



**CENTERS FOR INDEPENDENT LIVING
COMPLIANCE REVIEW REPORT**

Blue Water Center for Independent Living
Grant Award Number: 1810MIILCL
Port Huron, Michigan

REVIEW DATES: December 12-13, 2019

Draft Report: October 30, 2020

CIL Response: December 1, 2020

Final Report: February 3, 2021

Table of Contents

I. PURPOSE OF THE ONSITE MONITORING REVIEW.....	1
II. METHODOLOGY	1
III. EXECUTIVE SUMMARY	2
IV. OBSERVATIONS AND RECOMMENDATIONS.....	2
V. FINDINGS AND CORRECTIVE ACTIONS.....	4
VI. TECHNICAL ASSISTANCE	Error! Bookmark not defined.
Appendix: Legal Requirements	11

I. PURPOSE OF THE ONSITE COMPLIANCE REVIEW

- Sections 706(c) and 722(b) of the *Rehabilitation Act of 1973, as amended* (Rehabilitation Act) mandate that the Administration for Community Living (ACL) conduct onsite compliance reviews of centers for independent living (CILs) funded under Title VII, Part C, Section 722. The objectives of reviews are to assess compliance with the requirements of Section 725(b) and (c)(3) of the Rehabilitation Act;
- study program operations, organizational structure, and administration of the CIL under Section 725(c)(1), (2), (5) and (6) of the Rehabilitation Act;
- review documentation sufficient to verify the accuracy of the information submitted in the most recent CIL Program Performance Report (PPR);
- verify that the CIL is managed in accordance with federal requirements;
- assess CIL conformance with its work plan, developed in accordance with Section 725(c)(4) of the Rehabilitation Act, 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
- identify technical assistance to enhance CIL operations or to minimize or to eliminate problem areas.

II. METHODOLOGY

ACL conducted an onsite review of Blue Water Center for Independent Living (BWCIL) on December 12–13, 2019. ACL reviewed services and activities from September 30, 2017 through September 29, 2018 (PY2018¹) with a focus on program and fiscal operations related to BWCIL's administration of Title VII, Part C funds. 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 Compliance and Outcome Monitoring Protocol (COMP), including written policies and procedures, a sample of consumer client information files (CIFs), and other documents that verified compliance with standards and indicators. CIFs were randomly selected for review. The review team conducted an exit conference, at the conclusion of the onsite review, to provide BWCIL leadership initial feedback from the review.

Observations and recommendations presented below are suggestions that the grantee is not required to follow. Whereas findings are violations of laws or regulations that must be addressed in a formal Corrective Action Plan [CAP].

Review team participants included:

¹ PY, or program year, refers to the period the funds were expended. CIL program funds are forward funded. Funds utilized between September 30, 2017 and September 29, 2018 were appropriated in the previous fiscal year (FY17).

- Dr. Corinna Stiles, Director, Office of Independent Living Programs;
- David Wickstrom, Program Officer, Review Lead;
- Peter Nye, Program Officer;
- Damian Francis, ACL Fiscal Specialist;
- Dave Bulkowski, nonfederal reviewer

III. Executive Summary

The BWCIL mission is to advocate, inform, and support all people with disabilities to live independently. BWCIL reports serving St. Clair, Lapeer, Sanilac, Tuscola, and Huron counties. Data provided by BWCIL in the PY2018 PPR indicates BWCIL had a net operating budget of \$1,756,407, of which \$123,920 was Title VII, Part C funding². At the time of the review, BWCIL has fifteen full-time equivalent staff; of these staff members, two are considered decision makers. Twelve full-time equivalents—including both decision-making staff—are people who identify as having disabilities. BWCIL has six members of the Board of Directors, of whom four identify as having disabilities.

