

AGING AND DISABILITY SERVICES DIVISION

PROGRAM INSTRUCTIONS - NEVADA

PINs

Revised and Adopted January 2014

PROGRAM INSTRUCTIONS – NEVADA

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The Administrator of the Aging and Disability Services Division (Division) reserves the right to issue program directives to grantees that receive funds from the Division. These program directives will be issued as Program Instructions-Nevada (PINs). Program Instructions-Nevada will be utilized by grantees in complying with the terms of the Notification of Grant Award.

Non-compliance of the PINs may cause the grantee to be terminated from receiving funds from the Division.

AUTHORIZED:

Jane Gruner, Administrator

Aging and Disability Services Division
June 30, 1992
October 1, 2000

PROGRAM INSTRUCTIONS

The Administrator of the Division will issue program instructions, relative to financial management requirements, to grantees that receive funding from the Division. These program instructions are identified by the term PIN (Program Instruction-Nevada), followed by a consecutive number as they are issued. Program Instructions-Nevada may be modified at any time with changes posted on the Division's website.

Programs that do not follow the requirements outlined in the PINs will jeopardize their receipt of funding through the Division.

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 August 28, 2007

GRANTOR AUTHORITY

PROGRAM INSTRUCTION:

This instruction conveys the role of the Division as grantor. The grantor cannot be limited in its rights by the grantee, as grantor rules and regulations will supersede grantee policies and procedures.

If the grantee receives Title III Federal funds, then the Division, Assistant Secretary of the Administration on Aging, the Inspector General, the Comptroller General of the United States, or any of their duly authorized representatives have the right of timely and unrestricted access to any books, documents, papers, or other records of the sub-recipient that are pertinent to the award, in order to conduct audits, examinations, excerpts, transcripts and copies of such documents. Any entity that is not an agency of the State of Nevada, must allow the State Legislative Commission Auditor the same rights. For other Federal fund awards, the Division, the Inspector General, the Comptroller General of the United States has that right. Any non-state agency of the State of Nevada must also allow the State Legislative Commission Auditor access. For all other awards, the Division's ability to evaluate the grant will not be denied or hindered. And for any non-state agency, the State Legislative Commission Auditor will have the ability to evaluate the grants. This includes access to any document or record that is pertinent to administering the program. This also includes the right to interview participants/clients, grantee personnel and program staff, in accordance with confidentiality regulations.

When federal funds are disbursed to grantees, they must adhere and comply with the Federal Administrative Regulations of the Office of Management and Budget (OMB) Circulars. The applicability of administrative requirements varies by recipient, as listed below:

State and Local Governments	OMB Circular A-102 Uniform Administrative Requirements, 2 CFR Part 220 (OMB Circular A-87 Cost Principles), OMB Circular A-133 Audits
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GRANTOR AUTHORITY

Non-Profits and Higher Institutions	OMB Circular A-110 Uniform Administrative Requirements, 2 CFR Part 230 (OMB Circular A-122 Cost Principles), OMB Circular A-133 Audits
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Education Institutions	OMB Circular A-110 Uniform Administrative Requirements, 2 CFR Part 220(OMB Circular A-21 Cost Principles, OMB Circular A-133 Audits
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For-Profit Organizations	48 CFR Part 31
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Grantees are dependent upon technology to assist in managing programs and perform financial capability.

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GRANTEE (SPONSOR) RESPONSIBILITIES

PROGRAM INSTRUCTION:

1. It is the grantee's responsibility to ensure that federal or state funds are spent according to federal/ state requirements, including any sub-granted funds. Full responsibility for the overall program includes: fiscal administration, submission of required reports, program and personnel management, and meeting the goals and objectives in the approved grant application. The grantee cannot relinquish responsibility by having a board or representative act on its behalf.

The grantee shall maintain effective internal control and accountability for all grant funds and assets. Good internal control necessitates that fiscal responsibilities are clearly established. Accounting functions should be separated to the fullest extent possible, so that no one person authorizes, executes, and approves the same transaction.

Grants funded by the Division are for a specific grant award period and can only be used to pay obligations incurred during that time period. A grant may be extended upon receipt of a written request from the grantee and written authorization to extend the grant from the Deputy Administrator. The request should be submitted to the assigned Resource Specialist who will process the request. All requests for grant extension must be made prior to the end of the original grant period. Requests received after the original grant period has ended may or may not be honored.

2. The grantee upon termination/cancellation of a grant is responsible for any grant money owed to the Division. Payment in question is due on-demand to the Division.
3. A grantee must set up a system for managing sub-award activities. If the grantee has multiple funding sources they are responsible for establishing an allocation system to provide separate accountability for each grant or entitlement.
4. The grantee must maintain continuing responsibility for the overall program. This includes the establishment of policies and procedures for program operations.

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GRANTEE (SPONSOR) RESPONSIBILITIES

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| <ol style="list-style-type: none">5. The Grantee must develop and maintain personnel policies that include hiring, firing, supervising and evaluating the Program Director and staff.6. The Grantee is accountable for all program revenue received, all grant funds expended and submission of all required reports by the stated date listed in the Division's Grantee Reporting Schedule.7. The Grantee is responsible for monitoring the program to assure grant compliance.8. The Grantee must administer the program in accordance with service specifications and fiscal requirements established by the Division.9. Voluntary contributions shall be allowed and may be solicited for all Administration on Aging funded services. In soliciting contributions, the grantee shall ensure for each service:<ul style="list-style-type: none">• Each recipient will be informed that there is no obligation to contribute, the contribution is purely voluntary and services will not be denied to any eligible participant who does not contribute.• The privacy and confidentiality will be protected for each recipient with respect to the recipient's contribution or lack of contribution;• Appropriate procedures are established to safeguard and account for all contributions;• All collected contributions must be used to expand the service for which the contributions were given.• There is no means testing for any client from which contributions are accepted.10. To apply for Older Americans Act services, a recipient's self-report of age and income is acceptable. Requiring proof of age or income is not a condition for receiving services. |
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GRANTEE (SPONSOR) RESPONSIBILITIES

11. The grant agreement may be terminated by either party prior to the end date set forth on the Notice of Grant Award, provided the terminations shall not be effective until 30 days after a party has served written notice upon the other party. This agreement may be terminated by mutual consent of both parties or unilaterally by either party without cause. The parties expressly agree that this agreement can be terminated immediately if the funding source for this agreement is withdrawn, limited or impaired.
12. To receive Division funding all programs must apply and receive a Data Universal Numbering System (DUNS) number.

Sub-awards cannot be awarded to any organization that has been suspended, debarred or deemed ineligible to participate in federal/state assistance programs. If the organization falls within these terms while receiving grant funding, the organization must notify the Division immediately about their status.

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June 30, 1992
October 1, 2000
February 15, 2007

RETENTION AND DISPOSAL OF PROJECT DOCUMENTS
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<p>PROGRAM INSTRUCTION:</p>

<p>Financial records, supporting documents, statistical records, and all records pertinent to the grant agreement must be retained for a period of three years from the final submission of the expenditure report. Where there is an outside audit involving unresolved audit findings, or under appeals or litigation, they must be held until the action is completed or the dispute resolved.</p>

<p>During the three-year period, or any extended period resulting from litigation, claims, or audits, all financial records, supporting documents, statistical records and all other pertinent records will be available for examination. The Administrator of the Division, the Assistant Secretary of the Administration on Aging, the Comptroller General of the United States, or any of their duly authorized representatives shall have access to those records.</p>
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<p>A grantee cannot be required to retain program records for more than six years. The statute of limitation, 28 U.S.C. 2415 (b), provides that an action to recover money paid under a grant program must be brought within six years after the right of action accrues.</p>

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PROBATIONARY STATUS

PROGRAM INSTRUCTION:

A grantee may be placed on probationary status for the following reasons:

1. Non-compliance with Federal or State rules and regulations.
2. Non-compliance with the Division's Service Specifications.
3. Non-compliance with the Older Americans Act, as currently amended, if receiving OAA funds.
4. Inability or improper management of the program.
5. Non-compliance with the approved grant application terms and conditions.
6. Non-submission of required reporting or not submitting reports in a timely manner.
7. When there are significant findings by an independent auditor that affects the programs funded by the Division. The independent auditor has also classified the grantee as high-risk.
8. Non-compliance with OMB Circulars when appropriate.
9. If the Division has classified the grantee as a "high risk" and there has been no significant improvement to correct deficiencies.

