

DEPARTMENT OF HUMAN SERVICES

BUREAU OF COMMUNITY ACTION AND ECONOMIC OPPORTUNITY

COMMUNITY ACTION PROGRAMS

(By authority conferred on the department of human services by Executive Reorganization Order 1995-1 and 230 PA 1981, being MCL 400.1116)

PART 1. GENERAL PROVISIONS

R 400.19101 Definitions; A to C.

Rule 101. As used in these rules:

(a) "Act" means 230 PA 1981, MCL 400.1101 to 400.1120.

(b) "Advisory board" means the board of a public community action agency which is established by a local unit or units of government and which is delegated certain policy and administrative responsibilities to assure decision-making and participation by low-income individuals 42 U.S.C § 9910(b).

(c) "Appeals Committee" means committee members selected by the governing/advisory board that review items in dispute and seek clarification or resolution to the dispute, with approval from the governing/advisory board.

(d) "Bureau" means the bureau of community action and economic opportunity.

(e) "Causes of poverty" means those personal or institutional factors, or both, that combine to limit the ability of individuals and families to acquire the basic necessities of life, such as food, shelter, medical care, and household energy.

(f) "Commission" means the commission on community action and economic opportunity.

(g) "Community" means the geographical area served by a grantee and may be any of the following:

(i) A village.

(ii) A township.

(iii) A city.

(iv) A county.

(v) A multicounty unit.

(h) "Community action agency" or "CAA" means an agency officially designated as such in the Community Services Block Grant Act, 42 U.S.C. 9901 et seq. as amended., or officially designated pursuant to section 8 of the act.

(i) "Community services block grant" or "CSBG" means the federal funding source to ameliorate the causes and conditions of poverty in communities within the state.

(j) "Community social and economic programs" means those programs provided under section 675 of the community services block grant act, subtitle B, Title IV of the omnibus budget reconciliation act of 1981, Public Law 97-35, 42 U.S.C. 9904 , such as the following:

(i) Programs that provide a range of services and activities that have a measurable and potentially major impact on reducing the causes of poverty in the community or in

those areas of the community where the incidence of poverty is a particularly acute problem.

(ii) Programs that provide activities designed to assist low-income participants, including the elderly poor, to do all of the following:

(A) Secure and retain meaningful employment.

(B) Attain an adequate education.

(C) Make better use of available income.

(D) Obtain and maintain adequate housing and a suitable living environment.

(E) Obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs, including the need for any of the following:

(1) Health services.

(2) Nutritious food.

(3) Housing.

(4) Employment-related assistance.

(F) Remove obstacles and solve problems which block the achievement of self-sufficiency.

(G) Achieve greater participation in the affairs of the community.

(H) Make more effective use of other programs related to the purposes of the act.

(iii) Programs that provide, on an emergency basis, such supplies and services, nutritious foodstuffs, and related services as may be necessary to counteract conditions of hunger and malnutrition among the poor.

(iv) Programs that coordinate and establish linkages between governmental and other social services programs to assure the effective delivery of such services to low-income individuals.

(v) Programs that encourage the use of entities in the private sector of the community to ameliorate poverty in the community.

(k) "Conditions and effects of poverty" means social and economic circumstances affecting individuals and families, such as any of the following:

(i) Unemployment.

(ii) Underemployment.

(iii) Dilapidated housing.

(iv) Lack of education.

(v) Limited access to proper medical care.

(vi) Limited self-esteem.

(vii) Insufficient food.

(viii) Other conditions that foster a restrained quality of life.

(l) "Consumer sector" means the low-income, elderly, or handicapped persons who reside in the service area of a CAA and who are eligible to be served by the CAA.

(m) "Contract" means a written agreement directly with the bureau that establishes the type and priority of services being provided.

(n) "Contractor" means the party or parties specified in a contract to receive remuneration in return for goods or services rendered.

(o) "Corrective action activity" means the monitoring process used to correct administrative and programmatic deficiencies in an eligible entity.

History: 1990 AACCS; 2014 AACCS.

R 400.19102 Definitions; D to W.

Rule 102. As used in these rules:

- (a) "Department" means the Michigan department of human services.
- (b) "Designate" means formal approval of a proposed CAA by the executive director.
- (c) "Director" means the director of the department.
- (d) "Eligibility entity" means an entity:
 - (i) that is an eligible entity described in section 673(1) as in effect on the day before the date of enactment of the Coats Human Services Reauthorization Act of 1998 as of the day before such date of enactment or is designated by the process described in section 676A, including an organization serving migrant or seasonal farmworkers that is so described or designated; and
 - (ii) that has a tripartite board or other mechanism described in subsection (a) or (b), as appropriate, of section 676B.
- (e) "Executive director" means the chief administrator of the bureau.
- (f) "Governing board" means the board of directors of a private nonprofit CAA or of a CAA that is a public agency that has the same legal powers and responsibilities as the board of directors of any private, nonprofit organization.
- (g) "Grant" means an award of funds by the bureau to a contractor agency for administrative and contract purposes or to another entity in accordance with criteria established by the bureau.
- (h) "Grantee" means a local CAA, public agency, nonprofit private agency, nonprofit organization, or other entity that receives funds from the bureau.
- (i) "Limited purpose agency" or "LPA" means an agency that is officially designated as such under the provisions of the Community Services Block Grant Act, 42 U.S.C. 9901 et seq. as amended.
- (j) "Local Weatherization Operator" or "LWO" means an agency that provides weatherization services within the parameters of the established contract.
- (k) "Low income person" means a person who is a member of a household that has a gross annual income that is equal to or less than the poverty standard for the same size household.
- (l) "Management decision letter" means a written response to a corrective action plan submitted by a CAA.
- (m) "Means test" means the measure of income, financial resources, or real property as a basis for establishing eligibility or service limits to a low-income person.
- (n) "Monitoring" means the process used in order to determine whether eligible entities meet the performance goals, administrative standards, financial management requirements, and other requirements of federal, state, and local policies and requirements.
- (o) "Nonprofit" means a nonprofit corporation that is registered and in good standing with the corporations division, Michigan department of licensing and regulatory affairs, pursuant to the provisions of 162 PA 1982, the nonprofit corporation act. This term includes religious organizations to which the provisions of 42 U.S.C. 9901 apply.
- (p) "Poverty standard" means the federal poverty guidelines published annually in the federal register by the United States department of health and human services under

its authority to revise the poverty line under section 673(2) of subtitle B of title VI of the omnibus budget reconciliation act of 1981, Public Law 97-35, 42 U.S.C. 9902.

(q) "Private sector" means representatives of business and industry, agriculture, labor, and religious and civic organizations.

(r) "Program cost" means all costs incurred by a grantee in managing, administering, and delivering services to low-income persons.

