personnel files as of February 26, 2012. RIL has added a consumer permission form for release of photographs taken for RIL marketing purposes and this form is now included in RIL's intake packet.

Technical Assistance: RIL staff may take the CSR rapid course offered through the Independent Living Resource Utilization (ILRU) at their website: <http://ilru.org/html/training/rapidCourses/index.html>. This module, the first in a three-part series and covers the CSRs and ILPs, fundamental federal requirements for record keeping and reporting, the importance of CSRs in meeting the reporting requirements for the annual federal 704 Report of services and activities, and useful practices for gathering consumer information, developing ILPs, and maintaining complete and accurate records. The primary audience is front line workers in CILs and it is designed to be used in orientation and training for new CIL staff and as a refresher for existing staff.

All CSRs should include evidence that the consumer is able to provide feedback regarding satisfaction or dissatisfaction with the services provided by the CIL and received by the consumer; and evidence that the consumer has directed the IL service staff that they would like to have their case closed. The CIL should develop and implement a CSR closure process that clearly shows that a CSR is closed or made inactive because the CIL is unable to contact the consumer by telephone or within a stipulated number of days after the closure letter has been sent; and all inactive CSRs should contain the same level of detailed information about case closure or the reason for such closure. All the CSR information and accompanying narratives should always be consistent in layout, format and quality, and the level of detail in each CSR should not vary from staff to staff. All of the release of information forms used by RIL should contain permission for use of consumer photographs for CIL activities and publications.

The supervisor and executive director indicated that training and increased supervision would be provided to the IL specialists to improve the quality and consistency of the CSRs. RIL staff and management also expressed an interest in taking any available training that would help the CIL improve its recordkeeping and documentation activities, and IL goal development as well as how to properly document goals achieved by consumers in the CSRs.

2. Cost Allocation Plan

Observation: A review of the approval letter from the US Department of Education dated April 17, 2007, indicated that approval of the CIL's cost allocation plan that became effective on July 1, 2006, will remain in effect until a revision is necessary. However, the cost allocation plan was approved with the requirement that RIL file an annual certification within 30 days of the end of the fiscal year. The last certification was submitted on August 1, 2011, and the one for August, 2012 was not submitted.

Recommendation: RSA recommends that RIL submit the annual certification for its cost allocation plan to the U.S. Department of Education OCFO/FIPAO/ICG, the office responsible for receiving and approving indirect cost rates and cost allocation plans immediately.

RIL Response: RIL agrees the 2012 Cost Allocation Plan was not submitted, and we have now re-submitted it for approval as required yearly with no revisions or changes. The 2013 Cost Allocation Plan is being substantially revised and will not be completed until after we receive the Financial Audit Report from the designated state unit, State of California Department of Rehabilitation. RIL anticipates the submission of a revised Cost Allocation Plan to be completed by July 1, 2013.

3. Policies and Procedures

Observation: Regarding RIL policies and procedures, RSA made the below observations.

- Budget reports are done monthly and kept as backup for the billing reports, and the expenditures recorded are consistent with the approved budget. However, only the Executive Director, Office Manager and Bookkeeper review the budgets on a monthly basis. The financial statements provided to members of the CIL governing board do not contain any budget information.
- RIL has a written purchasing policy and procedures which requires the executive director to approve and monitor all purchases and all drawdowns of funds (including Title VIIC Part C funds). However, the executive director's approval is given verbally, not in writing, and with no signatures.

Recommendation: RSA recommends that RIL:

- 3.1 board members receive and review budget reports on a monthly basis as part of their oversight responsibilities;
- 3.2 establish a minimum dollar amount for purchases that can be made by CIL staff with approval by the executive staff; and
- 3.3 provide the corresponding CIL board, management and staff training to ensure that all policies and procedures are consistently followed.

RIL Response: RIL agrees with the findings.

3.1 RIL is now supplying the board with grant specific individual line item budget information showing percentages so the board may monitor all funding sources by individual line item detail as requested by RSA.

3.2 RIL has policies and procedures that strictly apply to staff travel expenses and any purchases. These policies and procedures are contained in the RIL Handbook. RIL retrained all staff on these polices after RSA's recent cite review.

3.3 RIL trains yearly on all policies and procedures. In 2013, RIL staff and board got trained on these policies and procedures at a staff meeting and at a separate board meeting.

Technical Assistance: As part of its oversight responsibilities, the board should review the CIL's actual revenue and expenses and compare the information in the monthly financial report with the budget. The financial statement provided to the board should contain the budget and the variance between the actual and budgeted amounts. All financial statements should be provided to the board, and should contain CIL budget

information including actual revenue and expenses. RIL should consider adding two columns to the financial statements: one column should contain the budget and the second column should have the variance between the actual and budgeted amounts to facilitate easy review and understanding.