When a grantee is placed on probationary status the grantee may not be eligible for any supplemental funding. Eligibility will be determined by reviewing the progress of complying with the approved corrective action plan. Depending on the reason for the "Probationary Status", the grantee may not be allowed to receive any grant payments in advance but will be reimbursed on an actual cost basis. If the grantee receives Federal funding and their financial management system fails to produce accurate, current and complete disclosure of the financial results of each Federally funded grant in accordance with the reporting requirements set forth in 2 CFR 215, as applicable, then the grantee is prohibited from receiving advanced funding.

The Administrator of the Division will determine the length and terms of the probationary period and will provide the grantee written notification of this determination.

If the grantee remains out of compliance with the approved corrective action plan after the initial probationary period has expired, the grantee will be required to contract with

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PROBATIONARY STATUS

<p>an outside licensed CPA. The CPA will conduct an audit of the grantee's financial affairs and compliance with applicable provisions of laws, regulations, contracts, grant agreements. In addition, the CPA will focus on non-compliance issues in dispute. This audit will be paid by the grantee. If the grantee fails to schedule the financial audit within three months after the original length of the probationary period, grant fund payments for all Division funded grants will be placed on hold until the audit has been scheduled. The results of the audit will help determine continued funding or suspension by the Division. If the grantee is suspended from receiving Division grant funding then the grantee is limited for three years in re-applying for Division funding.</p>
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October 1, 2000
February 15, 2007
August 28, 2007
June 2011

**MATCHING REQUIREMENTS FOR TITLE III
AND ALLOWABLE MATCH**

PROGRAM INSTRUCTION:

All Title III funded grantees, except Title III-E, are required to provide a minimum of 15% in matching funds unless match is specified as being waived by the Division. Match may be non-federal cash contributions or non-federal in-kind contributions.

All Tobacco Settlement funded grantees are required to provide a minimum of 15% in matching funds unless match is specified as being waived by the Division.

In-kind will be defined as any property or services provided without charge by a third party to a second party. The State of Nevada is considered as the first party, the grantee or sub-grantee is the second party and the third party is everyone else. The Division will accept the following as in-kind match:

1. Donated building space at fair market value by anyone other than the sponsor. Programs housed in buildings originally acquired, constructed or substantially renovated with federal funds are not eligible to use building space as a donation.
2. The value of volunteer services will be based on rates ordinarily paid for similar work in the grantee's organization or at the fair market of the service provided, if there is no paid staff that does similar work. The volunteers must maintain time sheets for donated time, subject to the same requirements as paid employees. Volunteer time will be allowable only when determined to be reasonably necessary to the operation of the specific program.
3. Utilities, supplies and insurance may be allowed as in-kind grantee incurred match when they are determined to be reasonably necessary to the operation of the specific program. The items will be valued at fair market value at the time of donation (i.e., supplies) or at actual cost (i.e., utilities and insurance).

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**MATCHING REQUIREMENTS FOR TITLE III
AND ALLOWABLE MATCH**

4. Depreciation or use charges for building and/or equipment may be used as in-kind grantee incurred match when the building and/or equipment is required for activities designated in the grant. A depreciation schedule or use allowance methodology must be provided. Depreciation or use charges must comply with OMB Circular A-122, attachment "B" sub-section 9 for non-profit grantees and OMB A-87 B.11.b for governmental grantees.
5. The value of required match must be documented, such as: appraisals, time studies, invoices, etc., which specifies the method used for arriving at the value. All match must directly benefit the program for which the federal funds are granted.
6. In most cases, federal funds cannot be used to match other federally funded projects. The Older Americans Act of 2006 does allow Title III Federal funds to match the Nevada Department of Transportation Section 10 and Section 11 programs. Independent living grant funds can also be used to match federal funds.
7. Normally, donated items or materials are not considered match. Donated items become the property of the program for which they are provided.

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October 1, 2000
August 28, 2007

INSURANCE COVERAGE

<p>PROGRAM INSTRUCTION:</p>

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| <ol style="list-style-type: none">1. All program sponsors are required to provide fire and liability insurance to cover all capital assets in programs funded by the Division, including vehicles.2. The grantee must have bonding insurance that can be purchased with the program's regular insurance policy. The insurance should cover all employees who handle or have any access to cash, program checking accounts, making deposits or any other accounting function. |
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October 1, 2000

CONFLICT OF INTEREST AND NEPOTISM

PROGRAM INSTRUCTION:

1. Paid program personnel and their immediate family shall not be a member of the grantee's governing board. Immediate family means: wife, husband, son, daughter, mother, father, brother, sister, son-in-law, daughter-in-law, mother-in-law, father-in-law, brother-in-law, sister-in-law, aunt, uncle, niece, nephew, stepparent, stepchild, grandparent and grandchild. Paid program personnel shall not be a voting member of the program's advisory board.
2. For all programs funded by the Division, family members cannot be in a supervisory position over other immediate family members. Programs must develop lines of supervision to assure this does not occur.
3. No grantee or sub-grantee may have a staff person or Program Director working in an administrative capacity, if that member has an immediate family working with the Division and has decision making capacity regarding funding or program oversight of that grantee.
4. No grantee may have a Board member who is a staff member of the Division who has decision making capacity regarding their funding or program oversight.

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October 1, 2000
April 13, 2007
August 28, 2007
June 2011

**ELIGIBILITY FOR SERVICE UNDER THE OLDER AMERICANS ACT AND
TOBACCO SETTLEMENT**

PROGRAM INSTRUCTION:

Eligibility for services as stated in the following sections of the Older Americans Act, as amended:

1. Section 307 (13) requires that States ensure that nutrition services will be available to individuals aged 60 years or older and to their spouses; and may be made available to individuals with disabilities who have not attained the age of 60 years, but who reside in housing facilities occupied primarily by older individuals at which a congregate nutrition meal site has been established.
2. Section 316 (H) authorizes Nutrition Project Administrators the option to offer a congregate meal, on the same basis as meals provided to eligible elderly participants, to individuals who volunteer, regardless of age, who assist in the meal service during meal hours; and to adults with disabilities who reside at home with an eligible older individual that come into the congregate setting without the older individual.
3. The Older Americans Act makes no accommodation to provide supportive services to persons under sixty (60) years of age. An exception is when a Title VI program contracts with a Title III program for congregate or homebound meals and there are no Division grant funds involved. The contract must stipulate that the Title III program does not have over-sight of the Title VI program. In these cases the Title VI rules and regulation take effect.
4. For Tobacco Settlement programs, under NRS 427A.122 an eligible participant is defined as 60 years of age or older.

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October 1, 2000
August 28, 2007
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PROCEDURE FOR COLLECTING PROGRAM INCOME

PROGRAM INSTRUCTION:

Voluntary contributions shall be allowed and may be solicited for all Older Americans Act funded programs if the method of solicitation is non-coercive for participants whose self-declared income is below 185% of the current Federal Poverty Guidelines. Such contributions shall be encouraged for individuals whose self-declared income is at or above 185% of the current Federal Poverty Guidelines.

1. Each program must maintain a system that assures accountability and participant confidentiality of all program contributions. Program contributions include both donations and fees collected.
2. All participant contributions must be credited to the appropriate entitlement or funding source.
3. A program that receives program income must have two (2) persons present to count the program income collected each day.
4. The two designated counters together will complete a receipt slip signed or initialed by both counters. If there are any changes on the receipt both counters must initial the changes.
5. The program income and receipt are given to the designated person responsible for making the deposits. That person must verify the count and sign the receipt slip as being accurate and correct.
6. The program must retain the original receipt plus maintain the program income in a secure area until deposited.
7. Program income is verified using the original cash receipts, the program income daily report and bank deposits.