(s) "Program income" means gross income earned by the grantee from grant-supported activities.

(t) "Public sector" means representatives of units of local government and public agencies.

(u) "Rescission of designation" means the executive director's removal of a grantee's status as a CAA and the loss of a grantee's rights to consideration for formula funding from the bureau.

(v) "Self-sufficiency" means the achievement or maintenance of a reasonable degree of self-determination and independence that enables an individual to carry out the normal responsibilities and activities of daily life without sustained assistance from governmental or other agencies.

(w) "Service area" means the geographical area served by a community action agency.

(z) "Service provider" means an entity that is under contract to a grantee and that provides services to low-income persons.

(aa) "Service recipient" means a low-income person who receives services directly from a service provider.

(bb) "State plan" means the document required by the provisions of sections 5 and 10 of the act.

(cc) "State program budget request" means state funds, federal block grants, and federal categorical grants that the legislature appropriates annually for community social and economic programs.

(dd) "Statewide database" means a shared electronic database used to store client eligibility information, demographic data, and national performance indicators.

(ee) "Supporting documentation" means additional documentation to support the activity, program, or expenditure. Examples include agency general ledgers, invoices, client applications, proof of contract deliverables, and other internal documentation.

(ff) "Weatherization", "Weatherization Assistance Program" or "WAP" is a program administered by the bureau as required in section 5(m) of the act to reduce the energy costs for low-income families, particularly for the elderly, people with disabilities and children.

History: 1990 AACCS; 2014 AACCS.

R 400.19103 Terms defined in act.

Rule 103. Terms defined in the act have the same meanings when used in these rules.

History: 1990 AACCS.

R 400.19104 Service delivery method.

Rule 104. The primary structure or organization through which financial resources shall flow in providing services and programs to low-income persons under the provisions of the act and other applicable state or federal regulations consists of the following:

(a) The bureau that is administered by the executive director to perform those functions and responsibilities specified by the provisions of section 5 of the act.

(b) A network of local grantees to plan and allocate resources for services and programs to low-income persons. Grantees shall be agencies established in accordance with the provisions of section 8 of the act or other entities in accordance with applicable federal and state criteria.

(c) Other agencies, organizations, or consultants with the ability to provide self-help and other support services directly or indirectly to low-income persons. Such services shall be provided through contractual agreements.

History: 1990 AACCS; 2014 AACCS.

R 400.19105 Grantee; written operating procedures.

Rule 105. (1) A grantee that receives funding or delegated authority received under provisions of the act shall have written procedures to govern the conduct of its operations and functions. Grantee procedures shall describe the administrative and policy structure of the entity and the methods used in dealing with contractors or other agencies and shall incorporate those applicable policies of the bureau.

(2) A grantee's written procedures shall be adopted by official action of its governing/advisory board.

(3) A grantee, upon request, shall provide a copy of the procedures to each of its contractors and to the bureau without cost.

(4) A grantee shall attach an electronic copy of the procedures, within 30 days of the governing/advisory board's approval, to the statewide database.

History: 1990 AACCS; 2014 AACCS.

R 400.19106 Grantee reporting requirements.

Rule 106. A grantee shall do all of the following:

(a) Submit, to the bureau, program and financial reports, including supporting documentation when requested by the bureau, to comply with state and federal requirements.

(b) Submit reports on time and in a manner prescribed by the bureau.

(c) Be responsible for obtaining and reporting necessary information from those entities with whom contracts have been made.

(d) Submit to the bureau by uploading an electronic copy to the statewide database, on a timely basis, changes in any of the follow:

(i) Corporate status.

(ii) Bylaws.

- (iii) Governing board composition.
- (iv) Governing board officers.
- (v) Key staff.
- (vi) Fiscal and administrative procedures.
- (vii) The status of litigation against the agency.
- (e) As required, obtain reports from contractors.
- (f) Report any changes to its legal status pursuant to the provisions of the act or requirements issued by the state or federal government.
- (g) Report any changes to the mission and the agency organizational structure to the bureau.

History: 1990 AACCS; 2014 AACCS.

PART 2. BUREAU OF COMMUNITY ACTION AND ECONOMIC OPPORTUNITY

R 400.19201 Bureau; powers and duties.

Rule 201. (1) The bureau shall perform those functions and responsibilities as provided in section 5 of the act and those conferred by the department.

(2) The bureau, through the executive director, shall issue written policies or guidelines regarding its administrative and management responsibilities pursuant to the following:

(a) The provisions of sections 24 to 26 of 306 PA 1969, MCL 24.224 to 24.226.

(b) Applicable federal program requirements and regulations for those federal programs administered by the bureau.

(3) The bureau shall issue guidelines to provide for all of the following:

(a) The systematic administration and management policies for all of the following:

(i) CAA designations or rescission of designations.

(ii) Grant applications.

(iii) Grant actions.

(iv) Payments.

(v) Reporting.

(vi) Closeout.

(vii) Monitoring of bureau administered grants or contracts.

(b) The general conduct of business with CAAs, other grantees, and contractors on an ongoing basis. Such guidelines shall include program and fiscal information to interpret, instruct, or otherwise provide guidance.

(c) The methods by which state and federal program and financial requirements are to be fulfilled.

(d) The development and maintenance of applicable plans on the state and federal grant programs administered, including substantive content, period of applicability, public review, and methods for amendment.

(e) The processing of administrative complaints registered by grantees, service recipients, or contractors that are based on established policies or procedures.

(4) The bureau shall develop distribution formulae and criteria for use in allocating state and federal grant funds. The formulae and criteria shall be consistent with the act or other applicable state or federal requirements.

(5) The bureau shall establish guidelines for receiving and processing appeals requests for all of the following:

(a) Applicants who are denied a service funded by the bureau.

(b) Grantees that are denied a contract or have funding reduced or terminated for cause.

(c) CAAs whose designation status has been rescinded or altered for cause.

(d) Contractors that are denied a contract or have funding terminated for cause.

(6) The bureau shall develop interagency agreements pursuant to section 13 of the act.

History: 1990 AACCS; 2014 AACCS.

R 400.19202 Low-income needs determination.

Rule 202. (1) The bureau shall systematically determine the need for services to low-income persons on an ongoing basis by focusing on statewide, institutional, and community-based settings. Needs shall be based on demographic, social, and economic indicators.

(2) The bureau shall use data, findings, and conclusions resulting from the determination of need for all of the following:

(a) Preparing and developing the appropriate state plans.

(b) Establishing standards and criteria for grantee plans.

(c) Establishing priorities or limitations of grants or contracts.

(d) Preparing the annual report to the governor, legislature, and the public under the provisions of section 5 of the act.

History: 1990 AACCS.

R 400.19203 Monitoring; performance assessments of community action agency activities.