RIL has a check request form that is completed before purchases are made, but no purchase order. Using a purchase order is written documentation that all purchases are approved before they are made is a good management practice. RIL should include in the purchasing procedures a requirement that the executive director approve in writing, sign and date all purchases before they are made to tightened fiscal controls and ensure financial integrity. Verbal approvals without signatures indicate weak fiscal management and controls. RIL may also consider using a check request/purchase order form for documenting purchases made by CIL staff.

UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

REHABILITATION SERVICES ADMINISTRATION

Washington, D.C. 20202-2800

Center for Independent Living (CIL)

On-Site Review Instrument

Fiscal Year: 2013

Name of Grantee: Resources for Independent Living, Inc.

Grant #: H132A010009

State: California

Rehabilitation Act of 1973, as amended

Title VII, Chapter I, Sections 706 and 722 – CIL Program

Part I

STANDARDS, INDICATORS AND ASSURANCES FOR CILS

The following questions are based on the CIL standards, indicators and assurances as required in Title VII of the Rehabilitation Act and the corresponding regulations. Unless otherwise noted, a “no” response indicates that the CIL did not demonstrate minimum compliance with the corresponding standard, indicator or assurance. A “no” response will be the basis for a corresponding finding in the report. The term *recommended practice* denotes a practice that, although not explicitly required by federal law or regulations, would, if followed, further the purpose of the independent living (IL) program.

I. Grantee is an Eligible Agency

Section 725(c)(1) of the Rehabilitation Act; 34 CFR 364.4(b)

Yes The CIL meets the definition of eligible agency as defined in the statute and regulations.

Verification Source: Articles of incorporation; bylaws; CIL policies and procedures; RIL consumer services manual

II. Standards and Indicators

Section 725(b) and (c)(3) of the Rehabilitation Act; 34 CFR Part 366, Subpart G; 704 Report, Part II

The purpose of this subpart is to measure the extent to which the CIL is in compliance with the standards and assurances in Section 725(b) and (c) of the act.

Compliance Indicator I – Philosophy

Section 725(b)(1) of the Rehabilitation Act; 34 CFR 366.63(a)

Consumer Control

Sections 702(2), 725(b)(1)(A) and 725(c)(2) of the Rehabilitation Act; 34 CFR 366.63(a)(1)

(a) Governing Board

Sections 725(b)(1)(A) and 725(c)(2) of the Rehabilitation Act; 34 CFR 366.50(b) and 366.63(a)(1)(i)(A)

Verification of Consumer Control

 9 Number of persons on the governing board.

8 Number of governing board members with significant disabilities.

Yes Is line (ii) over 50 percent of line (i)?

Recommended Practice:

0 Number of members from minority groups on the governing board.

Yes Verification that the CIL Board is the Principal Decision-Making Body

The CIL board is the principal governing body of the CIL, as evidenced, for example, by its bylaws, policies and procedures, and other practices ensuring that policy decisions are vested with the governing body.

Recommended Practices:

Yes The CIL has policies and procedures specifying board members' roles and responsibilities.

Yes The CIL has a written process for identifying and recruiting board members.

Verification Sources for Governing Board: CIL bylaws –revised and submitted to review team - 10/25/2012; RIL board roles and responsibilities; information obtained from CIL staff

(b) CIL Employees

Sections 725(b)(1)(A) and 725(c)(6) of the act; 34 CFR 366.63(a)(1)(i)(B)

<u>CIL Employees</u>	<u>Total Persons</u>	<u>Persons with Disabilities</u>
Decision-making positions	<u>3</u>	<u>3</u>
Other staff positions	<u>10</u>	<u>7</u>

Yes Over 50 percent of the CIL's employees in decision-making positions are filled by individuals with disabilities.

Yes Over 50 percent of staff positions are filled by individuals with disabilities.

Recommended Practice:

7 Number of minority¹ employees (decision-making and other staff positions)

¹ In this instance, "minority" refers to members of racial or ethnic groups that have been traditionally underrepresented.

Verification Sources for CIL Employees: RIL organizational chart; information from staff

Self-help and Self-advocacy

Section 725(b)(1)(B) of the Rehabilitation Act; 34 CFR 366.63(a)(2)

Yes The CIL promotes self-help and self-advocacy among individuals with significant disabilities.

Verification Sources for Self-help and Self-advocacy: CIL consumer services manual; CIL programs; CIL bylaws; information from CIL consumers and staff.

Development of Peer Relationships and Peer Role Models

Section 725(b)(1)(C) of the Rehabilitation Act; 34 CFR 366.63(a)(3)

Yes The CIL promotes the development of peer relationships and peer role models among individuals with significant disabilities.