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June 2011

PROCEDURE FOR COLLECTING PROGRAM INCOME

8. Deposits should be made daily but not less than once a week. The program must establish appropriate control procedures to safeguard and account for all contributions before they are deposited (45 CFR 1321.67).
9. All income will be recorded in an income revenue account and not as an offset or credit to expense accounts.
10. The program must have appropriate procedures and controls in place when receiving contributions by mail.
 - a. The procedure must ensure that all contributions received will be accounted for and treated in a confidential manner.
 - b. Contributions received by mail should be included in the daily count.

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COLLECTION OF DONATIONS AND FEES AT NUTRITION SITES

PROGRAM INSTRUCTION:

1. At least one individual should be designated as responsible for the daily collection of guest fees and for monitoring the donation process to assure confidentiality for every eligible participant.
2. The fee charged to all guests under sixty (60) years of age receiving a meal at any nutrition site in Nevada will equal the total cost of providing that meal. The minimum fee for a non-eligible guest is \$3.00.
3. The fee charged to nutrition program staff under sixty (60) years of age for meals at the nutrition site is the same as the suggested donation amount for seniors 60 years or older.
4. Program volunteers are considered the same as any eligible participant and they may contribute at the suggested donation amount.
5. Donations and fees collected are considered program income as identified in PIN 11 (1).

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USE OF PROGRAM INCOME

PROGRAM INSTRUCTION:

In accordance with 45 CFR 1321.67 (b), each service provider must use program income as follows:

1. For all III-B funded programs, use all supportive service contributions to only expand or enhance supportive services as provided under this part.
2. For all III-C funded programs, use all nutrition services contributions to only expand or enhance nutrition services as provided under this part.

Program income that is earned during the grant award period must be expended during the grant award period. Program income is to be disbursed prior to using grant funds.

The use of program income applies as well to all Division funded programs regardless of the funding source. Program income earned by these programs is only to be used to enhance or increase the service that generated the contributions.

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August 28, 2007
June 2011

BUDGET TRANSFERS BETWEEN TITLE III-C1, III-C2 AND III-B GRANTS

PROGRAM INSTRUCTION:

Only transfers between entitlements Title III-C1 and Title III-C2 are allowed. Transfers between any other Division funded programs are not allowed.

1. Grantees must submit a letter to the Resource Development Unit Specialist requesting the amount of transfer of funds between Title III-C1 and III-C2 that exceeds 10% of the entitlement from which funds are being transferred or \$5,000.00, whichever is less. The transfer amount must not reflect a change in the funded entitlement amounts. The Resource Development Unit Specialist will respond in writing approving or denying the request after receiving approvals from the Unit Manager and the Administrative Services Officer 3.
2. All requests for transfers between Title III-C1 and Title III-C2 entitlements are contingent on the availability of federal funds by entitlement.
3. Any transfers between entitlements without prior approval from the Division are done at the risk of the program and may not be covered with federal funds. Without prior approval from the Division any over-expenditure would have to be paid by non-federal funds.

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BUDGET TRANSFERS BETWEEN BUDGET CATEGORIES AND WITHIN SAME ENTITLEMENT FOR CATEGORICAL GRANTS

PROGRAM INSTRUCTION:

The maximum amount to be transferred without approval from the Division is a one-time transfer of 20% or \$8,000, whichever is less. The 20% is calculated by multiplying the grant award amount by 20%.

Budget transfers between categories in the same grant and entitlement are restricted as follows:

- a. Personnel and Fringe: only a transfer that is 10% or more of these combined categories requires approval from the Division.
- b. All other categories: only transfers that exceed 20% of the approved categorical budget require approval from the Division.

Grantees must submit a letter to their Resource Development Unit Specialist requesting the amount of the transfer with a detailed narrative as to why the transfer is needed. The result of these transfers must not reflect a change in the funded entitlement amounts. The Resource Development Unit Specialist, in conjunction with the Fiscal Monitoring staff, will approve or disapprove requests in writing.

A request for a transfer after the program year has ended, without prior approval from the Division, is done at the risk of the program and may not be covered with entitlement funds.

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October 1, 2000

LEAVE ACCRUAL FOR CATEGORICAL GRANTS

<p>PROGRAM INSTRUCTION:</p>

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| <ol style="list-style-type: none">1. Grants funded by the Division are for a specified grant award period and can only be used to pay obligations incurred during that time period.2. The allowable portion of accrued annual and sick leave can only be paid from the grant funds received for the grant period in which the leave is taken.3. If there is accrued leave to be paid to an employee that exceeds the budgeted rate of leave for the grant period, the excess becomes the liability of the sponsor. Transferring funds to pay for accrued leave is limited to funding transfers, as stated in PIN - 16.4. The program must have a written policy on how annual and sick leave is accrued, how much sick and annual leave the employee can carry forward and the maximum number of hours that can be accumulated.5. The program must maintain leave accrual records for annual and sick leave. |
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January 31, 2006
August 28, 2007

COMPLIANCE WITH SINGLE AUDIT REQUIREMENTS AND FINANCIAL AUDITS

PROGRAM INSTRUCTION:

1. Each sponsor expending more than \$500,000 in federal financial assistance must comply with the single audit requirement of OMB A-133. When a single audit is required, the grantee can charge the Division's grants for these expenses, however, the amount of the costs charged to each grant is limited. The percentage of costs charged to the Division's grants for a single audit shall not exceed the percentage derived by dividing a Division's grant award amount expended by the total funds expended by the grantee (including matching funds) during the fiscal year. The percentage may be exceeded only if appropriate documentation demonstrates a higher percentage being charged.
2. A copy of the single audit must be submitted to the Division immediately upon receipt from the single auditor.
3. If grantees expend less than \$500,000 in federal assistance funds they cannot charge single audit expenses, (either directly or indirectly), to the Division's grant programs.
4. To settle Fiscal Monitoring finding disputes between a grantee and the Division, a grantee may be required to conduct a limited scope audit. The cost to conduct the audit cannot be charged to the Division's grant programs. Limited scope audits are to be conducted by an outside Auditor and are not a replacement for the single audit. They are only conducted for the following purposes:
 - a. To determine whether activities are allowed or un-allowed
 - b. To determine allowable costs or expenditures
 - c. To determine eligibility
 - d. To determine matching costs
 - e. To determine the accuracy of reporting documentation

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October 1, 2000
January 31, 2006
August 28, 2007

COMPLIANCE WITH SINGLE AUDIT REQUIREMENTS
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| <p>5. Other financial audit costs are unallowable unless approved in the grant application. To charge the Division's grant program, the amount of the costs charged to each grant is limited. The percentage of costs charged to the Division's grants for a financial audit shall not exceed the percentage derived by dividing a Division's grant award amount by grantee's total revenue amount for the fiscal year being audited. The percentage may be exceeded only if appropriate documentation demonstrates a higher percentage being charged.</p> |
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June 30, 1992
October 1, 2000
April 24, 2006
August 28, 2007

PROCEDURES FOR FISCAL MONITORING AND ADMINISTRATIVE REVIEW

PROGRAM INSTRUCTION:

The Division is responsible for monitoring the activities of the sub recipients as necessary to ensure that awards are used for authorized purposes in compliance with laws, regulations and the provisions of grant agreements and that performance goals are achieved.

1. If the Division attempts to perform a fiscal monitoring and there are inadequate records to complete the monitoring, the grantee will receive a preliminary report indicating that the Division was unable to perform a fiscal monitoring. The report will list the areas of deficiency that need to be corrected before a fiscal monitoring can be completed and a timeline will be established to correct the deficiencies.

A grantee may be subjected to the withholding of any further funding or grant payments from the Division until the deficiencies are corrected and the fiscal monitoring completed.