In PY2018, BWCIL served a total of 274 individuals with disabilities. Two-hundred forty of these individuals developed independent living plans (ILPs), and twenty-nine of these individuals waived their right to develop an ILP. The disability categories that BWCIL most often served were cognitive, mental/emotional, and physical; many consumers had multiple disabilities. BWCIL provided the following core services: information and referral (2,164), independent living skills training (16), peer counseling (26), individual and systems advocacy (27), and transition services (for individuals in nursing homes and other institutions to transition to community-based living (9), for individuals who are at risk of institutionalization to remain in the community, and for youth who are not attending school to transition to post-secondary life (75)).

IV. Observations and Recommendations

Observation 1: BWCIL lacks full accessibility in its Center.

Observation: During the review, the review team identified multiple areas where office accessibility should be improved.

- The office building lacks accessible pathways to the entrance. The sidewalk in front of the entrance is prohibitively narrow and does not connect to the walkway that leads to the entrance.
- The kitchen space used by consumers for independent living skills training is not fully accessible to individuals with physical and sensory disabilities.
- Rooms in the office do not have accessible signage.

² Net operating budget:

Title VII Part B funding: \$25,036, Title VII, Part C: \$123,920, other federal funding: \$1,224,073, State funding: \$376,081, donations from individuals: \$5,952, membership fees: \$330, investments and/or endowment: \$1,015, private resources: \$7,297.

- Several staff offices used to meet with consumers are so cluttered it prevents some people with disabilities from safely entering and exiting the office.
- Scented sprays, scented lotions, and scented cleaning supplies are used in many parts of the building.
- Active mold spores were present on the ceiling of the Center in an open space actively traveled by staff and consumers.

Recommendation: ACL recommends that BWCIL:

1. Obtain a thorough ADA assessment of the facility and develop a transition plan for the removal of identified barriers. This assessment should include all required signage.
2. Implement appropriate recommendations from the ADA assessment.

BWCIL Response: BWCIL is currently providing services remotely, including cooking classes. BWCIL will continue to do so after the pandemic, as it seems to be working better for the participants. BWCIL has eliminated all scented supplies and mold spores have been remediated and removed, with the leak in the roof repaired and new drywall installed.

BWCIL will connect with Team Access to ensure access and ADA compliance and will implement appropriate recommendations from the ADA assessment, prior to reopening on-site services.

Observation 2: BWCIL does not follow its own bylaws.

Observation: ACL identified a number of areas where BWCIL was not following its own bylaws. These include, but are not limited to:

- Article VII, Section 3(A)(1): The board only has six members. Eight are required.
- Article VII, Section 4: Board minutes do not indicate that the Governance Committee followed bylaws related to elections.
- Article VII, Section 5(A)(1): The board only met 6 out of the 8 required times in the year.
- Article VIII, Section 2(D)(3): The Board Treasurer has not submitted BWCIL’s financial records for an independent audit.
- Article IX, Section 1(B)(3): There is a lack of evidence that the Board provided a written report of its activity to the Executive Director before the regularly scheduled meeting or that a written report was included in the Board Packet.

Recommendation: ACL recommends that BWCIL review board bylaws and take steps necessary to assure they are implemented. Additionally, ACL recommends that BWCIL board’s governance committee review all bylaws and determine any needed actions, including revision of current bylaws.

BWCIL Response: With technical assistance from ILRU, BWCIL, the Disability Network of the Thumb, has amended bylaws and will continue to do so as needed. These updated bylaws became effective February 27, 2020 and will continually be monitored and updated by the board.

V. Findings and Corrective Actions

During its review activities, ACL identified compliance findings. A grantee is required to submit a corrective action plan (CAP) addressing how findings will be resolved.

Within 30 days of receipt of the final report, BWCIL must submit a corrective action plan (CAP) to ACL for review and approval. The CAP should include: (1) the specific corrective actions that the CIL will undertake in response to each finding; (2) the methodology that the CIL will utilize to evaluate if each corrective action has been effective; and (3) the timetable for the implementation and evaluation of the corrective action.

ACL reserves the right to pursue enforcement action related to these findings as it deems appropriate, including the recovery of funds, drawdown restrictions, funds withholding, or grant terminations, pursuant to HHS policy and Uniform Guidance.