Verification Sources for Development of Peer Relationships and Peer Role Models: CIL programs; consumer services manual; CIL bylaws; information from CIL consumers and staff.

Equal Access

Section 725(b)(1)(D) of the Rehabilitation Act; 34 CFR 364.23(b) and 366.63(a)(4)(5)

Yes Ensures equal access of individuals with significant disabilities, including communication and physical access, to the CIL's services, programs, activities, resources and facilities, whether publicly or privately funded.
Equal access, for purpose of this question, means that the same access is provided to any individual with a significant disability regardless of the individual's type of disability.

Yes Advocates for and conducts activities that promote the equal access to all services, programs, activities, resources and facilities in society, whether public or private, and regardless of funding source, for individuals with significant disabilities.
Equal access, for the purposes of this question, means that the same access provided to individuals without disabilities is provided in the center's service area to individuals with significant disabilities.

- Yes To the maximum extent feasible, makes available personnel able to communicate with individuals with significant disabilities who rely on alternative modes of communication (manual communication, nonverbal communication, Braille, audiotapes, etc.) and who apply for or receive IL services.
- Yes To the maximum extent feasible, makes available personnel able to communicate in the native languages of individuals with significant disabilities whose English proficiency is limited and who apply for or receive IL services.
- Yes Makes available in alternate formats, as appropriate, all of its written policies, materials and IL services (e.g., Braille, large print, audio tape).
- Yes The CIL is physically accessible for individuals with significant disabilities, for example, individuals with mobility disabilities (e.g., signage, doors, bathrooms, parking lots) or individuals with Environmental Illness and Multiple Chemical Sensitivity (e.g., no-fragrance policy or use of “green” cleaners).
- Yes The CIL ensures communication access for individuals with significant disabilities by using, for example, TDDs/TTYs for individuals with hearing disabilities or picture boards and/or other means of communication for individuals with cognitive disabilities.

<u>Types of reasonable accommodation:</u>	<u>Full-time</u>	<u>Part-time</u>	<u>Upon Request</u>
Interpreters are available at the CIL.	_____	_____	<u> X </u>
Readers are available at the CIL.	_____	_____	<u> X </u>
Personal attendants are available at the CIL.	_____	_____	<u> X </u>

Verification Sources for Equal Access: 10-16: CIL 9.09 handbook; personnel policies; Observation of review team; information from CIL staff and consumers; programs

Compliance Indicator 2- Provision of Services on a Cross- Disability Basis

Section 725(b)(2) of the Rehabilitation Act; 34 CFR 366.63(b)

- Yes Provides IL services to eligible individuals or groups of individuals without restrictions based on the particular type or types of significant disability of an individual or groups of individuals, unless the restricted IL service (other than the IL core services) is unique to the significant disability of the individuals to be served, e.g., Braille instruction for persons who are blind.

- Yes Provides IL core services to individuals with significant disabilities in a manner that is neither targeted nor limited to a particular type of significant disability.
- Yes Provides IL services to individuals with a diversity of significant disabilities and individuals who are members of populations that are unserved or underserved by programs under Title VII of the act.

Verification Sources for Provision of Services on a Cross-Disability Basis: CIL bylaws; CIL programs; consumer services manual; information from CIL staff and consumers; CIL mission statement

**Compliance indicator 3 – Independent Living Goals
Section 725(b)(3) of the Rehabilitation Act; 34 CFR 366.63(c); 34 CFR 364.52; 34 CFR 364.53**

- Yes The CIL maintains a consumer service record (CSR) for each consumer.

The CSRs contain:

- Yes Documentation showing that the individuals are eligible or ineligible for services (only those eligible are served).
- Yes Written Independent Living Plans (ILPs) or written waivers from the consumers stating that ILPs are unnecessary.
- Yes Information on the services requested by, and the services provided to, or arranged for, the consumers.
- Yes The IL goals or objectives established with the consumers, whether or not in the ILPs.
- Yes The goals or objectives the consumers believe they have achieved.

The CIL maintains documentation on:

- Yes CIL notification to consumers of their right to develop, or waive the development, of an ILP.
- Yes The number of ILPs developed by consumers receiving services from the CIL.
- Yes The number of waivers signed by consumers receiving services from the CIL stating that an ILP is unnecessary.

Yes The CIL's facilitation of the development and achievement of IL goals selected by individuals with significant disabilities who request assistance from the CIL.

Yes The CIL's provision of opportunities for consumers to express satisfaction or dissatisfaction with the CIL's services and policies and documentation the CIL sends any results to its governing board and the appropriate SILC.