2. Upon completion of the Division's fiscal monitoring, the grantee will receive a preliminary report, which specifies findings, recommendations, and a deadline for responding to the preliminary report.
3. If there is any disagreement with any finding, the grantee must submit a written response within the time frame specified in the report. The response must include a listing of each point of disagreement and justification of those items. Findings are defined as:
 - a. Lack of or inadequate records: when sufficient records do not exist or the records are not in a condition to allow the Division to perform a fiscal monitoring.
 - b. Administration findings: findings which represent a weakness in either internal controls or administrative accounting, but do not include questioned costs or costs recommended for disallowance.

PROCEDURES FOR FISCAL MONITORING AND ADMINISTRATIVE REVIEW

- c. Questioned costs: costs that cannot be supported by documentation. Without adequate documentation, will become disallowed costs.
 - d. Costs recommended for disallowance: costs which represent a direct violation of the Federal/State regulations, Federal cost principles or State policies.
 - e. Adverse findings: findings that are severe and significantly affect the management of the grant. Sanctions may be imposed immediately on the program. Sanctions could include but not limited to the grantee being placed on probationary or high-risk status.
 - f. Single audit findings and recommendations: findings and recommendations by and outside auditor that may affect Division funded programs.
4. If the justification is accepted, the Division will revise the report and issue an amended report.
 5. If the grantee remains in disagreement and has supportive documentation, a request for an administrative review may be made in writing to the Administrator of the Division within twenty (20) days of the date of the final report.
 6. The Administrator will review the disagreement issues, supporting documentation, program files and will then forward a decision to the grantee in writing.
 7. The Administrator may request an outside Auditor to perform a limited scope audit to make the final decision. The limited scope audit costs are to be paid by the grantee.
 8. Adverse findings will be reported to the Director of the Department of Health and Human Services for review.

Aging and Disability Services Division
June 30, 1992
October 1, 2000
August 28, 2007

TITLE/USAGE OF EQUIPMENT PURCHASED WITH GRANT FUNDS
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<p>PROGRAM INSTRUCTION:</p>

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| <ol style="list-style-type: none">1. The Division will retain interest in the title of any capital equipment that has not fully depreciated and having a unit cost of \$5,000.00 or more that is purchased with funds granted by the Division.2. For any equipment costing over \$1,000 that is idle or not being used as intended, and has not fully depreciated, the Division may assign such equipment for usage to any contractor, organization or another grantee that supports its mission in carrying out the terms of the approved State Plan on Aging (45 CFR 92.32 (c.1)).3. The grantee or sub-grantee can also make equipment costing \$1,000 or more, available for use on other projects or programs currently or previously supported by the Federal Government, providing such use will not interfere with the work on the projects or program for which the equipment was originally acquired (45 CFR 92.32(c.2)). This will apply to all Division funded programs. |
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Aging and Disability Services Division
June 30, 1992
October 1, 2000
August 28, 2007

INTEREST BEARING CHECKING ACCOUNTS

PROGRAM INSTRUCTION:

1. Non-profit organizations are required under OMB Circular A-110 and 45 CFR Part 74.22(k), to maintain advances of federal funds deposited in interest-bearing bank accounts, unless one of the following conditions apply:
 - a. The recipient receives less than \$120,000 in Federal awards per year.
 - b. The best reasonably available interest bearing account would not be expected to earn interest in excess of \$250 per year on Federal cash balances.

Interest amounts earned up to the \$250 per year may be retained by the recipient for administrative expenses.

2. Under no circumstances will any advanced Division funds be placed in a savings account or to purchase Certificates of Deposit. Doing so will result in the imposition of appropriate sanctions against the program and will require all interest accrued in the account to be sent to the Division.
3. The provisions of 45 CFR 74.22(k) require deposits to be made in interest-bearing accounts and 45 CFR 74.22(l) requires that the interest earned on federal advances deposited in interest-bearing accounts be remitted annually, through the Division to the Department of Health and Human Services.

Aging and Disability Services Division
June 30, 1992
October 1, 2000

FOOD INVENTORIES FOR NUTRITION PROGRAMS

PROGRAM INSTRUCTION:

1. Each nutrition program receiving grant funds from the Division will institute proper internal controls and administrative accounting to adequately control and account for food inventories.
2. Each nutrition program receiving grant funds from the Division must maintain a perpetual food inventory.
3. A physical inventory should be performed monthly to verify the perpetual inventory food amounts.

Aging and Disability Services Division
June 30, 1992
October 1, 2000
August 28, 2007

PURCHASE OF EQUIPMENT

PROGRAM INSTRUCTION:

In the purchase of capital equipment, the grantee must develop and follow their written procurement policies. If the grantee does not have written procurement policies then the grantee must comply with the following procedure:

Any equipment costing more than \$5,000.00 per unit that is purchased with Division grant funds, must be purchased using three (3) bids from three (3) different vendors. A sole source vendor may be utilized, providing approval by the Division. A detailed explanation must be submitted to the Division prior to the purchase of the equipment.

For equipment that costing over \$1,000 but less than \$5,000, it is highly recommended that the grantee secure three bids. It may be requested by the Division that three bids be secured before a written request is sent to the Division. All equipment grant requests will be reviewed, prioritized and funded based on the availability of funds.

The grantee must develop and maintain property records. The list must include all fixed assets costing more than \$5,000 but is recommended that the records include equipment costing over \$1,000. The list must also list any vehicle acquired through the Department of Transportation, even though Division funds may not have been used to pay matching costs. At a minimum the records must include the funding source, actual cost of the asset, the date purchased, description, location of the equipment and the disposition of the equipment.

The property is to be inventoried annually and a method of tracking or installing a control system must be implemented to prevent loss or damage from theft.

Aging and Disability Services Division
June 30, 1992
October 1, 2000

PETTY CASH

PROGRAM INSTRUCTION:

The Division approves the establishment of a petty cash account with federal funds, not to exceed \$100.00. If the program establishes a petty cash account in excess of \$100.00, all funds are to consist entirely of non-federal monies.

Any petty cash fund created with federal funds must be maintained as an impress fund, which means the fund will always contain cash and/or receipts totaling the original amount of the petty cash fund.

Aging and Disability Services Division
June 30, 1992
October 1, 2000
June 2011

CASH ON HAND

PROGRAM INSTRUCTION:

For Division funded grants there are two grant payment processes: payments in advance and reimbursement.

For those programs that are eligible to receive grant payments in advance, the request for grant payments are to be made quarterly. However, in accordance with federal regulations, programs receiving federal funds cannot maintain federal cash on-hand that is greater than one month's operating expenses. To be consistent, the Division will apply this rule to all other grant funded programs. Therefore, all payments will be calculated and made on a monthly basis (quarterly request to include amounts for the 3 months in the quarter, each month is paid separately). If it is determined there is cash on-hand greater than a month's amount, then the subsequent request for funds will be adjusted accordingly. (For the majority of grants they are funded for a twelve month period. To assure that the program has sufficient funds to operate the entire grant award period, monthly amounts should not exceed 1/12 of the grant award amount).

For those programs that are on a reimbursement basis. The grant payment reimbursement can be monthly or quarterly. For a program that has the option of being paid in advance but have chosen the reimbursement process, all that is required is that they submit a Request for Funds form. For other types of programs, they may be required to submit a form that documents the expenses for the period of time that they are requesting for reimbursement. The grantee can submit monthly or quarterly, however, the amount to be paid will be calculated on a monthly basis.

Aging and Disability Services Division
June 30, 1992
October 1, 2000

OVERTIME/COMPENSATORY TIME

PROGRAM INSTRUCTION:

The Division will not fund overtime costs. Compensatory time may be provided in accordance with the Fair Labor Standards Act. The grantee must comply with the Fair Labor Standards Act in dealing with overtime and compensatory time.

Aging and Disability Services Division
June 30, 1992
October 1, 2000
August 28, 2007

ALLOWABILITY AND ALLOCABILITY OF COSTS TO DIVISION GRANT FUNDS

PROGRAM INSTRUCTION:

This program instruction applies to all grantees whether they have a categorical, fixed-fee or performance based grant.