Rule 203. (1) The bureau shall conduct comprehensive on-site performance monitoring of each CAA once every 3 years or sooner, in addition to other types of monitoring including, but not limited to, desk monitoring and focused scope onsite monitoring. The monitoring shall accomplish all of the following:

(a) Determine the extent to which the CAA achieves desired results or benefits established by the legislature or other authorizing body.

(b) Assess the CAA's performance in attaining objectives that are made a part of the grant or contract agreement.

(c) Determine whether the CAA is acquiring, protecting, and using bureau-funded resources, such as personnel or equipment, economically and efficiently.

(d) Determine the causes, if any, of inefficiencies or uneconomical practices and provide remedial assistance.

(e) Determine whether the CAA has complied with laws or regulations applicable to its operation in an efficient and economical manner.

(f) Access other items as required by the bureau or state or federal government. Continued funding shall be contingent upon satisfactory performance in all areas covered by the performance assessment in accordance with applicable federal and state laws or regulations.

(g) Assess the CAA's financial capacity and compliance with cost and accounting standards as required by the federal office of management and budget.

(2) The bureau shall do all of the following:

(a) Assure that a grantee is given advance notice, in writing, of a scheduled monitoring, including all of the following information:

(i) The date scheduled for the on-site monitoring.

(ii) The scope of the on-site monitoring.

(iii) Criteria to be used in conducting the on-site monitoring.

(b) Assure that a written monitoring report will be submitted, within 60 days of the exit conference, to the grantee describing the bureau's findings based on the on-site monitoring unless the executive director approves the extension.

(c) Assure that the grantee has the opportunity to respond to the office within 30 days of receipt of the bureau's findings concerning any exceptions noted in the monitoring report unless the executive director approves the extension.

(3) Each monitoring report and management decision letter that is issued by the bureau may be used as a basis for any of the following actions:

(a) Corrective action to be taken by the grantee.

(b) Suspension, probation, or termination of grants or CAA status, or both, in accordance with applicable contracts and state and federal laws or regulations.

(c) Denial of eligibility, subsequent grants, or contracts due to performance or compliance factors.

(4) Each monitoring report and management decision letter shall specify the changes, improvements, or corrections that have been made by the grantee since the previous comprehensive monitoring.

History: 1990 AACCS; 2014 AACCS.

R 400.19204 Training and technical assistance.

Rule 204. (1) The bureau shall provide training and technical assistance, either directly or through contracted arrangements, to grantees to improve program planning, program development, administration, and the mobilization of public and private resources.

(2) The bureau may provide assistance to units of local government, nonprofit, private agencies, or other public entities for the purpose of operating a CAA. Assistance may also be provided when it is necessary to establish a new CAA to serve a community.

(3) The bureau may assist CAAs with training and technical assistance for corrective action implementation, when necessary, to ensure compliance with grants and contracts.

(4) The bureau may assist CAAs to ensure responsiveness to local needs, including an ongoing procedure for obtaining input from the national and state networks of eligible entities.

History: 1990 AACS; 2014 AACS.

R 400.19205 Administrative and financial management instructions.

Rule 205. (1) To ensure maximum fund accountability and program effectiveness, the bureau shall provide periodic instructions to grantees regarding administrative and financial management concerns.

(2) The bureau shall maintain operating guidelines and policies to be available online that can be accessed through the statewide database.

History: 1990 AACS; 2014 AACS.

R 400.19206 Rescinded.

History: 1990 AACS; 2014 AACS.

R 400.19207 Procedures for grantee contracts.

Rule 207. (1) The bureau shall issue criteria for the effectuation of grants or contracts through a written grant or contract instrument.

(2) The bureau shall provide advance notice and issue information to those seeking financial assistance through the bureau on the following topics:

(a) The instructions required to officially request, make application for, or submit a proposal for, funding through a grant or contract.

(b) Requirements to qualify as an eligible applicant.

(c) Criteria to be used in review and action by the bureau.

(d) Criteria for revising or amending the proposal before bureau action.

(e) Criteria for revising or amending the grant or contract instrument after action by the bureau.

(3) The bureau shall use a uniform grant or contract agreement instrument when making the award of financial assistance as provided in subrule (2) of this rule. Specific requirements of state or federal law, rules, or regulations shall be referenced and made addenda of the grant or contract instrument.

(4) After review and approval of grantee program documents by the bureau, contracts shall be prepared and executed.

(5) The contract shall detail financial and programmatic reporting requirements, audit requirements, and other contract compliance items.

(6) The bureau shall ensure that information is provided to potential grantees for each state and federal program for which financial assistance is available as a grant or a contract.

History: 1990 AACS.

R 400.19208 State plans; development; content.

Rule 208. (1) The bureau shall be responsible for the development, maintenance, and implementation of state antipoverty plans in accordance with the following requirements:

(a) The provisions of section 5 of the act and other applicable state or federal requirements.

(b) The provisions of the community services block grant act of 1981, as amended, 42 U.S.C. 9901 et seq., and its implementing regulations.

(2) The state plans shall include all of the following:

(a) The duration or time frame the plans are to be in effect.

(b) The content to comply with applicable state and federal requirements or their implementing regulations.

(c) Action steps that will be established to effectuate the plans.

(d) The funding formulas, pursuant to R 400.19201(4), shall be made an attachment to the plan.

History: 1990 AACCS; 2014 AACCS.

R 400.19209 Procedures; annual proposal; CSBG funding.

Rule 209. (1) The executive director shall annually distribute an application detailing the nature and extent of information required of applicants pursuant to R 400.19201(3)(a). The application shall include the identification of the proposed CSBG funding allocations to eligible communities or organizations.

(2) Federal CSBG funds administered by the bureau shall be allocated to eligible CAAs in accordance with the community services block grant act of 1981, as amended, 42 U.S.C. 9901 et seq., as amended, based on the following distribution requirements:

(a) Eligible Entities (CAAs) Funds: Not less than 90% of the state's federal CSBG allotment shall be used by the bureau to make grants for the purposes described in section 672 of the CSBG Act of 1981 to eligible entities. The formula factor for distribution to low-income persons who reside in the designated service areas of the CAAs are measured by the most recent and available United States bureau of census poverty population data.

(b) State Administration Funds: Up to 5% of the state's annual CSBG allotment shall be used for state administration of the program.

(c) State Discretionary Funds: Up to 5% of the state's annual CSBG allotment shall be used for state discretionary programs to include, but not limited to, supporting innovative programs and activities conducted by community action agencies or other neighborhood-based organizations to eliminate poverty, promote self-sufficiency, and promote community revitalization. Discretionary fund distribution may be made on a matching basis of state funds and local share of the applicant's total project budget.

