

raising drives on behalf of the agency. In examples such as this, the agency should develop a clear policy of providing both receipts and some type of report (such as a copy of a program or booklet) to the business that is making a donation.

Some CAAs have developed formal partnerships with the private business sector. These often are involved in the development of affordable housing and in community economic development projects. These partnerships often succeed in leveraging substantial amounts of money toward projects the board of directors has identified as important program areas for the CAA. These formal partnerships often are long term and include specific financial obligations on the part of the CAA as a partner. In addition to making sure that these partnerships are consistent with the program policies of the agency, the role of the board of directors is in ensuring that the agency is protected legally and treated fairly. Often this calls for contracting for specialized legal and financial assistance.

Public/government agencies. Public agencies tend to focus on accountability as their main concern. Bad publicity alleging misuse of funds is so damaging to the legislators who supported a program, to the public agency that administers it, and to the careers of the officials who administer them, that they are always extremely focused on accountability. To protect the program and themselves, legislators, funding agencies, and administering officials devise and require use of complex rules and management systems.

These rules and management systems are designed primarily to serve the needs of the funding agency. The systems may or may not be useful to the agency staff and board. There is often considerable confusion when one party does not understand the purpose of a system and tries to use it for something other than the purpose it was designed to accomplish.

The purpose and focus of these systems are on accountability for the use of public funds. These systems almost always impose numerous and complex reporting requirements. The funding agency is trying to determine that you are complying with procedures and trying to see if you have violated any regulations. They require you to re-verify monthly or quarterly that you are operating properly. The assumption on which most of these systems is based is that if you are in compliance with the approved methods of operation, of inputting resources, then you are probably producing the desired results.

This is not necessarily the correct conclusion, of course, and the trend in the past few years has been toward performance-based contracting wherein CAAs are responsible primarily for results and are given more flexibility in terms of how to produce those results. There is often great difficulty in specifying exactly what results are to be produced and devising measures to determine if the agreed upon results were produced.

Public agencies may emphasize communication as a tool in the accountability process. Some public agencies deal almost entirely with the board or board chair, others with a committee of the board and the executive director. Still others relate primarily or entirely to the executive director or a program director. Some require both the board and the executive director to sign funding applications or contracts. Others require the board to sign. Some allow the board's designee to sign (e.g., the executive director). Some send only one letter to the agency. Other send copies to the board chair, or to all board members. These practices vary widely from agency to agency, and often change.

Virtually all public agencies require audits. Most specify the topics they want covered in the audits. Fortunately, they are also willing to pay for the cost of doing the audits.

APPENDIX A. THE HISTORY OF COMMUNITY ACTION AGENCIES

BACKGROUND

From the days of the earliest settlers, the spirit of helping others has been a key element of American society. As communities sprang up and populations grew, the church became an important social institution and helpmate to those less fortunate.

The Industrial Revolution in the mid-1800s witnessed the development of the settlement house, one of the early examples of a physical facility, other than a church, that served as a center of activity for community problem-solving.

In the early 1900s, schools began to offer formal training in the principles and methods of social work, which led to the birth of a new profession. The great depression of the 1930s overwhelmed the nation's communities, leaving churches and voluntary social welfare programs unable to cope with the magnitude of the existing social problems.

The federal government stepped in to provide additional retirement income through a new Social Security program and to assist those temporarily unemployed with the Unemployment Insurance system. It created new banking and labor laws to strengthen the economy. A program to provide temporary public assistance to widows and children of men killed in industrial accidents also was created. Social workers were hired to determine eligibility, advise recipients about how to use the money, and help them obtain services necessary to get them off welfare.

From the 1930s to the late 1950s, state and local governments had much of the responsibility for administering the programs created during the depression.

As the communications media expanded their scope across the United States, the American public became more aware of the problems of the aged, the effects of segregation, of poor education, of health problems caused by malnutrition and hunger, of the need to educate people so they might work, and of the growing difficulties of the low-income population.

The American public soon believed that everyone could live "the good life" and that society as a whole had a responsibility for helping people overcome barriers that prevented them from sharing in the benefits of American society.

The U.S. Supreme Court decision in 1954 in *Brown v. Board of Education* declared that separate schools for blacks and whites in Topeka, Kansas, did not provide an equal education, i.e., that separate was not equal. This landmark decision led to an expansion of federal policy-making into what had previously been a local arena. The decision served as a catalyst in the area of publicly financed activity such as transportation and licensed public accommodations, including lunch counters, restaurants, and hotels. Citizens began to organize to guarantee their rights, and the civil rights movement expanded rapidly.

In 1961, President John F. Kennedy's "New Frontier" included support for programs to prevent juvenile delinquency, and the focal point was the President's Council on Juvenile Delinquency, chaired by U.S. Attorney General Robert Kennedy. In New York City, the President's Council funded Mobilization For Youth (MFY) with the Ford Foundation and the City of New York. MFY organized and coordinated neighborhood councils composed of local officials, service providers, and neighbors to develop plans to correct conditions that led to juvenile delinquency. It also enlisted the aid of school board and city council members to implement those plans.

It was called **COMMUNITY ACTION**, and it looked like an effective and inexpensive way to solve problems.