The ILPs:

Yes Indicate the goals or objectives established, the services to be provided and the anticipated duration of the services.

Yes Are developed jointly and signed by the appropriate CIL staff member and the individual with a significant disability/legally authorized representative.

Yes Are provided in accessible formats, as needed.

Yes Are reviewed at least annually to determine whether services should be continued, modified or discontinued and/or whether the individual should be referred to another program, including VR, developmental disability or special education individualized plans as appropriate.

Recommended Practice:

Yes The CIL has written CSR management policies and procedures.

Verification Sources for Independent Living Goals: CSRs; consumer services manual; CIL 9.09 handbook; personnel policies; information from CIL staff and consumers; consumer surveys

**Compliance Indicator 4 – Community Options and Community Capacity
Section 725(b)(4), (6), and (c)(10) of the Rehabilitation Act; 34 CFR 366.63(d)**

The CIL performed at least one activity in each of the following categories during the reporting year:

Yes Community advocacy.

Yes Technical assistance to the community on making services, programs, activities, resources and facilities in society accessible to individuals with significant disabilities.

Yes Public information and education.

- Yes Aggressive outreach to populations of individuals with significant disabilities that are unserved or underserved by programs under Title VII of the act in the CIL’s service area.
- Yes Collaboration with service providers, other agencies, and organizations that could assist in improving opportunities for individuals with significant disabilities to avail themselves of the services, programs, activities, resources and facilities in the CIL’s service area.
- Yes Did the CIL’s outreach to unserved or underserved populations include minority groups and urban and rural populations?

Verification Sources for Community Options and Community Capacity: CIL programs and services; publicity, outreach policies and forms document; systems advocacy activities; information from CIL staff and consumers

Compliance indicator 5 – IL Core Services and Other IL Services

Section 725(b)(5) of the Rehabilitation Act; 34 CFR 366.63(e); 34 CFR 364.51(b)(2)(iii); 34 CFR 364.58

- Yes The CIL provides information and referral services to all individuals who request this type of assistance from the CIL in accessible formats.

The CIL provides the following services in response to requests from individuals with significant disabilities who are eligible for IL services:

- Yes Independent living skills training.
- Yes Peer counseling (including cross-disability peer counseling).
- Yes Individual and systems advocacy.
- Yes A combination, as appropriate, of any two or more of the IL services defined in Section 7(18)(B) of the act.

The CIL maintains documentation regarding notification of applicants and consumers about:

- Yes Policies and procedures, including accessible formats, to obtain review of decisions made by the CIL concerning requests for/provision of IL services.
- Yes The availability of the Client Assistance Program (CAP) and how to contact the CAP, including accessible formats.

Verification Sources for IL Core Services and Other IL Services: CIL programs; mission statement; information from CIL consumers and staff

Compliance indicator 6 – Resource Development

Section 725(b)(7) of the Rehabilitation Act; 34 CFR 366.63(e)

Yes The CIL during the reporting year conducted resource development activities to obtain funding from sources other than Chapter 1, Title VII, of the act.

Verification Sources for Resource Development Activities: CIL bylaws; policies and procedures; review of CIL funding sources and accounting policies; information from CIL board and management

III. Program and Financial Planning Objectives

Section 725(c)(4) of the Rehabilitation Act; 34 CFR 366.50(d)

Yes The CIL has established annual and three-year program and financial planning objectives.

Yes The objectives include the CIL's goals and mission.

Yes The CIL has a current work plan for achieving the goals or mission and has included specific activities to meet the requirements in the indicators.

Yes The work plan includes specific services, priorities and types of services to be provided.

Yes The objectives and work plan are consistent with the current SPIL.

Recommended Practices:

Yes The work plan includes objectives and goals for obtaining or increasing non-Title VII funding.

Yes The work plan addresses board, staff and/or volunteers training.

Verification Sources for Program and Financial Planning Objectives: RIL 3-year program and financial work plans—contained goals and objectives but no funding sources; – revised and submitted to review team - 10/25/2012 and include funding sources for goals and objectives

IV. 704 Report Accuracy and Documentation

Section 725(b)(c) of the Rehabilitation Act; 34 CFR 366.50(h)(i)

- Yes The CIL has implemented internal controls and procedures (including quality assurance) to ensure 704 Report accuracy and documentation.
- Yes Based on the CSRs, consumer lists, physical files and other documentation reviewed by RSA, the funding sources and amounts, CSR data (number of consumers, consumer demographics, ILPs and waivers, IL services and goals), standards and assurances compliance and other information in the most recent 704 Report are accurate and complete.

Reviewer's note: Funding sources and amounts section of the report was revised/ approved/ republished 11/08/2012.