(d) Other factors that the director and executive director consider appropriate after review and comment by the commission. Funding levels for other eligible nonprofit organizations shall be determined by the executive director after consultation with the director and the Michigan-commission.

(3) For the purpose of these rules, entities that are eligible to receive CSBG funds include any of the following:

(a) An organization that is officially designated by the bureau's executive director as a CAA under the provisions of the act and these rules.

(b) Limited-purpose agencies designated under the provisions of the Community Services Block Grant Act, 42 U.S.C. 9901 et seq., as amended.

(c) Any organization that receives financial assistance under the provisions of the Community Services Block Grant Act, 42 U.S.C. 9901 et seq., as amended.

(4) Grantee funding shall terminate in full or be limited in part, at the discretion of the bureau, if the bureau suffers a loss of funding or termination of a grant from which it funds grantees in full or in part. If the bureau suffers a loss of funding in full or in part, grantees shall be provided written notice that shall set forth the effective date of full termination or partial funding and describe any changes necessary in the grantee's approved program budget.

History: 1990 AACCS; 2014 AACCS.

PART 3. COMMISSION ON ECONOMIC AND SOCIAL OPPORTUNITY

R 400.19301 Commission composition, functions, and responsibilities.

Rule 301. (1) The commission shall be composed as specified in the provisions of section 6 of the act. For the purposes of commission appointment, a low-income person, senior citizen, or handicapped person who is a consumer representative shall be eligible.

(2) The commission shall establish operating policies or guidelines to carry out its responsibilities specified in the provisions of section 7 of the act.

(3) The executive director or designee of the commission shall serve as executive secretary to the commission.

History: 1990 AACCS; 2014 AACCS.

PART 4. COMMUNITY ACTION AGENCIES

R 400.19401 Rescinded.

History: 1990 AACCS; 2014 AACCS.

R 400.19402 Community action agencies; responsibilities and functions.

Rule 402. (1) Public and private nonprofit CAAs shall be responsible for those functions specified in the provisions of sections 9 of the act. Private nonprofit CAAs shall also be responsible for those functions specified in the provisions of section 11 of the act.

(2) CAAs shall develop a comprehensive and coordinated plan for the delivery of services to low-income persons in their respective service areas.

(3) CAAs may enter into cooperative agreements with public and private agencies to achieve coordination and cooperation in the planning and delivery of services to low-income persons.

(4) Public and private nonprofit agencies designated by the bureau with the CAA status may receive funds and continuation of services in the provisions of section 15 of the act.

History: 1990 AACCS; 2014 AACCS.

R 400.19403 Community action agencies; required procedures.

Rule 403. A CAA shall be required to have procedures for all of the following:

- (a) The agency's governing body or board of directors.
- (b) The agency's advisory councils/board.
- (c) The agency's handling of administrative complaints generated by service providers or applicants.
- (d) The agency's financial procedures manual.
- (e) The agency's handling of personnel/employee handbook.
- (f) The agency's handling of equipment inventory.
- (g) The agency's handling of procurements, including a conflict of interest policy.
- (h) The conduct of the agency's public hearings, or public comment opportunities on the agency's CSBG application, advocacy on service area needs determinations, community needs assessments activities, or issues concerning low-income persons.
- (i) The agency's handling of affirmative action-related matters.
- (j) Guidance on limited English proficiency.

History: 1990 AACCS; 2014 AACCS.

R 400.19404 Community action agencies; required procedures for appeals and appeals hearings.

Rule 404. (1) A CAA shall establish an appeals mechanism that provides the opportunity to appeal an application for a low-income service if there has been a partial or complete denial of assistance and if all of the following provisions have been satisfied:

- (i) The services denied are specific, tangible benefits for which the bureau provides funding.
- (ii) Funds are currently available.
- (iii) The grantee has authority to provide or disburse funds.
- (iv) The applicant has completed a formal, written application for such services.
- (v) The applicant falls within the program guidelines or believes that he or she can prove that he or she falls within the program guidelines.

(2) A CAA, through the action of its governing/advisory board, shall establish and issue an appeals procedure for the items covered by subrule (1)(a) and (b) of this rule that shall include all of the following:

(a) Written notice to the applicant, contractor, or service provider of the CAA's action to suspend, terminate, not renew, or deny a contract or service, including a notice of the right to appeal.

(b) Notice that information or a criterion on which the CAA's action was based is available for review by affected parties.

(c) Notice that the affected party may appear in person or through a designated representative to appeal the grantee's action.

(d) Provision for, as the initial step of any appeal, a meeting with the Appeals Committee, which is selected by the governing/advisory board, within 30 days to review items in dispute and seek clarification or resolution to the dispute. A record of the meeting, including relevant facts, shall be maintained and a determination shall be rendered, in writing, by the Appeals Committee and approved by the governing/advisory board.

(e) A specification that appeals proceedings shall be conducted within an aggregate time frame of 60 days, within which time all of the following shall occur:

(i) A notice of the right to appeal shall be sent to the affected party within 20 days of the grantee's action.

(ii) Any formal appeal shall be requested, in writing, by the affected party or parties within 10 days of notice pursuant to the provisions of paragraph (i) of this subdivision.

(iii) Upon the receipt of an appeal request, a hearing shall be conducted. The decision rendered shall be provided, in writing, to the affected party or parties.

(f) Notice shall be provided that a grantee's hearing decision may be appealed to the bureau and that the bureau shall review and act on the appeal pursuant to the provisions of R 400.19201(5).

(g) A description of those circumstances under which a request for appeal hearing may be refused. Such circumstances shall be limited to the failure to comply with the appeal procedures required by this subrule or to lack of standing by the appellant.

(3) A CAA, through action of its governing /advisory board shall maintain administrative appeals procedures for items covered by the provisions of subrule (1)(c) of this rule, which shall include all of the following:

(a) Written notice to all denied applicants, contractors, or service providers of the administrative appeals process.

(b) Written notice that denied applicants, contractors, or service providers may appeal administrative complaints to the grantee's governing advisory board.

(c) Written notice to the appellant of the governing /advisory board's determination within 30 days of the appeal's filing date.

(d) Written notice of the decision shall include a statement that appellants may appeal the decision to the bureau within 10 days of the written notice provided by subdivision (c) of this subrule.

(4) The CAA, before final adoption of its procedures as required by subrules (2) and (3) of this rule, shall first submit the procedure to the bureau for review of content and form.

History: 1990 AACCS; 2014 AACCS.

R 400.19405 Rescinded.

History: 1990 AACCS; 2014 AACCS.

R 400.19406 Rescinded.

History: 1990 AACS; 2014 AACS.

R 400.19407 Rescinded.

History: 1990 AACS; 2014 AACS.

R 400.19408 Rescinded.

History: 1990 AACS; 2014 AACS.