Programmatic Findings

Finding 1: BWCIL lacks sufficient internal controls for Consumer Information Files (CIFs) and Independent Living Plans (ILPs).

Legal Requirement: 29 U.S.C. § 725(c)(8), 45 CFR § 75.303 (a–c), 29 U.S.C. 725(b)(1)(D) and 45 CFR § 75.342

Discussion: ACL reviewed policies and procedures, twenty-two (22) active CIFs (10.8% of BWCIL’s 204 active CIFs) and interviewed multiple staff members about administering CIFs and ILPs.

Grantees are required to demonstrate active internal controls necessary to assure that the grantees are managing the awards in compliance with Federal statutes, regulations, and the terms and conditions of the award (45 CFR § 75.303 (a–c)). Part C CILs are also required to prepare annual reports (CIL PPRs) and demonstrate that the CILs are maintaining records that are adequate to measure performance (45 CFR § 75.342) with respect to the standards (sec. 725(c)(8)) set forth in the Act.

All twenty-two (22) CIFs that ACL reviewed had deficiencies in at least one of the following areas: eligibility, anticipated service duration, signed release of information, notification of opportunity to express satisfaction or dissatisfaction, notification of opportunity to appeal, notification of ability to utilize or waive creation of an independent living plan or waiver, consumer being made aware of the availability of the Client Assistance Program, and notification about goals met resulting in CIF closure.

For PY2018, BWCIL reports having developed two-hundred forty (240) independent living plans (ILPs) with twenty-nine (29) additional individuals having waived their right to develop an ILP. BWCIL also reports having provided 2,164 individuals information and referral services. BWCIL further reports that 194 households received services from their “Supportive Services for Veteran Families” program. These figures would indicate that only 13% of individuals who receive information and referral services develop an ILP, and that 71% (194 out of 274) of all BWCIL consumers receive this particular veterans-based service. These figures likely indicate that BWCIL does not have sufficient internal controls around CIF and ILP development.

BWCIL does have a CIF checklist, but review of the CIFs and ILPs indicate that this checklist is not uniformly applied, that supervisors do not routinely review for accuracy, and that there is no internal process to assure accuracy of CIFs or ILPs. BWCIL cannot, therefore, assure that data submitted in required Federal documents are accurate or that standards and assurances are being met.

Finding: BWCIL is not is not in compliance with 45 CFR § 75.303(a–c) because BWCIL does not have sufficient internal controls related to CIFs/ILPs. As a result, BWCIL cannot assure that information submitted on official Federal reports is an accurate reflection of agency performance (45 CFR § 75.342) and is therefore unable to demonstrate it is meeting standards set forth in the Act (Sec. 725(c)(8)).

Corrective Actions:

- 1) Within 30 days of receipt of the final report, BWCIL should begin working with the TA provider to establish standards of practice for required CIF/ILP components including development and maintenance of ILP goals and services.
- 2) Within 90 days of receipt of the final report, BWCIL should implement these practices through all relevant agency policies and procedures, including staff training, evaluation, and any relevant board activities. These practices should include a quality-assurance component necessary to assure ongoing implementation and validity of numbers submitted from CIFs/ILPs. This finding will be closed when BWCIL can document that this step has been completed.

Technical Assistance: BWCIL **requests** technical assistance.

BWCIL Response: BWCIL implemented Case Work Standards and Procedures on October 1, 2019, which were revised July 2020. Training has been provided to staff regarding updates. BWCIL will request technical assistance upon receipt of final report to verify standards of practice and to assess the implementation of those practices and provide any training to staff to assure consistency in practice.

Finding 2: BWCIL lacks policies for affirmative action, confidentiality, and drug-free workplace.

Legal requirement: 29 U.S.C. § 725(c)(5) and 45 CFR § 75.303(e) and 45 CFR § 1329.3(k)

Discussion: Every grantee is required to use sound organizational and personnel assignment practices including affirmative action (sec. 725(c)(5)). BWCIL was unable to supply ACL with an affirmative action policy.