Part II

ORGANIZATION AND ADMINISTRATION OF THE CIL

V. Organizational and Personnel Practices

Sections 704(m)(2) and 725(c)(5) of the Rehabilitation Act; 34 CFR 364.31; 34 CFR 366.50(e)

Yes The CIL uses sound organizational and personnel assignment practices (including organizational chart indicating lines of authority, job descriptions, performance appraisals).

Yes The personnel practices include affirmative action to employ and advance in employment qualified individuals with significant disabilities.

Recommended Practice:

Yes The CIL has personnel policies addressing such areas as wage and salary, fringe benefits, vacation and sick leave, etc.

Verification Sources for Organizational and Personnel Practices: RIL 9.09 Handbook – 3.0 Recruitment and Employment; RIL Org Chart; job descriptions for staff and Board members.

VI. Staff Development and Training

Section 725(c)(11) of the Rehabilitation Act; 34 CFR 364.23(a); 34 CFR 364.24; 34 CFR 366.50(l)

Yes The CIL includes personnel who are specialists in the development and provision of IL services and in the development and support of centers.

Yes The CIL has established and maintains a program of staff development for all classes of positions involved in providing IL services and, where appropriate, in administering the CIL program.

Yes The staff development program is directed at improving the skills of staff directly responsible for the provision of IL services, including knowledge of and practice in the IL philosophy.

Yes The staff receives training on how to serve unserved and underserved populations, including minority groups and urban and rural populations.

Recommended Practice:

Yes The CIL has a governing board training and development program.

Verification Sources for Staff Development and Training: RIL 9.09 Handbook, individual staff personnel files.

Reviewer’s note: Reviewer commends RIL for maintaining individual staff personnel files in good order and identifies all necessary information, including consumer statistics, list of trainings attended, training certificates and appreciation letters from consumers. RIL is also commended for a board Member Manual that is very comprehensive. However, at the beginning of the review, the CIL did not have a policy to keep records on training and travel expenses; the Board of Directors did not review and approve the Board Training Plan; and the policy on reimbursement for board travel was not specific on the types of expenses that would be reimbursed or the reimbursement rates. At the end of the review on 10/26/2012, the CIL had developed policies and procedures to address these areas; and submitted these to the review team.

VII. Conflict of Interest

EDGAR 34 CFR 75.525

Yes The CIL safeguards against a person (employee, board member, volunteer) to participate in an administrative decision regarding a project if the decision is likely to benefit that person or a member of his or her immediate family and that person is a public official or has a family or business relationship with the CIL.

Yes The CIL safeguards against any person in the project to use his or her position for a purpose that is, or gives the appearance of being, motivated by a desire for a private financial gain for that person or for others.

Verification Sources for Conflict of Interest: RIL 9.09 Handbook – 5.0 Miscellaneous Provisions J. Violation of Code of Conduct or Conflict of Interest; RIL Interviews of Board members and Executive Director.

Reviewer’s note: RIL’s executive director is the mother of the CIL’s office manager. The office manager is supervised by the program director who reports directly to the executive director. This means there is only one level of supervision between the executive director and

her daughter, the office manager. During the onsite, the review team discussed potentials for conflict of interest issues that could result from this relationship with the RIL board and executive director; they all assured the team that this issue has been discussed, and that no conflict of interest has resulted. The team asked that the CIL's conflict of interest policy include assurances to that effect. The policy on conflict has been revised and now includes this assurance as of 10/26/2012.

VIII. Confidentiality

34 CFR 364.56(a)

Yes The CIL has adopted and implemented policies and procedures to safeguard the confidentiality of all personal information, including photographs, publicity releases and lists of names that comply with 34 CFR 364.56(a) requirements including but not limited to:

Yes protecting current and stored personal information.

Yes informing IL applicants or consumers, authorized representatives, service providers and others, as appropriate, about the confidentiality of personal information and the conditions for gaining access to and releasing this information.

Recommended Practice:

Yes The CIL has meeting space that ensures that consumers' confidentiality is protected when meeting with staff.

Verification Sources for Confidentiality: RIL 9.09 Handbook; tour of office areas files and staff interviews.

IX. Drug-Free Workplace

EDGAR 34 CFR 84.200 – 84.230

Yes The CIL conforms to the requirements of a drug-free workplace.

Yes A statement is published notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of controlled substances is prohibited at the CIL and specifying the action that will be taken against employees for violating the prohibition.

Yes The CIL has established an ongoing drug-free awareness program.

- Yes Each grant-funded employee has been given a copy of the prohibition statement, including a notification that conditions of employment at the CIL require abiding by the statement and informing the director of the CIL of any convictions under a drug statute.
- Yes The CIL has taken appropriate personnel action against employees or has required employees to participate in drug abuse assistance program or rehabilitation program if such employees were convicted under a criminal drug statute conviction.