R 400.19409 Rescinded.

History: 1990 AACS; 2014 AACS.

R 400.19410 Rescinded.

History: 1990 AACS; 2014 AACS.

R 400.19411 Community action agency board; membership responsibilities.

Rule 411. (1) CAA boards shall be composed as specified in section 11 of the act. For the purposes of board appointment, a low-income person, consumer sector representative, is a person eligible for a CAA service at the time of his or her appointment or an individual that is representative of low-income individuals and families in a neighborhood served. Low-income person, consumer sector representative, includes senior citizens and handicapped persons. Representatives from the public sector shall be elected officials or their designated representative. If the number of elected officials available and willing to serve is less than 1/3 of the membership of the board, appointed public officials may represent the public sector.

(2) Consumer sector representative board members shall be chosen in accordance with selection procedures that are adequate to assure that they represent the low-income persons in the community served by the CAA. Consumer sector representative board members shall not be selected by public officials. Consumer sector representative board members may be selected to either represent a specific area or neighborhood served by the CAA, or at large to represent the community served by the CAA, or to represent a particular organization designated by the board whose membership is composed predominantly of low-income persons. The selection procedures which may be used, either alone or in combination, include the following:

(a) Nominations and elections, either within neighborhoods or within the community as a whole.

(b) Selection of eligible low-income persons at a meeting or conference where the date, time, and place of such meeting or conference have been adequately publicized.

(c) Selection of eligible low-income representatives to a community-wide board by members of neighborhood or subarea boards who are themselves selected by low-income neighborhood or area residents.

(d) Selection on a small area basis, such as a city block, of representatives who in turn select low-income members for a community-wide board.

(e) Selection of eligible low-income representatives by existing organizations designated by a board whose membership is predominantly composed of low-income persons.

(f) Any other selection procedure which assures maximum participation of eligible consumers, subject to bureau review and approval.

(3) Public sector representatives, elected or appointed, selected to serve on the board shall have either general governmental responsibilities or responsibilities which require them to deal with poverty-related issues. Public sector representatives shall not be officials with only limited, specialized, or administrative responsibilities.

(4) Each public official or private or consumer sector representative selected to serve on the board may have 1 permanent designated representative to serve on the board either full-time or when he or she is unable to attend a meeting. The public or private-designated representatives shall be public or private sector officials themselves and have the full authority to act for the officials whom they represent at meetings of the board.

(5) A CAA may establish term limits for members of its board of directors in the CAA's bylaws.

(6) A CAA board shall annually evaluate the policies and programs of the CAA and shall consider all of the following:

- (a) Program effectiveness.
- (b) Contract and program.
- (c) Management.
- (d) Personnel systems.
- (e) Financial systems.
- (f) Property acquisition and management systems.

(g) Any other items required by the bureau to implement the act or as mandated by the legislature or the department.

(7) A public CAA that has established an advisory board shall do all of the following:

(a) Provide recommendations regarding the selection of the executive director of the CAA.

(b) Determine rules and procedures for the advisory board, subject to department and bureau policies.

(c) Select the officers and the executive committee, if any, of the advisory board.

(d) Provide recommendations regarding major personnel, organizational, fiscal, and program policies.

(e) Provide recommendations regarding overall program plans and priorities.

(f) Provide recommendations regarding approval of all program proposals and budgets.

(g) Provide recommendations regarding the arrangements for delegating the planning, conducting, or evaluating of a component of the work program.

(h) Exercise other responsibilities which the local designating officials delegate to the advisory board.

(8) The advisory board shall report directly to the local designating officials of the public CAA.

History: 1990 AACCS; 2014 AACCS.

R 400.19412 Listing and identification of community action agencies.

Rule 412. Each office of the CAA shall be listed in the local telephone directory or directories of widest service area distribution under the heading "community action agency" and shall be identified on its letterhead as a "community action agency."

History: 1990 AACCS.

R 400.19413 Compliance with state and federal laws.

Rule 413. To qualify for funding, grantees shall comply with all applicable state and federal laws.

History: 1990 AACCS.

R 400.19414 Public meeting requirements.

Rule 414. All commission or CAA governing/advisory board business shall be conducted at public meetings pursuant to the provisions of section 14 of the act.

History: 1990 AACCS; 2014 AACCS.

R 400.19415 Schedule and notice of meetings.

Rule 415. CAA governing/advisory boards shall meet on a regular basis at least six times per year to conduct official business. The meetings shall be scheduled for the convenience of its members and the general public.

History: 1990 AACCS; 2014 AACCS.

PART 5. FINANCIAL REQUIREMENTS

R 400.19501 Notice of financial award.

Rule 501. (1) The bureau shall issue a grant or contract agreement as a 2-party agreement for obligating funds.

(2) The grant or contract instrument agreement shall constitute the official document which specifies the terms of the agreement. The grant or contract agreement shall include all of the following:

- (a) The total financial amount, including both of the following:
 - (i) Funds provided through the bureau as stated in the grant agreement or the “notice of funds available” form.
 - (ii) Funds, or services in place of funds, provided by the grantee or contractor.
- (b) The conditions of the grant or contract, including all of the following:
 - (i) Beginning and ending dates for which the agreement is to be in effect.
 - (ii) Documentation of services to be provided or objectives to be achieved by the grant or contract.
 - (iii) Special conditions, if any, which may be specified as a part of bureau approval action.
- (c) Dated signatures of the executive department representative and authorized representative of the grantee or contractor to bind the agreement.

History: 1990 AACS; 2014 AACS.

R 400.19502 Modification of approved grants or contracts.

Rule 502. (1) A grantee or contractor of the bureau shall submit a request and obtain prior approval of the executive director for any change which modifies the grant or contract agreement in any of the following ways:

- (a) Changes the program scope, planned objectives, or the character of service delivery made part of the grant or contract agreement.
- (b) Provides financial assistance to any person not authorized by the grant or contract instrument.
- (c) Transfers to a third party the conduct of functions or responsibilities that are central to executing the purposes of the grant or contract.
- (d) Alters the approved budget of the grant or contract, except as may occur through the limits of administrative discretion as provided in the agreement.

(2) Grantees or contractors of the bureau shall be notified by the executive director of the action on requests initiated under the provisions of subrule (1) of this rule.

History: 1990 AACS; 2014 AACS.

R 400.19503 Grantee contracting responsibilities.

Rule 503. A grantee shall do all of the following when contracting for services under provisions of a grant:

- (a) Contract for services within 45 days after the effective date of the grant instrument executed with the bureau pursuant to the provisions of R 400.19501.
- (b) Not alter the contract amount during the final 60 days of any fiscal year unless approved by the executive director.
- (c) Retain a copy of each contract in the grantee’s office for review and audit for a period listed in the contract language.
- (d) Obtain prior written approval from the bureau when proposing to contract with profit-making organizations involving bureau-administered funding of more than \$25,000.00.