Every grantee is required to have policies addressing the safe handling of confidential material (45 CFR § 75.303(e)). These policies need to assure reasonable measures to safeguard protected personally identifiable information and other information that ACL, CILs, or consumers designates as sensitive, consistent with applicable Federal, state, local, and tribal laws regarding privacy and confidentiality.

BWCIL failed to supply ACL with BWCIL's policies for informing applicants, consumers, and other representatives about the confidentiality of personal information and the conditions for gaining access to, and releasing, this information. In addition, ACL found CIFs containing personally identifiable information in an unprotected, unlocked basement area of the BWCIL office space, and some offices

included lists of consumer names with email addresses and passwords attached to the sides of storage cabinets.

Every grantee is required to implement drug-free-workplace policies (45 CFR § 1329.3(k)). BWCIL failed to supply ACL with such a policy.

Finding: BWCIL is not in compliance with sec. 725(c)(5), 45 CFR § 75.303(e), and 45 CFR § 1329.3(k) because BWCIL does not have an affirmative action policy, confidentiality policies that include the appropriate management of records, or a drug-free-workplace policy.

Corrective Actions:

- 1) Within 30 days of receipt of the final report, BWCIL will develop policies and practices around affirmative action, confidentiality, and a drug-free-workplace.
- 2) Within 90 days of receipt of the final report, BWCIL will have evidence to show full implementation of these policies.

Technical Assistance: BWCIL **requests** technical assistance.

BWCIL Response: BWCIL will request technical support to update policies. BWCIL has developed an affirmative action policy and is awaiting board approval.

Finding 3: BWCIL staff are not receiving training on how to serve unserved and underserved populations.

Legal requirement: 29 U.S.C. § 725(c)(11)

Discussion: CIL staff are required to receiving training on how to serve unserved and underserved populations (sec. 725(c)(11)).

Despite numerous requests, BWCIL did not supply ACL documentation indicating they were meeting the requirement to provide training on unserved and underserved populations, including minority groups and urban and rural populations.

Finding: BWCIL is not in compliance with sec. 725(c)(11) because BWCIL cannot provide evidence that staff receive training on how to serve unserved and underserved populations, including minority groups and urban and rural populations.

Corrective Actions:

- 1) Within 30 days of receipt of the final report, BWCIL should begin working with the TA provider to develop training for staff on how to serve unserved and underserved populations.
- 2) Within 90 days of receipt of the final report, BWCIL will document that staff have received training on serving unserved and underserved populations.

Technical Assistance: BWCIL **requests** technical assistance.

BWCIL Response: BWCIL will request technical assistance to ensure training for staff on how to serve unserved and underserved populations, specifically rural communities.

Fiscal Findings

Finding 4: BWCIL does not provide evidence of accurate reporting.

Legal requirement: 45 CFR § 75.302(a) and 45 CFR § 75.302(b)(2)

Discussion: Every grantee must be able to provide accurate, current, and complete disclosure of the financial results of each award in accordance with the specific reporting requirements.

Before the onsite review, ACL notified BWCIL that they had not timely submitted the required SF-425. When BWCIL submitted the required form, the following data was inaccurate: award amounts, funds drawn, unobligated balance, and program income. When questioned about this onsite, BWCIL was unable to demonstrate any policies that guided creation of the SF-425, including any policies to assure that figures submitted on the form were accurate.

ACL is particularly concerned that these items, especially amount of award and funds drawn, represent basic fiscal components that are fundamentally necessary to understand and perform even the most basic of fiscal administrative roles. The fact that BWCIL was unable to report these accurately poses significant risk to Federal funds.

Finding: BWCIL is not in compliance with 45 CFR § 75.302(a) and (b)(2) because it has not submitted accurate and current fiscal reports.

Corrective Actions:

- 1) Within 30 days of receipt of the final report, BWCIL should have a plan and begin working to assure the agency complies with all Federal financial reporting requirements.
- 2) This finding will be considered completed when BWCIL submits two successive SF-425s in a timely and accurate manner.

Technical Assistance: BWCIL requests technical assistance.