Verification Sources for Drug-Free Workplace: Drug Free Workplace policy.

Reviewer’s note: At the beginning of the review, RIL’s drug-free workplace policy did not include an ongoing drug-free awareness program. At the end of the review on 10/26/2012, RIL had included in its policy a requirement that the CIL will provide, and that staff will participate in a drug-free awareness program every two years. The CIL has also developed a signature form that is separate from the policy for each employee to sign after participation in the program. The new policy is that training will take place every two years.

X. Insurance Coverage

EDGAR 34 CFR 74.31

- Yes The CIL has insurance coverage for real property and equipment acquired with federal funds equivalent to that provided for property owned by the grantee.

Verification Sources for Insurance Coverage: Copy of Philadelphia Indemnity Insurance Company declarations provided to review team.

XI. Nondiscrimination

EDGAR 34 CFR 75.500

- Yes The CIL does not deny services to persons on the basis of their race, color, national origin, sex, age or the existence of a disability.

Verification Sources for Nondiscrimination: RIL’s Mission statement; consumer service records; brochures; materials and posters in lobby area; Consumer Services Manual.

XII. Prohibition Against Lobbying

EDGAR 34 CFR 82.100; 2 CFR 230, Attachment B, Item 25

Yes The CIL has on file a signed and dated copy of the Certification of Lobbying Form ED-80-0013 against using federal funds to influence or attempt to influence any federal agency or Congress through lobbying activities as described in 2 CFR 230, Attachment B, Item 25 and EDGAR 34 CFR 82.100.

Recommended Practice:

Yes Incorporates provisions consistent with 2 CFR 230, Attachment B, Item 25 safeguarding against lobbying in its written policies and procedures.

Verification Sources for Prohibition Against Lobbying: obtained and reviewed copy of certification ED 80-0013 signed and dated; discussion with staff.

Part III

GRANTS MANAGEMENT

XIII. Sources and Amounts of Funding (as verified by the review team)

(A) Title VII, Ch. 1, Part B	\$0
(B) Title VII, Ch. 1, Part C	\$1721059963
(C) Title VII, Ch. 2	\$0
(D) Other Federal Funds	\$675317
(E) State Government Funds	\$0
(F) Local Government Funds	\$0
(G) Foundations, Corporations, or Trust Grants	\$66764
(H) Donations from Individuals	\$12389
(I) Membership Fees	\$0
(J) Investment Income/Endowment	\$67
(K) Fees for Service (program income, etc.)	\$1233
(L) Other Resources (in-kind, fundraising, etc.)	\$

Item 4 - Total Income

Total income = (A)+(B)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J)+(K)+(L) \$927,875

Item 5 - Pass Through Funds

Amount of other government funds received as pass through funds to consumers (include funds received on behalf of consumers that are subsequently passed on to consumers, e.g., personal assistance services, representative payee funds, or Medicaid funds) \$0

Net Operating Resources

Total Income (Section 4) <minus> amount paid out to consumers (Section 5) =
Net Operating Resources \$927,875

Reviewer's note: On 11/08/2012, RIL revised and resubmitted it's FY 2011 704 Part II report to address the following issue: The revenue under subpart I, section A – sources and amount of funding was reported on the 704 Report for the period of July 1st through June 30th (RIL's Fiscal Year). All revenue submitted in the report is accurate and consistent with their Fiscal Year. (Figures in this report are accurate for July 1st through June 30th.) However, the report should have been done during the Federal Fiscal Year of October 1st through September 30th.

Grant Related Income

34 CFR 364.6; EDGAR 34 CFR 74.2 and 74.24

Yes If program income is generated with federal funds, such income is used for allowable and approved purposes.

Verification Sources for Grant Related Income: Reviewed grant contracts, billing reports, budget financial reports, invoices, time sheets, travel reimbursement sheets and the cost allocation worksheet.

Budget

EDGAR 34 CFR 74.21, 74.25, 75.702 and 75.730

Yes Expenditures are recorded by budget cost category and funding sources.

Yes Procedures are followed to assure expenditures are consistent with the approved budget of the CIL.

Yes CIL requests prior RSA approval for budget and program plan revisions, when required under EDGAR 74.25.