History: 1990 AACS; 2014 AACS.

R 400.19504 Audits.

Rule 504. A financial audit of grantee records shall be made not less than biennially. Audits are to be conducted in accordance with standards established by the American institute of certified public accountants and requirements issued by the executive director. Audit requirements shall include at least all of the following requirements:

(a) Audits shall be made to test the integrity of financial transactions and compliance with grant or contract terms.

(b) The bureau shall ensure that timely and appropriate resolution of negative audit findings and recommendations for reconciliation occur promptly.

(c) Grantees must monitor contractors that have provided services if the audit conforms to minimum audit standards.

(d) The bureau shall not authorize the expense of an independent audit which does not meet the standards cited in this rule.

History: 1990 AACS; 2014 AACS.

R 400.19505 Audit and monitoring disallowances.

Rule 505. A grantee is responsible for any costs disallowed as a result of the actions of its contractors. Resolution of disallowances shall be achieved between the grantee and the contractor of record.

History: 1990 AACS; 2014 AACS.

R 400.19506 Determining reasonable, allowable, and allocable costs; written procedures.

Rule 506. Pursuant to the provisions of R 400.19201(3)(a), procedures shall be issued by the executive director to all grantees for determining the reasonableness, allowability, and allocability of costs.

History: 1990 AACS.

R 400.19507 Means test to deny or limit services; failure to contribute to cost of service as basis for denial or limitation of service.

Rule 507. (1) A grantee shall not use a means test to deny or limit a service to eligible low-income persons unless specifically required by state law or federal regulation.

(2) A grantee shall not deny or limit a service to eligible low-income persons who do not contribute to the cost of the service unless authorized by specific state law or federal regulation.

History: 1990 AACCS.

R 400.19508 Program income.

Rule 508. (1) A grantee shall maintain a record of all income derived through the provision of a bureau-funded service. The bureau shall issue procedures for recording program income pursuant to the provisions of R 400.19201(3)(c).

(2) Program income derived from a bureau-funded project shall be used to increase or expand services of the agency to low-income persons in accordance with applicable state or federal grant regulations.

(3) A grantee shall ensure that acceptable accounting procedures are established for recording the receipt and expenditure of program income.

History: 1990 AACCS.

R 400.19509 Fees for services.

Rule 509. (1) A grantee may assess a service fee to persons who are not low-income persons unless they are volunteers in providing a service to low-income persons.

(2) A grantee shall do both of the following:

(a) Record fees for services as program income.

(b) Not claim for credit or payment as a part of the grant or contract for services rendered to noneligible persons.

History: 1990 AACCS.

R 400.19510 Payments to grantees or contractors.

Rule 510. (1) The bureau shall only make payments for those authorized costs made in conformance with a fully executed grant or contract agreement and the “notice of funds available” when applicable.

(2) A grantee or contractor shall not receive payment for costs incurred until authorized pursuant to the provisions of subrule (1) of this rule.

History: 1990 AACCS; 2014 AACCS.

R 400.19511 Withholding payments.

Rule 511. The bureau may withhold payments to grantees under any of the following circumstances:

(a) Failure of the grantee to use funds for the purposes prescribed in the contract.

(b) Failure of the grantee to submit accurate and timely fiscal and programmatic reports as prescribed in the contract.

(c) Conditions of suspension or termination ordered by the director or the executive director.

(d) Failure of the grantee to return fund balances to the bureau within 45 days of contract termination.

(e) Failure of the grantee to respond to monitoring findings, corrective action activities, management decision requirements, or audit citations within the time allotted.

(f) Failure of the grantee to return disallowed costs to the bureau within the time period mandated by the bureau.

History: 1990 AACCS; 2014 AACCS.

R 400.19512 Purchase of equipment or property.

Rule 512. Bureau grantees shall not use funds administered by the bureau to purchase or lease equipment or property not prescribed in the approved budget of the executed contract between the bureau and the grantee without prior approval from the bureau to a written request from the grantee.

History: 1990 AACCS.

R 400.19513 Suspension or termination of grant.

Rule 513. (1) Criteria for suspending and terminating a grant shall be issued by the bureau.

(2) Criteria issued in accordance with the provisions of subrule (1) of this rule shall include at least all of the following information:

(a) Specific reasons for suspension or termination and instructions for corrective action to be taken.

(b) Specific conditions for payment or financial settlement.

(c) Specific steps to be taken for implementing the suspension or termination.

(d) Specific rights of appeal available to the grantee under applicable contract provisions or state and federal laws or regulations.

(3) The bureau shall not pay for any financial obligations incurred by a grantee during the period of suspension, unless expressly authorized by the executive director.

(4) The bureau shall not pay a grantee for any financial obligation incurred after the effective date of a grant termination.

(5) The bureau may institute an emergency grant suspension if, considering its responsibility to protect the public interest, a delayed suspension date would be unreasonable. The bureau criteria for determining an emergency suspension shall include factors in the contract with the grantee and other relevant information.

History: 1990 AACCS.

R 400.19514 Standards for grantee financial management systems.

Rule 514. Financial management systems of all bureau grantees shall provide for all of the following:

(a) Accurate, current, and complete disclosure of the financial results of all grant programs operated or administered by the agency.

(b) Records that adequately identify the source and application of funds for each grant-supported activity.

(c) Effective control over, and accountability for, all funds, property, and other assets.

(d) A comparison of actual outlays with budgeted amounts for each grant.

(e) Accounting records, supported by source documentation, which shall be accessible to the bureau, of all funds administered by the agency.

(f) Timely notice and regular reports to the bureau of the status of any current or imminent litigation or other legal proceeding involving the grantee or the grantee's personnel that affects or may affect bureau-administered funds.

History: 1990 AACCS.

R 400.19515 Standards for financial closeout procedures.

Rule 515. Financial closeouts requirements for all bureau grantees include all of the following:

(a) All closing journal voucher activity shall be reviewed by the grantee's finance director and entered in the grantee's general ledger.

(b) Final trial balances shall be prepared by the grantee's bookkeeper and shall be reviewed by its finance director before the preparation of the grantee's final financial report. A copy of the final trial balance shall be retained in the front of the grantee's general ledger.

(c) The grantee's final monthly reconciliation shall be accomplished simultaneous to closing the general ledger.

(d) Appropriate grantee staff shall compare any interagency account balances with the control ledger to insure agreement.

(e) Appropriate grantee staff must adhere to proper document retention and storage procedures for electronic and physical files and shall assemble necessary documents for grantee audits, including all of the following documents:

(i) Copies of all grant actions, amendments, budgets, and contracts.