BWCIL Response: BWCIL will seek technical support to ensure accurate and timely sf-425 submissions. BWCIL is currently going through the hiring process of a new Finance Director.

Finding 5: BWCIL lack internal controls and sufficient financial management systems.

Legal requirement: 45 CFR § 75.303 and 45 CFR § 75.302

Background: Every grantee is required to use internal controls to reasonably assure it is complying with the statutes, regulations, and terms and conditions of the award. Every grantee is required to use financial management systems that permit preparing the required reports and tracing funds.

The review team reviewed policies and procedures and had extensive conversations with staff, including requesting demonstrations of fiscal capacities. The following issues were identified:

- BWCIL was unable produce sufficient fiscal documentation requested as part of the review, including an approved budget, documentation supporting approved bonuses, and fiscal information justifying figures reported on the SF-425.
- BWCIL could not provide documentation for disbursements from the previous year. Staff reported being in process to see how they could rebuild the needed information.
- BWCIL claimed that all disbursements were properly documented with evidence of receipt of goods or performance of services but could not provide documentation.
- BWCIL was unable to provide written procedures or clearly explain the BWCIL budget review or approval process. Other issues identified in this finding and report make it likely that BWCIL lacked the ability to produce accurate information necessary to complete an accurate budget.

Finding: BWCIL is not in compliance with 45 CFR § 75.303 because it does not have sufficient internal controls—most notably procedures and correlated skills—to assure compliance with fiscal statutes, regulations, and terms and conditions of the award.

Corrective Action:

- 1) Within 30 days of receipt of the final report, BWCIL should have a plan and begin working to assure implementation of internal controls to reasonably assure the CIL is complying with the fiscal statutes, regulations, and terms and conditions of the award.
- 2) Within 90 days of receipt of the final report, BWCIL should be able to demonstrate functioning internal controls that reasonably assure the CIL is complying with the fiscal statutes, regulations, and terms and conditions of the award.

Technical Assistance: BWCIL **requests** technical assistance.

BWCIL Response: BWCIL has created and implemented fiscal policies and procedures including internal controls, with technical assistance from ILRU. BWCIL will continue to seek technical assistance for guidance in internal controls and update policies as needed.

Finding 6: BWCIL lacks and approved cost allocation plan or indirect cost rate.

Legal requirement: 45 CFR § 75.405(d)

Discussion: Every grantee is required to assure costs allocated to awards are allowable and are allocated in proportion to benefit received.

BWCIL has multiple funding sources, yet there was no evidence of allocation process that would allow

BWCIL to track expenses and assure they are charged to the proper awards. There is no approved Cost Allocation Plan or Indirect Cost Rate. When asked about this issue staff reported thinking about submitting a plan in the future.

Finding: BWCIL is not in compliance with 45 CFR § 75.405(d) because it does not have an approved methodology for allocation of costs.

Corrective Action:

- 1) Within 30 days of receipt of the final report, BWCIL should have a plan and begin working to assure implementation of internal controls to reasonably assure the CIL is complying with the fiscal statutes, regulations, and terms and conditions of the award.
- 2) Within 90 days of receipt of the final report, BWCIL should be able to demonstrate functioning internal controls that reasonably assure the CIL is complying with the fiscal statutes, regulations, and terms and conditions of the award.

Technical Assistance: BWCIL requests technical assistance.

BWCIL Response: BWCIL currently uses the 10% *de minimis* rate for indirect cost as is indicated the Fiscal Policies and Procedures

Finding 7: BWCIL fails to respond with prompt action when noncompliance is identified.

Legal requirement: 45 CFR § 75.303(d)

Discussion: Recipients of Federal funds are required to take prompt action when areas of noncompliance are identified. This is critical in areas of financial management where ongoing lack of compliance create increasingly larger financial liabilities, which jeopardize financial stability of the agency.

Michigan Rehabilitative Services (MRS) reviewed BWCIL in November 2018. This review identified numerous issues with fiscal internal controls and resulted in a corrective action plan (CAP). As of the ACL onsite review, this CAP had not been resolved. Shortly after the MRS review, it was discovered that the BWCIL finance director in place during the MRS review had stolen \$1.5 million dollars from BWCIL.