Verification Sources for Budget: Reviewed grant contracts, billing reports, financial reports, time sheets, travel reimbursement sheets, invoices, payroll journal entries and the cost allocation worksheet which ties to the time sheet allocations. I also met with the Operations Manager, Monica Gracechild, and spoke with the Bookkeeper Consultant, Randy Stark from American Business Service (the accounting is outsourced). Budget reports are done monthly and kept as backup for the billing reports. The expenditures recorded are consistent with the approved budget; however only the Executive Director, Office Manager and Bookkeeper are reviewing the budgets on a monthly basis. The financial statements received by the Board of Directors do not contain any budget information. The Board should be also reviewing the actual revenue and

expenses compared with the budget. I would recommend that 2 columns be added the financial statements distributed to the Board of Directors; 1 column should contain the budget and the other column should have the variance between the actual and budgeted amounts. This would be the easiest way for the Board Members to review the budget.

XVI. Personnel Cost Allocation

2 CFR 230, Attachment B, Item 8(m)(1)

- Yes Salaries and wages are charged based on documented payrolls approved by a responsible official.
- Yes The distribution of salaries and wages are supported by personnel activity reports described in 2 CFR 230 Appendix B, Item 8(m)(2) and reflecting an after-the-fact determination of the actual activity of each employee.
- Yes The CIL maintains reports reflecting the distribution of activity of all staff members whose compensation is charged to the award.

Reviewer’s note: Reviewed the time sheets, summary reports the Office Managers submits to the Bookkeeper and the payroll reports back from the Bookkeeper, all are process consistently and accurately. All time sheets are signed by the employee and the Program Manager. They have the actual hours worked and pay checks are distributed no later than the 5th and 20th of the month; payroll is processed twice a month (pay periods are from the 1st to the 15th and from the 16th to the last day of the month).

XVII Fiscal Management

EDGAR 34 CFR 74.21, 74.22, 74.52, 75.702, 75.707, 75.730; 2 CFR 230 Appendix A,

Paragraph D

The CIL’s financial management systems provides for the following:

- Yes Accurate, current, and complete disclosure of the financial results of each federally-sponsored project in accordance with the reporting requirements of the SF-425 financial status report, including program income, federal and recipient shares of expenditures, indirect costs, etc.
- Yes Records that identify adequately the source and application of funds for federally-sponsored activities.

- Yes Effective control over and accountability for all funds, property and other assets in order to safeguard all assets and ensure they are used solely for authorized purposes.
- Yes Comparison of outlays with budget amounts for each award.
- Yes Written procedures that minimize the time between the transfer of funds and the disbursement of funds by the recipient.
- Yes Written procedures for determining the reasonableness, allocability and allowability of costs.
- Yes Accounting records, including cost-accounting records, supported by source documentation and entries are made on a timely basis.

Name/Title of person responsible for preparation of the SF-425: Randy Stark, bookkeeper consultant - American Business Service

- Yes The CIL has an approved U.S. Department of Education cost allocation plan (CAP) or indirect cost rate.
- Yes The CIL distributes administrative costs among its various funding sources in an equitable manner as described in the CIL's approved CAP or indirect cost rate.

Verification Sources for Fiscal Management: The Executive Director, Frances Gracechild develops the cost allocation for the agency. I reviewed the approval letter from the US Department of Education dated 4-17-2007, which states the approval of the cost allocation plan that went into effect on 7-1-2006 and will remain in effect until a revision is necessary. The CAP was approved with the understanding that RIL file an annual certification within 30 days of the end of the Fiscal Year. The last one was submitted on 8-1-2011 and one should have been submitted by 8-1-2012.

XVIII. Accounting Systems

EDGAR 34 CFR 74.21

- Yes The organization maintains a formal accounting system.

If the accounting system is computerized, identify the accounting program software used:
QuickBooks

The elements of the formal accounting system are (*check as appropriate*):

- General Ledger
- Grant Ledger
- General Journal
- Cash Receipts

Describe other(s): RIL uses File Maker Pro to create payroll spreadsheets that the CIL sends to the Bookkeeper consultant for payroll check processing.

The formal accounting system is maintained by (*check as appropriate*):

- Cash basis
- Accrual basis

Describe other(s):

Verification Sources for Accounting Systems: The organization outsources the accounting to a Bookkeeping Consultant from American Business Services, who uses QuickBooks at their office. Reviewer had a meeting with the Operations Manager, and also spoke with the Bookkeeper Consultant by telephone.

XIX. Travel Costs

EDGAR 34 CFR 74.27; 2 CFR 230, Attachment B, Item 51(b)

- Yes Travel costs incurred by employees and officers are reasonable and allowable, i.e., do not exceed charges allowed under the CIL's written travel policy or, in the absence of such a policy, as provided in 2 CFR 230, Attachment B, Item 51(b).
- Yes Travel costs reimbursement requests for federal funds are justified and documented, e.g., through travel authorizations, receipts, etc., in accordance to the CIL's travel policy.

The policy provides for reimbursement by (*check as appropriate*):

- (1) Actual expenses
- (2) Per diem

Verification Sources for Travel Policies: Reviewed Travel Reimbursement Policy, time sheets and travel reimbursement sheets.