For a cost to be allowable as a charge against grant funds, it must first be allocable to that grant. In accordance with OMB A-87 for State and Local Governments and OMB A-122 for non-profit grantees, a cost is allocable to a particular cost objective (program) to the extent of the benefit received, or in accordance with the relative benefit received. This means if a grantee incurs a cost for goods or services used by more than one program, the cost must be charged to both programs. Each program will be charged a percentage of the cost of goods or services used by each program.

This requirement must be taken into consideration when a grantee incurs a cost that benefits more than one cost objective (program). One example would be a Director who works for both a Title IIIC and Title IIIB program. Another example would be a utility bill for a building used by a IIIB program and another program that is funded totally with county funds.

When there are multiple cost objectives, the grantee must do the following:

1. Develop and document a reasonable methodology for determining how each applicable cost will be allocated to each cost objective (program) involved. This method must be designed to allocate to a program the portion of the cost which benefits the program. Examples of reasonable methodologies include, but are not limited to:
 - a. Time Studies - the salary of a single person performing duties for multiple programs will be allocated based on the time the person spends on each program.
 - b. Building Use - facility expenses for a building housing multiple programs will be allocated based on the number of square feet used by each program.

ALLOWABILITY AND ALLOCABILITY OF COSTS TO DIVISION GRANT FUNDS

- c. Meal Counts - raw food expenses will be allocated based on the documented monthly meal counts.
 - d. Vehicle Use Studies - allocating expenses to the transportation program when the vehicle is being used to benefit eligible participants and being used for other purposes.
2. To be allowable under a grant, costs must also meet the following criteria:
 - a. Be necessary and reasonable for the operation and administration of the program.
 - b. Conform to any limitations or exclusions set forth in these PINs, Federal/State laws or regulations, or other governing limitations.
 - c. Be consistent with policies and procedures that apply uniformly to both Division funded and other programs of the organization.
 - d. Be determined in accordance with generally accepted accounting principles.
 3. Be adequately documented.
 4. Reimbursement policies should be written. Policies should address what reimbursement costs are allowable and if receipts are required for documentation purposes.

Reimbursement for expenses will only be allowable under the grant provided that the expense meets the terms of the award and is relevant to carrying out the activities of the grant.

All goods or services ordered by the last day of the programs grant year, but not yet paid, are to be treated as an accounts payable of that grant year.

Aging and Disability Services Division
 June 30, 1992
 October 1, 2000
 April 24, 2006
 February 15, 2007
 August 28, 2007
 June 2011

**INTERNAL AND ACCOUNTING CONTROLS FOR RECORDING MEAL COUNTS
 AND FIXED FEE UNITS OF SERVICE**

PROGRAM INSTRUCTION:

1. For a nutrition fixed-fee grant, the program receives funds based only on the actual meal count. Accordingly, it is very important that there are adequate controls over the recording of the number of meals served.

The program must develop a system that records the number of meals provided daily to each participant who receives a meal. Reportable meals include regular home delivered meals, frozen or shelf stables that meet the minimum one-third of the daily nutrition requirement. The maximum number of congregate meals served to each meal client is five (5) per week and the maximum number of homebound meals is seven (7) per week that can be expensed to the Division's grant.

The following describes a system the Division has determined is acceptable for controlling the recording of congregate and homebound meals:

- a. Each person receiving a congregate meal that will be billed against a grant award must sign for each meal. The total number of eligible signatures will be the number of meals the program may bill to the Division's grant. The daily sign-in process must clearly identify the eligible participants. Eligible participants include: seniors 60 years of age or older and their spouses; daily meal service volunteers; staff 60 years of age or older; disabled persons living with an eligible participant; and visitors 60 years of age or older.

For various reasons, there are participants who are unable to sign for their meals. These participants should be on a list as not being able to sign. The program then is allowed to have another person (staff or volunteer) sign for that participant. After the person signs for the participant unable to sign, they must put their initials after the signature.

June 30, 1992
October 1, 2000
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August 28, 2007
June 2011

**INTERNAL AND ACCOUNTING CONTROLS FOR RECORDING MEAL COUNTS
AND FIXED FEE UNITS OF SERVICE**

NRS 426.257 allows persons with severe physical disabilities, who are unable to sign their name, to use a rubber signature stamp for all purposes where their signature is required. No special certification is required.

- b. For homebound meals, the driver must certify daily the delivery of homebound meals by signing the route sheet that indicates the number of meals delivered to each participant receiving a homebound, frozen or shelf stable meal. The total number of certified meals will be the number of homebound meals the program may report to the Division.
 - c. Categorical nutrition grants are based on an approved line item budget and are not earned at a fixed fee rate. These programs are required to have a system that accurately records the number of eligible meals provided daily to each participant receiving a meal. The one system that the Division has determined to be acceptable for controlling the recording of congregate and homebound meals is the same as described for fixed fee programs (see 1a. above).
2. If a program develops another method that would provide adequate controls over their meal counts and would like to implement that system, it must first be submitted to and approved by the Division as follows:
- Program chooses an alternative method to implement.
 - Program submits request to the RD Unit Specialist.

Aging and Disability Services Division
June 30, 1992
October 1, 2000
April 24, 2006
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August 28, 2007
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(cont'd)

**INTERNAL AND ACCOUNTING CONTROLS FOR RECORDING MEAL COUNTS
AND FIXED FEE UNITS OF SERVICE**

- RD Unit Specialist in conjunction with ADSD Auditors reviews request.
- RD Unit Specialists and Auditors conduct an on-site visit to program for review of the proposed alternative method.
- Assigned RD Unit Specialist and Auditor meet with ADSD Supervisors to determine plan of action in allowing program to implement the system.
- A test period will be determined. During the test period the program will continue to have participants sign-in for their meals. Before the end of the test period the RD Unit Specialist and Auditor will make an on-site review and make a determination of whether to extend the test period or allow the program to implement their system.

A program will be allowed to implement their system if the following applies:

- There are safeguards in place to assure accurate meal reporting.
- The number of meals can be validated. When requested, program is able to document the number of meals served for any time period. This could be daily, weekly or monthly.
- The system identifies eligible participants, non-eligible, volunteers, guests and staff.

If the system is to be used to report the meal information into SAMS then it is the program's responsibility to assure that it is compatible. ADSD will not grant funds to set up this system.

3. For a transportation fixed-fee grant, the program receives funds based on the number of rides provided. For a transportation categorical grant, the program receives funds based on an approved line item budget.

To report a unit of service for a transportation fixed-fee or categorical grant, the program must have adequate records that document the rides of each participant. Rides are defined as when a participant exits the vehicle at their planned destination.

Aging and Disability Services Division

(cont'd)

June 30, 1992

October 1, 2000

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INTERNAL AND ACCOUNTING CONTROLS FOR RECORDING MEAL COUNTS AND FIXED FEE UNITS OF SERVICE
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Required documentation:

- The driver must keep a daily log and must certify the number of rides provided by signing the log daily.
- The daily log must have a date and breakdown the type of ride provided e.g. nutrition, shopping, medical.

Unallowable rides:

- When a participant exits a vehicle for a non-destination location (e.g. restroom stop, rest stop).
- Drivers regardless of being paid or volunteering cannot be claimed or reported exiting the vehicle as a unit of service.
- Persons providing chaperon services.
- Delivery of homebound meals.
- Use of program vehicle to benefit the program (e.g. picking up materials or supplies; use by volunteers, staff or administrative staff to attend meetings, seminars or conferences).
- Use of vehicle for personal reasons (e.g., using the vehicle to travel to and from work).

4. To report a unit of service for Adult Day Care, a daily sign-in sheet is required. The daily check-in sheet must note the arrival and departure times of the participant.
5. To report a unit of service for the Homemaker Program, a client care service form or homemaker service form is to be used to document the homemaker service provided; the time it took to provide the service; and signed by the participant or caregiver.