The ACL review occurred in December of 2019, a full year after the MRS review and subsequent embezzlement. At that time, BWCIL had not conducted a full audit, had not identified specific amounts of illegally spent Federal funds, had not made attempts to discuss potential repayment options, and, as discussed above, continued to lack basic fiscal capacities necessary to assure ongoing and compliant administration of Federal funds. This is an unacceptable delay in making fundamental and critical improvements to a financial system that had been repeatedly proven significantly noncompliant.

Finding: BWCIL is not in compliance with 45 CFR § 75.303(d) because it has failed to take prompt action when instances of noncompliance were identified.

Corrective Action:

- 1) Within 30 days of receipt of the final report, BWCIL should have identified and reported to ACL all unallowable expenses charged to Federal IL award(s) for the period beginning with the date the fiscal staff convicted of embezzlement started work for BWCIL, through December of 2019.
- 2) Within 90 days of receipt of the final report BWCIL should have identified the underlying causes of these unallowable expenses and implemented changes to policies and procedures necessary to demonstrate Federal funds are no longer at risk due to these issues.

Technical Assistance: BWCIL **requests** technical assistance.

BWCIL Response: BWCIL is now in compliance with the single audit for 2017 – 2018. BWCIL is currently going through the process of the 2018-2019 audit. Due to COVID, the audit is due December 31, 2020. BWCIL expects the audit to be completed in a timely manner. Because there were audits completed from the time the embezzler began employment in 2006, BWCIL has been unable to secure an auditor to perform audits from FYs 2006 – 2016/17.

Finding 8: BWCIL lacks established three-year program and financial planning objectives.

Legal requirement: 29 U.S.C. § 725(c)(4)

Background: All Part C CILs are required to establish clear priorities through annual and three-year program and financial planning objectives.

The only program or financial plan that BWCIL made available, despite numerous requests, was a one-year program work plan that lacked adequate and accurate information.

Finding: BWCIL is violating 725(c)(4) by not having established three-year program and financial planning objectives.

Corrective Actions:

- 1) Within 30 days of receipt of the final report, BWCIL should begin working with the TA provider on three-year program and financial planning objectives.
- 2) Within 90 days of receipt of the final report, BWCIL should be able to provide an approved three-year program and financial planning objectives.

Technical Assistance: BWCIL **requests** technical assistance.

BWCIL Response: BWCIL has completed a 1-year and 3-year strategic plan. BWCIL will complete a 3-year financial plan with the newly hired Finance Director, which is expected to take place by February 2021.

Appendix: Legal Requirements

This Appendix contains the full text of each legal requirement cited in Section VI of this report.

29 U.S.C. § 17

INDEPENDENT LIVING CORE SERVICES.—The term “independent living core services” means—

- (A) information and referral services;
- (B) independent living skills training;
- (C) peer counseling (including cross-disability peer counseling);
- (D) individual and systems advocacy; and
- (E) services that—
 - (i) facilitate the transition of individuals with significant disabilities from nursing homes and other institutions to home and community-based residences, with the requisite supports and services;
 - (ii) provide assistance to individuals with significant disabilities who are at risk or entering institutions so that the individuals may remain in the community; and
 - (iii) facilitate the transition of youth who are individuals with significant disabilities, who were eligible for individualized education programs under section 614(d) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(d)), and who have completed their secondary education or otherwise left school, to post-secondary life.

29 U.S.C. § 706(c)

ONSITE COMPLIANCE REVIEWS.—

- (1) The Administrator shall annually conduct onsite compliance reviews of at least 15 percent of the centers for independent living that receive funds under section 722 and shall periodically conduct such a review of each such center
- (2) QUALIFICATIONS OF EMPLOYEES CONDUCTING REVIEWS.—The Administrator shall—
 - (A) to the maximum extent practicable, carry out a review described in paragraph (1) by using employees of the Department of Health and Human Services who are knowledgeable about the provision of independent living services;
 - (B) ensure that the employee of the Department of Health and Human Services with responsibility for supervising such a review shall have such knowledge; and
 - (C) ensure that at least one member of a team conducting such a review shall be an individual who—
 - (i) is not a government employee; and
 - (ii) has experience in the operation of centers for independent living.