(ii) All bank statements and all monthly bank reconciliations.

(iii) Copies of all monthly trial balances and all monthly finance reports.

(iv) All claimed in-kind documentation, which shall be filed.

(v) All payment vouchers and journal vouchers, which shall be filed numerically.

(vi) Other documents as requested by the bureau.

(f) Following audits, a grantee shall place all program and financial documents listed in subdivision (e) of this rule into a records storage container for placement in a designated records retention area.

History: 1990 AACCS; 2014 AACCS.

PART 6. COMMUNITY ACTION AGENCY (CAA) STATUS DESIGNATION, RECISSION AND CHANGE

R 400.19601 Designation of community action agencies status.

Rule 601. The bureau shall designate, or rescind the designation of, CAAs pursuant to the provisions of section 8 of the act.

History: 1990 AACCS; 2014 AACCS.

R 400.19602 Community action agency designation; responsibilities and functions.

Rule 602. (1) A community action agency shall not be officially designated as such by the executive director, unless the community or entity is any of the following:

(a) A city, village, or township, or a combination of such units of government which are contiguous, with a population of not less than 150,000 people according to the most recent available census data.

(b) A county or a group of contiguous counties with a minimum of 100,000 people according to the most recent available census data.

(c) One or more federally or state-recognized Indian reservations.

(2) If, due to a boundary change, a community served by a CAA ceases to meet the requirements of subrule (1)(a) or (b) of this rule, the executive director, with the advice of the commission, shall determine if the loss in population constitutes grounds for withdrawing the executive director's official designation of the CAA serving the community. The executive director's decision shall take into consideration the past performance of the agency and the prospects for its continued viability and effectiveness.

(3) To be designated as a CAA, the governing/advisory board of the agency shall submit a request, in writing, to the executive director.

(4) The request or designation must identify a private non-profit organization.

(5) The executive director shall consider the requests or designation under subrules (3) and

(4) of this rule approved if a response to the contrary is not received.

(6) An organization that requests state CAA designation shall, at the request of the department, conduct 1 or more public hearings to provide citizens in the service area the opportunity to review and comment on the organization's ability to serve the community as a CAA.

(7) If a local unit of government is not served by a CAA, the bureau may fund an existing CAA or other eligible organization to serve the residents of the community.

(8) To attain or maintain its CAA designation, a CAA must establish a governing/advisory board of directors pursuant to the provisions of section 11 of the act.

History: 1990 AACCS; 2014 AACCS.

R 400.19603 Request for change in designation or service areas of community action agency

Rule 603. (1) The CAA's governing/advisory board, for reasons such as poor fiscal or programmatic administration, specified in a written request, do any of the following:

(a) Request that the executive director rescind official designation of the CAA serving the community.

(b) Request to withdraw from the CAA's service area.

(c) Request that a different CAA, either new or existing, be designated to serve the community.

(2) The executive director may, for reasons such as poor fiscal and programmatic performance, suspend or terminate CAA status, or rescind designation based on Community Services Block Grant Act (42 U.S.C. 9901 et seq.) as amended.

(3) If a CAA is proposed to merge with another CAA, the executive director shall either approve or disapprove the written request within 90 business days pursuant to the procedure in the provisions of R 400.19606(3).

History: 1990 AACCS; 2014 AACCS.

R 400.19604 Replacement of an existing community action agency.

Rule 604. (1) If another private non-profit organization is proposed to replace an existing CAA, the executive director shall either approve or disapprove the designation within 90 business days pursuant to the procedures in the provisions of R 400.19606(3). If approved, the designation shall be provisional for 120 days. During this period, the proposed CAA shall establish required operating and management procedures, select and appoint members of the governing/advisory board, and formally adopt bylaws. A status report of these activities and related documents shall be submitted to the executive director within the 120-day provisional period. If the executive director is satisfied that all actions and plans are in order, the agency shall receive final designation as a CAA. The executive director may extend the 120-day provisional period for an additional 60 days. The executive director shall take into consideration if the new CAA is capable of providing a broad range of services and activities in the unserved area that are designed to eliminate poverty and foster self-sufficiency and that the new CAA meets the tripartite board requirements.

(2) If another CAA is proposed to replace an existing CAA, the executive director shall either approve or disapprove the designation within 90 business days pursuant to the procedures in the provisions of R 400.19606(3). If approved, the designation shall be provisional for 120 days. During this period, the replacing CAA shall restructure its governing/advisory board and amend its bylaws and operating procedures to reflect the new service area. A status report of these activities and related documents shall be submitted to the executive director within the 120-day provisional period. If the executive director is satisfied that all actions and plans are in order, the agency shall receive final designation. The executive director may extend the 120-day provisional period for an additional 60 days.

(3) If another CAA is proposed to replace an existing CAA as an intermediate provider, the executive director shall either approve or disapprove the intermediate provider within 90 business days pursuant to the procedures in an open and fair request for proposal bid process. If approved, the CAA shall be provisional for 120 days. During this period, the intermediate provider CAA will set up operations to expand into the new service area. A status report of these activities and related documents shall be submitted to the executive director every 30-days during the provisional period. The executive director may extend the 120-day provisional period for an additional 60 days. A CAA may continue the expanded service area as intermediate provider without

governing/advisory board restructuring and bylaw amendments until a permanent solution is implemented.

(4) A change in designation shall not take place unless a written transition plan or closedown plan, approved by the executive director, is followed. The party or parties responsible for the preparation and execution of the plan shall be identified by the executive director. A transition plan shall ensure the orderly transfer of program functions, obligations, records, authority, and funds from an existing CAA to a new CAA. A closedown plan shall ensure the orderly termination of program activities and disposition of funds, records, and property.

(5) The bureau may reallocate available resources, as necessary, when there has been a change in the designation of a CAA serving a community. The bureau, in making such a reallocation, shall take into consideration the financial obligations of the CAA being replaced and the fiscal needs of the new CAA.

History: 1990 AACCS; 2014 AACCS.

R 400.19605 Serving unserved areas.

Rule 605. (1) In any geographic area of the state not being served by an eligible entity, the governor may solicit applications from eligible entities and do any of the following, giving preference to entities identified in the Community Services Block Grant Act, 42 U.S.C. 9901 et seq., as amended:

(a) Request an existing eligible entity that is located and provides services in an area contiguous to the unserved area to serve the new area.

(b) If there is no existing eligible entity that is located and provides services in an area contiguous to the unserved area, request the eligible entity located closest to the area to be served or an existing eligible entity serving an area within reasonable proximity of the unserved area to provide services in the unserved area.