Aging and Disability Services Division
October 1, 2000
April 24, 2006
June 2011

SLIDING FEE SCALE

PROGRAM INSTRUCTION:

Under the amended Older Americans Act of 2006, cost sharing is allowed for certain Title III programs. Cost sharing allows a grantee to charge a fee to participants. The fee must be reasonably based on the full cost of the service being provided. To institute cost sharing, a sliding fee schedule must be established to charge the fee. Because the Division is also responsible for establishing guidelines and procedures, the sliding fee scale must be submitted and approved by the Division (See Appendix 3. Cost Sharing/Fee for Service Policy). The process for approval is for the program to submit the sliding fee scale, along with the methodology in determining the fees to the RD Unit Specialist. The methodology used to create the scale must be based on the Division's guidelines/procedures. The process will be reviewed by the RD Unit Specialist and Auditor. The RD Unit Specialist will then notify the program of the decision to implement or not to implement.

The fees that are collected are considered program income and must be used to enhance or expand the service for which the fee is charged.

No fee can be charged to participants whose self-declared income is less than 185% of the Federal Poverty Guidelines. However, these participants must have the opportunity to voluntarily contribute on a non-coercive basis.

A sliding fee schedule can be implemented with other Division funded programs but they also must be approved by the Division. The same approval process is in effect.

Aging and Disability Services Division
October 1, 2000
April 24, 2006

TRAVEL POLICIES AND PROCEDURES

A grantee must develop written travel procedures. Essentially, travel expenses paid by federal and state funds should be consistent with those normally allowed under the organization's regular operations. If the organization does not have adequate travel policies then the Division's (State of Nevada's) travel regulations take effect.

It is the State's policy that travel should be by the least expensive method available when such factors as total travel time, salary of traveler, and vehicle costs are considered. Airline coach fare is an allowable expense, if the fare is upgraded to first class then grant costs might not be applied and the additional amount is to be paid by other sources. For the expense to be allowable the grantee must justify and document as to why the expense should be allowed. This travel policy must not be a standard routine of the grantee and must be approved on a case-by-case basis.

All out-of-state travel expenses charged to an Aging and Disability Services Division grant must have prior approval from the Division.

At a minimum, travel procedures should address the following:

- a. Authorization and approvals: per organization's policies and procedures.
- b. Travel advances: limits on amounts of advances and time limits for submitting documentation.
- c. Reimbursement: specify whether reimbursement is to be based on actual expenses for per diem, ground transportation and miscellaneous expenses.
- d. Special situations: unexpected additional related travel costs.
- e. Documentation: all travel costs must be fully documented.
- f. Travel rates: travel rates can be established for in-state and out-of-state.

Aging and Disability Services Division
October 1, 2003
April 24, 2006
February 15, 2007

ADMINISTRATIVE COSTS

The Administrator of the Division or legislation will determine administrative cost limitations. The Administrator reserves the right to establish the maximum cost rate the sub-grantees can charge when these costs are not identified by legislation. Some sub-grantees may have an established indirect cost rate that exceeds the legislation or Division Administrator's maximum cost rate; however, that rate still cannot exceed the rate established by legislation or the Administrator.

Administrative costs are defined as costs that cannot be identified with a specific grant funded program; however, they are necessary in the operation of the program. These costs are only allowable when approved by the Division and are identified in a grant application. Not all grants will be approved for Administrative costs e.g. Nutrition Services Incentive, one-time equipment purchases.

There are administrative costs associated with Fixed fee grants, however, that cost is part of the reimbursement rate.

Administrative costs are limited to 8% of allowable direct costs. Administrative costs exclude costs for equipment and are not to exceed the maximum allowed or the amount listed in the approved grant application. Administrative costs are unallowable in charging a grant without incurring direct expenses.

Aging and Disability Services Division
July 21, 2003
October 2, 2003

CHANGE OF ADDRESS AND KEY PERSONNEL

All organizations are responsible for contacting the Division for any address change or change in key program personnel. Key personnel will include: Program Administrator or Program Director and Bookkeeper.

All organizations are required to notify the Controller's Office for setting up a vendor number prior to doing business with the State of Nevada. The organization must complete a Vendor Registration Form and send or fax the form to Vendor Services.

All organizations must notify the Controller's Office of any changes (e.g. address) in the original Vendor Registration Form by completing a Vendor Change/Delete Form and sending it or faxing the form to Vendor Services.

These forms are available by contacting the fiscal unit in the Carson City or Las Vegas Division Office.

Aging and Disability Services Division
May 25, 2007

TRAINING GRANTS

Training grants or grants that have been approved by the Division to provide training are to be used to support program staff and volunteers in the development of skills and knowledge. Contracting with a consultant to give professional advice or services for a fee but not acting as an employee is an allowable cost. Allocating training funds as salaries to staff members while they are in training is unallowable.

Aging and Disability Services Division
November 26, 2007

PROTECTION OF CLIENT INFORMATION

Grantees will comply with Public Law 104-91, by adopting security and privacy standards to protect the personal and health information of clients. The standards require written policies and procedures for accessing client information, how the information can be used, how it can be disclosed to others and how the grantee will ensure the availability, confidentiality and integrity of electronic personal health information.

Written general policy and procedures will assure the following:

- Sharing an individual's personal and protected health information is limited to those persons or entities having a need to know.
- Knowledge of unauthorized or inadvertent disclosure of an individual's personal or protected health information is immediately reported to an appropriate Privacy Coordinator, either within the agency or to ADSD.
- Only the minimum necessary personal and protected health information will be used or disclosed in the course of performing duties.
- Any information related to individuals receiving services is released, provided or made available to an individual, organization or the general public in compliance with agency, state, or federal program regulations or requirements.
- All workstations will be secured and personal and protected health information will not be left in plain sight anytime the work area is unattended for a length of time. Personal and protected health information must be locked in a secure storage area at the end of the work period.
- Documentation, in written or electronic form, is retained and subsequently disposed of as prescribed by all applicable federal or state statutes.
- Each client receives a Notice of Privacy Practices that includes an explanation of the intended use or disclosure of private and protected health information, their rights with respect to such use or disclosure, and the Division/business associates' legal responsibilities and that each grantee will document that their participants have received the Notice of Privacy Practices.

Aging and Disability Services Division
 General Principles for Determining Allowable Costs
 June 30, 2003

This appendix is available to assist grantees as a guide in determining what costs are considered ALLOWABLE and UNALLOWABLE based on Federal Cost Principles and State regulations. Grantees that receive federal funding must still comply with the Federal Cost Principles.

Basic Guidelines:

Factors affecting allowability of costs (PIN#28). To be allowable under Federal and State awards, costs must meet the following criteria:

- a) Be necessary and reasonable for proper and efficient performance and administration of award.
- b) Be allocable to the award.
- c) Be not prohibited under State and local laws or regulations.
- d) Be treated consistently.
- e) Be adequately documented.

SELECTED ITEMS OF COST

ACCOUNTING.

The cost of establishing and maintaining accounting and other information systems is ALLOWABLE.

ADVERTISING AND PUBLIC RELATIONS COSTS.

- a) The term "advertising costs" means the cost of advertising media (and corollary administrative costs). Advertising media include magazines, newspapers, radio and television programs, direct mail, exhibits, and the like.
- b) The term "public relations" includes community relations and means those activities dedicated to maintaining the image of the governmental unit or maintaining or promoting understanding and favorable relations with the community or public at large or any segment of the public.
- c) Advertising costs are allowable when they are incurred for the recruitment of personnel, the procurement of goods and services and any other specific purposes necessary to meet the requirement of the approved grant award.
- d) Public relations costs are allowable when:
 - a. Required by the grant award.
 - b. Incurred to communicate with the public and press pertaining to specific activities or accomplishments that result from performance of the grant award.

ADVISORY COUNCILS.

Costs incurred by advisory councils or committees are ALLOWABLE as a direct cost where authorized by ADSD.

ALCOHOLIC BEVERAGES.

Costs of alcoholic beverages are UNALLOWABLE.

AUDIT SERVICES.