29 U.S.C. § 722(b)(g)(1)

IN GENERAL.—The Administrator shall periodically review each center receiving funds under this section to determine whether such center is in compliance with the standards and assurances set forth in section 725. If the Administrator determines that any center receiving funds under this section is not in compliance with the standards and assurances set forth in section 725, the Administrator shall immediately notify such center that it is out of compliance.

29 U.S.C. § 725(b)

- (b)(1)(D) equal access for individuals with significant disabilities, within their communities, to all services, programs, activities, resources, and facilities, whether public or private and regardless of the funding source.
- (b)(2) PROVISION OF SERVICES.—The center shall provide services to individuals with a range of significant disabilities. The center shall provide services on a cross-disability basis (for individuals with different types of significant disabilities, including individuals with significant disabilities who are members of populations that are unserved or underserved by programs under this title). Eligibility for services at any center for independent living shall be determined by the center, and shall not be based on the presence of any one or more specific significant disabilities.
- (b)(3) INDEPENDENT LIVING GOALS.—The center shall facilitate the development and achievement of independent living goals selected by individuals with significant disabilities who seek such assistance by the center.

29 U.S.C. § 725(c)(1–6)

ASSURANCES.—The eligible agency shall provide at such time and in such manner as the Administrator may require, such satisfactory assurances as the Administrator may require, including assurances that—

- (1) the applicant is an eligible agency
- (2) the center will be designed and operated within local communities by individuals with disabilities, including an assurance that the center will have a Board that is the principal governing body of the center and a majority of which shall be composed of individuals with significant disabilities;
- (3) the applicant will comply with the standards set forth in subsection (b)
- (4) the applicant will establish clear priorities through annual and 3-year program and financial planning objectives for the center, including overall goals or a mission for the center, a work plan for achieving the goals or mission, specific objectives, service priorities, and types of services to be provided, and a description that shall demonstrate how the proposed activities of the applicant are consistent with the most recent 3-year State plan under section 704;
- (5) the applicant will use sound organizational and personnel assignment practices, including taking affirmative action to employ and advance in employment qualified individuals with significant disabilities on the same terms and conditions required with respect to the employment of individuals with disabilities under section 503;
- (6) the applicant will ensure that the majority of the staff, and individuals in decision making positions, of the applicant are individuals with disabilities

29 U.S.C. § 725(c)(8)

- (8) the applicant will conduct annual self-evaluations, prepare an annual report, and maintain records adequate to measure performance with respect to the standards, containing information regarding, at a minimum—
 - (A) the extent to which the center is in compliance with the standards;
 - (B) the number and types of individuals with significant disabilities receiving services through the center;
 - (C) the types of services provided through the center and the number of individuals with significant disabilities receiving each type of service;
 - (D) the sources and amounts of funding for the operation of the center;

- (E) the number of individuals with significant disabilities who are employed by, and the number who are in management and decisionmaking positions in, the center; and
- (F) a comparison, when appropriate, of the activities of the center in prior years with the activities of the center in the most recent year;

29 U.S.C. § 725(c)(10–11)

- (10) aggressive outreach regarding services provided through the center will be conducted in an effort to reach populations of individuals with significant disabilities that are unserved or underserved by programs under this title, especially minority groups and urban and rural populations;
- (11) staff at centers for independent living will receive training on how to serve such unserved and underserved populations, including minority groups and urban and rural populations;

45 CFR § 75.302(b)(2)

Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 75.341 and 75.342.”

45 CFR § 75.303(a) and (e)

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government,” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework,” issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
- (e) Take reasonable measures to safeguard protected personally identifiable information and other information the HHS awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality.

45 CFR § 1329.3(k)

- (k) 2 CFR part 382 - Requirements for Drug-Free Workplace (Financial Assistance)