XX. Procurement

EDGAR 34 CFR 74.21 and 74.40 - 74.48

- Yes The CIL has written procurement procedures complying with EDGAR 34 CFR 74.44.

- Yes The procurement procedures give adequate consideration to costs, quality, delivery, competitive bidding, inspection and acceptance, as well as reasonableness, allocability and allowability of costs.

- Yes The procurement procedures address the 34 CFR 74.42 – 74.48 requirements including written contract award and administration code of conduct; open and free competitions; cost and price analysis; records and files; contractor conformance/performance.

- Yes There is separation of responsibility for the authorization for purchasing and the subsequent payment. For example, payments are made only if disbursements or checks are countersigned.

- Yes Payment vouchers are identified as to funding sources, expense classification and transaction date.

The executive staff/board approval is needed for items over: RIL does not have a set amount for approvals; all purchases are approved by the Executive Director either verbally or in writing.

The person(s) responsible for purchasing equipment and supplies: Monica Gracechild, Office Manager

Verification Sources for Purchasing: Reviewed Accounting and Fiscal Operations Manual, invoices and check requests. The Office Manager reviewed the process with reviewer and verified the information with the Executive Directors.

XXI. Property

EDGAR 34 CFR 74.34(f) and (g), 74.44(a)

- Yes The CIL maintains current and complete records of all property purchased with grant funds.

- Yes The CIL has a system for controlling inventory (general ledger control account, card reports, property labels).

- Yes Maintenance of property and equipment records are kept.

Yes Records contain: description of each piece of equipment; purchase date/cost; manufacturer's serial number, model number, federal stock number, national stock number, or other ID number; source of equipment award number; where title vests; information from which federal participation can be calculated; location and condition of the equipment, date information was reported; and ultimate disposition

Yes The CIL inventories property at least once every two years.

Date of last inventory: August 21, 2012

Yes Adjustments to inventory accounts are made only on written authority of a designated official.

Name/Title of designee: Monica Gracechild, Office Manager

Yes The CIL guards against loss, damage or theft of property.

Yes The CIL has policies, procedures and controls for purchasing and disposing of property.

Verification Sources for Property: Reviewed the inventory list and written approvals from the funding sources for the disposal of property.

XXII. Conferences and Meetings

2 CFR 230; Memorandum to Grantees Regarding the Use of Grant Funds for Conferences and Meetings, U.S. Department of Education, June 2012 (GAN Enclosure 7)

Yes The CIL ensures (e.g., through written policies or procedures) that, when hosting a conference or meeting, Part C or other federal funds are not used to purchase:

-food for attendees unless doing so is necessary to accomplish legitimate meeting or conference business;*

-alcoholic beverages; or

-entertainment (amusement, diversion, social activities, etc.)*

* This prohibition does not apply to social and recreational services described in 34 CFR 364.4 and related to IL goal(s) in a consumer's CSR, such as peer support meetings.

XXIII. Records Retention

34 CFR 364.53; EDGAR 34 CFR 74.53(b); EDGAR 34 CFR 75.730

Yes Financial, consumer records and other documentation are maintained and retained for a period of three years in accord with federal requirements.

Verification Sources for Records Retention: RIL developed the record retention policy and submitted it to the review team on 10/23/2012.

XXXIV. Audit

EDGAR 34 CFR 74.26

Yes The CIL expended \$500,000 or more in federal awards during the reporting year.

Yes *If “Yes” above, an annual nonfederal audit including funds received under Title VII, Chapter 1 of the act has been conducted and a copy thereof submitted to the Federal Audit Clearinghouse, as required.*

Verification Sources for Audit: Reviewed the Audited Financial Report from June 30, 2011 and the email confirmation (dated 11-17-11) from the Federal Audit Clearinghouse that they received the audit report (current year audit is still in progress).

Reviewer’s note: RIL outsources the general accounting work to an outside consultant, American Business Service; all Financial Reports are generated from their QuickBooks Accounting System and sent over to the Office Manager.

The Executive Director approves and monitors all purchases and all drawdowns of funds (including Title VIIC money). This is mostly done with verbal approvals and really should be done with a written approval, at the minimum the Executive Director should at least initial and date the documentation. Procedures should be tightened to ensure financial integrity.

The reviewer’s major concern is that the Board of Directors does not receive Budgeted Financial Statements. Reviewers recommend that the Board immediately start receiving financials that contain a budget and a variance (actual verse budget) column. This would ensure the Board has a clear picture of the agency each month. Training for the Board should also be provided so they know what reports they should be receiving and that they understand all the financial reports they are reviewing.