Audit costs are allowable, provided that the audit were performed in accordance of the Single Audit Act as implemented in Circular A-128 and approved by ADSD as a direct cost to an award. If ADSD recommends that a grantee perform a limited scope audit, the cost is allowable.

BAD DEBTS.

Any losses arising from uncollectible accounts and other claims are UNALLOWABLE.

BONDING.

Costs for bonding employees and officials are allowable to the extent that such bonding is in accordance with sound business practice.

BUDGETING.

Costs incurred in the development, preparation, presentation and execution of budgets are ALLOWABLE when costs are incurred within the approved budget period. Development and preparation of budgets outside of the approved grant award period are UNALLOWABLE.

COMMUNICATION.

Costs of telephone, mail, messenger, and similar communication services are ALLOWABLE. However, a grantee with multiple grant awards must allocate the cost proportionately among all programs.

COMPENSATION FOR PERSONNEL SERVICES. (MODIFIED)

Compensation for personnel services includes all services rendered, paid currently, or accrued for services during the grant award period. The costs of such compensation are ALLOWABLE to the extent that they satisfy the specific requirements of the grant award and are paid at a wage reasonable to labor market value.

FRINGE BENEFITS.

Allowances and services provided by the employers to their employees as compensation in addition to regular salaries and wages. Fringe Benefits are considered ALLOWABLE to the extent that the benefits are 1) approved by the awarding agency 2) reasonable and are required by law.

The cost of fringe benefits in the form of regular equal compensation paid to employees during period of authorized absences from the job (annual leave, sick leave, holiday, court and military leave) are ALLOWABLE but must be documented in the programs established written leave policies.

PENSION COSTS

May be computed using a pay-as-you go method or an acceptable actuarial cost method in accordance with established written policies.

- i. For pension costs financed on a pay-as-you go method will be allowable costs but limited to those representing actual payments to retirees or beneficiaries.
 - ii. Pension costs calculated using an actuarial cost-based method recognized by GAAP is allowable.
- b. Severance Pay in addition to regular salaries and wages made to workers whose employment is being terminated are allowable to the extent that, in each case, they are required by (a) law, (b) employer-employee agreement or (c) established in written policy and (d) the amount paid does not exceed the total amount of salaries and wages normally paid to the employee for the year. If the employee is paid part of the year, then the combination of wages paid and the amount of the severance pay will not exceed the amount to be paid to the employee for the year.

DONATED SERVICES.

Donated or volunteer services may be furnished by professional and technical personnel, consultants, and other skilled and unskilled labor. The value of these services is reimbursable either as a direct or indirect cost. However, the value of donated services may be used to meet cost sharing or matching requirements.

CONTRIBUTIONS AND DONATIONS.

Contributions and donations, including cash, property, and services, regardless of the recipient, are UNALLOWABLE.

DEPRECIATION AND USE ALLOWANCES.

Depreciation and use allowances are means of allocating the cost of fixed assets to periods benefiting from asset use. Compensation for the use of fixed assets on hand may be made through depreciation or use allowances. A combination of the two methods may not be used in connection with a single class of fixed assets (e.g., buildings, office equipment, computer equipment, etc.).

The computation of depreciation or use allowances shall be based on the acquisition cost of the assets involved. Where actual cost records have not been maintained, a reasonable estimate of the original acquisition cost may be used. The value of an asset

donated to the program by a third party shall be its fair market value at the time of the donation.

ENTERTAINMENT.

Cost of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, gratuities, mementos such as pictures, and tours) are UNALLOWABLE.

EQUIPMENT AND OTHER CAPITAL EXPENDITURES.

“Capital Expenditure” means the cost of the asset including the cost to put it in place. Capital expenditure for equipment means the net invoice price of the equipment, including the cost of any modifications, attachments, and accessories necessary to make it usable for the purpose for which it is acquired.

“Equipment” means an article of non-expendable, tangible personal property having a useful life of more than one year.

Equipment and capital expenditures are ALLOWABLE when approved by ADSD.

FUND RAISING AND INVESTMENT MANAGEMENT COSTS.

Costs of organized fund raising, including financial campaigns, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions are UNALLOWABLE, regardless of the purpose for which the funds will be used.

Costs of investment counsel and staff and similar expenses incurred to enhance income from investments are UNALLOWABLE. However, such costs associated with investments covering pension, self-insurance that have been approved by the awarding agency are ALLOWABLE.

INSURANCE.

Cost of insurance required or approved and maintained are ALLOWABLE.

INTEREST.

Costs incurred for interest on borrowed capital are UNALLOWABLE.

LOBBYING.

The cost of certain influencing activities associated with obtaining grants, contracts, cooperative agreements, or loans are UNALLOWABLE.

MAINTENANCE.

The cost of utilities, insurance, security, janitorial services, elevator services, upkeep of grounds, necessary maintenance, normal repairs and alterations and the like are ALLOWABLE to the extent that they (1) have been approved by the awarding agency and (2) keep property in an efficient operating condition.

MATERIALS AND SUPPLIES.

The cost of materials and supplies is ALLOWABLE.

MEMBERSHIPS, SUBSCRIPTIONS AND PROFESSIONAL ACTIVITIES.

Cost of memberships in business, technical and professional organizations are ALLOWABLE providing they are relevant to the grant that is charged the expense.

PRE-AWARD COSTS.

Pre-award costs are those incurred prior to the effective date of the award and are UNALLOWABLE.

PROFESSIONAL SERVICE COSTS.

Cost of professional and consultant services rendered by persons or organizations that are members of a particular profession or possess a special skill are ALLOWABLE, when approved by ADSD.

PUBLICATION AND PRINTING COSTS.

Publication costs, including the costs of printing, distribution, promotion, mailing, and general handling are ALLOWABLE.

TRAINING.

The cost of training provided for employee development is ALLOWABLE, if approved by ADSD.

TRAVEL COSTS.

Travel costs are ALLOWABLE for expenses for transportation, lodging, subsistence, and related items incurred by employees traveling on official business. However, program staff must follow the written travel policies of the grantee. In situations where the grantee does not have travel policies, staff will abide by the Aging and Disability Services Division's travel policies. Related items that are not directly associated with travel costs are UNALLOWABLE. Related ALLOWABLE may include such costs as taxi, parking, baggage handling, etc.).

a. Out-of-State Lodging and Subsistence. All grantees must follow their written out-of-state travel policies. In situations where out-of-state hotel rates exceed the grantee's written travel policies rate, the grantee must follow ADSD written policies. When the

costs exceed the maximum rate, justification must be approved to allow for the extra costs. Subsistence costs are based only on an individual traveler and do not exceed the grantee's written travel policies.

b. Commercial Air Travel. Airfare cost in excess of the customary standard (coach) airfare is UNALLOWABLE except when such accommodations would require circuitous routing, require travel during unreasonable hours, excessively prolong travel, greatly increase the duration of the flight, result in increased costs that would offset transportation savings, or offer accommodation not reasonably adequate for the medical needs of the traveler. Where a grantee can reasonably demonstrate to ADSD either the non-availability of customary standard airfare and this is not the grantee's routine practice, the airfare will be ALLOWABLE. In order for airfare costs in excess of the customary standard commercial airfare to be allowable, the grantee must justify and document on a case-by-case basis with the applicable conditions set forth.

c. Charging expenses for use of the program vehicle when using the vehicle to go to and from work.

UNDERRECOVERY OF COSTS.

Any excess costs over the grant award amount under one award are UNALLOWABLE under other grant awards.

RISK ASSESSMENT CRITERIA AGING AND DISABILITY SERVICES DIVISION

The Aging and Disability Services Division (ADSD) has adopted a procedure for the classification of all funded programs. A program will fall into one of three criteria, low-risk, moderate risk, or high-risk. The ranking of programs will enable ADSD to determine the level of risk for granting funds, providing technical assistance, making site visits and scheduling fiscal monitoring.