(c) If an existing eligible entity that is requested to serve the unserved area decides not to serve the area, designating any existing eligible entity or organization that has a governing/advisory board that meets the requirements in the provisions of R 400.19411, or any political subdivision of the state, to serve the new area. The governor's designation of an organization that has a governing/advisory board that meets the requirements in the provisions of R 400.19411, or a political subdivision of the state, to serve the unserved area qualifies the organization as an eligible entity under the act.

History: 1990 AACCS; 2014 AACCS.

R 400.19606 Designating public hearing requirements.

Rule 606. (1) Within 60 business days after receiving a written request pursuant to the provisions of R 400.19608, the executive director shall hold a public hearing. The public hearing shall be held in the affected community so that interested persons and organizations may express their opinions, either orally or in writing.

(2) The executive director shall implement the public hearing process as follows:

(a) Not less than 10 days before the hearing, the executive director shall publish a notice of the hearing in a newspaper or newspapers of general circulation available to

interested persons or organizations. Notices shall also be posted in public places accessible to interested persons or organizations. The notice shall be mailed to each affected unit of local government and any CAA currently serving any part of the community.

(b) The notice shall indicate the type of request being considered and any tentative decision already made on the request.

(3) After the public hearing, the executive director must consult with and obtain the advice of the commission regarding the proposed action before making a final decision. The commission shall be consulted at its first meeting following the public hearing.

History: 1990 AACCS; 2014 AACCS.

R 400.19607 Rescission of community action agency designation.

Rule 607. (1) The executive director, pursuant to section 8(2) of the act, may rescind the designation of a CAA for cause if the agency fails to operate bureau-administered programs in compliance with these rules or applicable state and federal laws and regulations. Cause for rescission of a CAA designation may include a combination of any of the following factors:

(a) The agency's governing/advisory board does not exercise sufficient authority or leadership to ensure that bureau-administered funds are expended in accordance with applicable regulations, laws, or contractual obligations.

(b) The agency's administrative leadership does not demonstrate the administrative knowledge and skills required to ensure that the agency's fiscal, personnel, programs, or property management systems are adequate to support bureau-funded projects.

(c) The agency has not properly accounted for bureau-administered funds and property.

(d) The agency's general management systems are not adequate to support bureau-funded programs.

(e) The agency has not demonstrated the capacity for effective service delivery of bureau-funded programs.

(f) The agency has not sufficiently fulfilled its contractual obligations.

(g) The agency's liabilities significantly exceed its assets.

(h) The agency has filed for bankruptcy.

(i) The agency lacks community support and credibility with regard to its ability to competently administer bureau-funded programs.

(j) The agency is unable to make substantive improvement in problem areas following a bureau monitoring visit.

(2) An agency whose designation has been rescinded by the executive director shall lose its eligibility for formula funding and shall not use the term "community action agency" or "CAA" to refer to itself.

History: 2014 AACCS.

R 400.19608 Designation appeal process.

Rule 608. (1) The governing/advisory board of affected CAAs may appeal the decision of the executive director to designate a CAA or to rescind or change the designation of a CAA. The appeal shall be made in writing to the director.

(2) The director shall, within 10 business days of the notice of an appeal, assign the matter to a hearings officer for the purpose of holding a hearing and making findings of fact, conclusions of law, and a proposed decision.

(3) The hearing shall be conducted pursuant to the provisions of R 400.19701.

(4) The director shall provide notification of all appeals to the commission.

History: 2014 AACCS.

PART 7. GRANTEE APPEALS AND APPEALS HEARINGS

R 400.19701 Notice of grantee right to appeal; right to appeals hearing.

Rule 701. (1) The executive director shall provide written notice to each affected party of those bureau actions that are subject to appeal. All of the following actions are subject to appeal:

(a) Bureau action that denies an applicant's designation as a community action agency.

(b) Bureau action that rescinds a community action agency's designation.

(c) Bureau action that terminates or suspends funding to a grantee or which places a grantee on probation.

(d) Bureau action that terminates or alters a contract of a state agency contractor, except as provided by the terms of the contract.

(2) The executive director shall notify the parties specified in subrule (1) of this rule of all bureau actions and those actions that may be appealed. Notice must be provided in writing and contain all of the following:

(a) A concise statement of the action and whether it may be appealed.

(b) The basis for the action which makes it subject to appeal.

(c) A reference or citation of law, rule, or regulation applicable to the action subject to appeal.

(d) A statement to notify the affected party of the right to appeal and the time frame within which an appeal request shall be initiated.

(3) Each party who is notified of the right to an appeal and a hearing must be notified that the provisions of this rule and R 400.19702 to R 400.19706 shall govern the method of proceeding.

History: 2014 AACCS.

R 400.19702 Request for hearing; timeliness.

Rule 702. (1) A written notice of appeal and request for an appeals hearing shall be made to the executive director. Requests made by public or private agencies shall certify that the request is officially endorsed by the agency's governing/advisory board.

(2) The ability to make an appeal request shall not be limited or interfered with in any way. If needed, the bureau shall assist the party in filing and processing the request.

(3) Parties shall have 30 calendar days from the mailing of the notice to submit an appeal by certified mail and request an appeals hearing.

History: 2014 AACCS.

R 400.19703 Denial or dismissal of request for hearing.

Rule 703. (1) The executive director shall deny or dismiss the request for an appeals hearing under any of the following circumstances:

(a) A request was not submitted within 30 calendar days.

(b) A request is withdrawn by an aggrieved party through written notice before issuance of the final decision.

(c) An aggrieved party abandons a hearing.

(d) The bureau has no jurisdiction over the matter.

(e) An issue is not appealable.

(2) Abandonment occurs if an aggrieved party, without good cause as determined by the hearing officer, fails to appear or be represented at the scheduled hearing.

(3) Written notice shall be given by the executive director to an aggrieved party stating the reasons for denial or dismissal as provided in subrule (1) of this rule.

R 400.19704 Hearings; place and notice.

Rule 704. (1) A hearing shall be conducted at a reasonable time, date, and place, which will normally be in state facilities in Lansing.

(2) The bureau shall mail a notice of hearing to the aggrieved party or its representative of record not less than 10 business days before the hearing date and shall include all of the following:

(a) Time, date, and place of hearing.

(b) A citation of the provision of the regulation, rule, or law involved.

(c) A citation of the issue being heard.

History: 2014 AACCS.

R 400.19705 Hearing; conduct and proceedings.

Rule 705. Proceedings in a hearing shall be conducted pursuant to the procedures applicable to contested cases under the administrative procedures act, 306 PA 1969, MCL 24.201 to 24.328.

History: 2014 AACCS.

R 400.19706 Hearings; provision of copy of administrative procedures act.

Rule 706. At such times that the bureau takes action that may cause a grantee to file for an appeal hearing, the bureau shall forward to the grantee a copy of 306 PA 1969, MCL 24.201 to 24.328.

History: 2014 AACCS.