Low risk programs have a higher probability that they will comply with federal/state rules and regulation; having good management capabilities and; being able to meet the terms and conditions of the grant. High-risk programs have the least probability of meeting the above terms. Moderate risk programs are between the terms of low-risk and high-risk but are considered as being one step away of being a high-risk program.

High Risk Program

The Administrator on recommendation of either the Resource Development Unit or the Fiscal Monitoring staff makes this determination. The determination is based on programs that have at least two or more of the following characteristics:

- Amount of grant award is over \$100,000.
- Organization or program is new.
- A project that has been funded as a Pilot or Demonstration program.
- The organization has not received any funding from ADSD in the last 5 years.
- A current organization that has had a history of unsatisfactory performance for two consecutive years.
- Organization or program has had a history of high turnover in the Project Administrator or Program Director.
- A new organization that has never had an external audit or a current organization with federal or state funds that exceeds a total of \$75,000 that has never received an external audit.
- Outside audit findings that note significant internal control problems, management, or financial deficiencies.
- An external auditor considers a grantee high-risk; audit receives a qualified opinion and audit findings affect the programs funded by ADSD.
- A program that does not submit required reports or does not submit required reports on a consistent basis.

Special conditions or restrictions for high-risk grantees may include:

- Increase of site-visits.
- A financial review to be made within 3 months of the start of the grant.
- Programmatic review to be made within 3 months of the start of the grant.
- Fiscal monitoring to be completed within 3 months after the end of the grant award period.
- Both the Fiscal Unit and Resource Development Unit will provide additional technical assistance by when making on- site visits, making more telephone contacts, or sending e-mails for questions or requesting information in monitoring the project.
- Payment request can be put on a reimbursement basis. Quarterly financial reports or transaction expense detail must be attached to the request for funding.
- Requiring more detailed financial reports (including invoices or transaction expense detail for the reporting period).
- Requiring a limited scope audit be performed.
- Recommendation that the organization not receive any supplemental funds until they meet the terms of medium or low risk grantee.
- Requiring the grantee to have an outside audit.

Moderate Risk

Programs that are deemed to be medium-risk programs have two or more of the following characteristics:

- Amount of grant award is between \$50,000-\$99,000.
- Program has had a turnover in the Project Administrator or Program Director.
- The organization has had a fiscal monitoring report with findings.
- Organization is relatively new (1-3 years in operation).
- Organization has not had an external audit.
- Outside audit findings are significant; however, grantee has responded to audit findings and has implemented corrective action.
- A program that has had an unsatisfactory performance assessment in the prior year.
- An external audit that considers a grantee high risk.
- The organization has received a qualified audit opinion.
- An outside audit has findings and recommendations that may affect the programs funded by ADSD.

A determination of medium risk will only affect the program in question.

Special conditions or restrictions for moderate-risk grantees may include:

- Increase in site-visits.
- A financial review to be made within 6 months of the start of the grant.
- A fiscal monitoring to be completed within 6 months after the end of the grant award period.
- A formal programmatic assessment to be conducted every 18 months.
- Technical assistance to be increased by both fiscal and programmatic by making more telephone calls, sending e-mail, and scheduling for on-site visits for monitoring the project.
- Monthly grant payment may be recommended on a reimbursement basis.
- May require a more detailed financial report (include invoices or transaction detail for the period reported). Financial reports will be tracked to assure they are received on a timely basis.

Low Risk

Programs that are deemed to be low-risk programs have two or more of the following characteristics:

- Amount of grant award is \$25,000 or an organization that receives less than \$50,000 in funds received by ADSD.
- ADSD is not aware of any significant management turnover.
- Organization has a successful history of work complying with federal/state rules and regulations.
- Organization has an external audit completed within the last two years.
- No audit finding identified in an outside audit report.
- A formal programmatic assessment is required every two years.

In order for programs to be rated on a lower risk rating the Division must determine that the program is able to properly manage and operate the program.

The program's risk determination will be noted in the fiscal monitoring report or the program assessment report.

AGING AND DISABILITY SERVICES DIVISION COST SHARING/FEE FOR SERVICE POLICY

Overview

Cost sharing/fee for service **is** permitted for **certain services** funded by the Federal Older Americans Act. Services that do not permit cost sharing include:

- Information and Referral/Assistance
- Outreach
- Benefits Counseling
- Case Management
- Ombudsman
- Elder Abuse Prevention
- Legal Assistance or other consumer protection services; and
- Congregate and Home Delivered Meals.

The Older Americans Act (OAA) Amendments of 2006 require all services utilizing cost sharing to conform to the following requirements:

- Protect the privacy and confidentiality of each older individual with respect to the declaration or non-declaration of individual income and to any share of costs paid or unpaid by an individual;
- Establish appropriate procedures to safeguard and account for cost share payments;
- Use each collected cost share payment to expand the service for which such payment was given;
- Not consider assets, savings, or other property owned by an older individual to determine cost share;
- Not deny service to an individual due to the level of income of an individual applying for service;
- Not deny service to an individual for failure to make a cost sharing payment;
- Determine the eligibility of older individuals to cost share solely by a confidential declaration of income and with no requirement for verification;

Programs should establish a reasonable maximum fee but it needs to also consider the actual direct and indirect costs of the service delivered.

Charges shall be reasonably based on the cost of service, recognizing that programs may need to estimate the costs of service delivery or round off fees to simplify their pricing strategy. Charges should be established to fully cover the cost of the service being provided.

The Division's Resource Development Unit must approve the program's Cost Sharing Plan before cost sharing is implemented.

Sliding Fee Schedule

The "Division Sliding Fee Schedule," revised annually, is used as a guideline to assess fees. This schedule is based on the most recent published Federal Poverty Guidelines, as follows:

% of Federal Poverty Level	Annual Net Income & Monthly Net Income		% of Direct and Indirect Cost of Service
	Individual	Couple	
185%	Annual \$21,590 or Less Monthly \$1,799 or Less	\$29,101 or Less \$2,425 or Less	0%
200%	Annual \$21,591 - 23,340 Monthly \$1,800 - 1,945	\$29,102 - 31,460 \$2,426 - 2,622	25%
250%	Annual \$23,341 - 29,175 Monthly \$1,946 - 2,431	\$31,461 - 39,325 \$2,623 - 3,277	50%
300%	Annual \$29,176 - 35,010 Monthly \$2,432 - 2,918	\$39,326 - 47,190 \$3,278 - 3,933	75%
Greater than 300%	Annual \$35,011 or More Monthly \$2,919 or More	\$47,191 or More \$3,934 or More	100%

(Updated January 30, 2014)

A signed agreement, consistent with these cost sharing guidelines and readily understood by the client, shall be required unless payment is collected at the time of service delivery. A service may be delivered on an infrequent or short-term basis such as transportation, which may also be paid at the time of service delivery, so a written agreement is unnecessary. However, the program needs to have a statement of their cost sharing policies posted at a place easily seen by clients and/or available to clients of all its services that fall under its cost sharing guidelines.

A copy of the fee schedule that includes the statement, "Services will not be denied to a participant if unable to pay," shall also be attached to the written agreement whenever a client is to receive a bill or is pre-paying for services in order to avoid misunderstandings.

Service Statements

When a service is provided on an infrequent or short-term basis, such as transportation, which may be paid at the time of service delivery, a statement is unnecessary.

Otherwise, clients should be given a statement of the fees for which they are responsible along with instructions on how to pay their share of the cost. The written statement may contain a balance forward, amount paid, value of service provided since last bill (if any), and balance due. The maximum term for carrying a balance forward is three months or until the end of the grant period, whichever is shorter.

Collection

A reasonable effort shall be made to collect fees from clients or others who may choose to pay on the client's behalf. A reasonable effort shall include billing the client for fees on a regular basis, indicating their outstanding balance.

If a client does not pay their fees, the program **may not** discontinue Older Americans Act services.

Voluntary Contributions

- As in the past, all programs that are prohibited from establishing cost sharing arrangements (or who choose not to do so) are requested to establish a process for soliciting voluntary contributions in a non-coercive manner. Privacy and confidentiality rules apply.