**CHAPTER 9**

# Fiscal Operations

Purpose of Chapter

The purpose of this chapter is to outline the fiscal operations and requirements that are in addition to, or an interpretation of, state and federal fiscal regulations applicable to Aging and Long Term Support Administration (ALTSA) programs.

This chapter contains:

GENERAL GUIDELINES

Section I [Governing Regulations and Guidelines](#_SECTION_I.__1)

Section II [Definitions](#_SECTION_II.__1)

Section III [Due Dates for Recurring Items](#_SECTION_III.__1)

Section IV [Financial Accountability](#_SECTION_IV.__3)

[Section V AAA Contracts and Budgets](#_SECTION_V._)

Section VI [Determination of Costs](#_SECTION_VI.__1)

[Section VII Cost Allocation](#_SECTION_VII._)

Section VIII [Cost Sharing or Matching](#_SECTION_VIII.__1)

[Section IX Program Income](#_SECTION_IX._)

Section X [DSHS Working Advance (Long-Term Payable Agreement)](#_SECTION_XI._)

Section XI [Invoicing](#_SECTION_XI.__1)

Section XII [Audits and Fiscal Monitoring](#_SECTION_XII.__1)

Section XIII [Equipment](#_SECTION_XIV._)

Section XIV [Commonly Used Acronyms](#_SECTION_XIV.__6)

PROGRAM SPECIFICS

[Older Americans Act (OAA)](#_The_Older_American’s)

[Title III Part B Supportive Services](#_Title_III_B)

[Title III Part C1 Congregate Nutrition Services](#_Title_III_C1_1)

[Title III Part C2 Home Delivered Nutrition Services](#_Title_III_C2_1)

[Title III Part D Disease Prevention and Health Promotion Services](#_Title_III_D)

[Title III Part E National Family Caregiver Support Program (NFCSP)](#_Title_III_E_1)

[Title VII Elder Abuse Prevention](#_Title_7_Elder_1)

[Nutrition Services Incentive Program (NSIP)](#_Nutrition_Services_Incentive_1)

[Title XIX (Medicaid)/Chore](#_Title_V,_Senior)

[*Title XIX (Medicaid)/Chore - DSHS Allocated*](#_Title_XIX_(Medicaid))

[Core Services Contract Management (CSCM)](#_Core_Services_Contract_1)

[TXIX/Chore Case Management/Nursing Services (CMNS)](#_Title_XIX_Long)

[– Core Services](#_Title_XIX_Long)

[Nursing Services - Developmental Disabilities Administration (DDA)](#_Division_of_Developmental)

[Nursing Services - Contracted with Home & Community Services](#_Nursing_Services_Contracted)

[Muckleshoot and Other Contracted Front Door Functions (King AAA only)](#_Muckleshoot_and_Other)

[*Title XIX – AAA Requested Funding*](#_TITLE_XIX_–_1)

[Title XIX Information & Assistance (Administrative Claiming)](#_Title_XIX_Information)

[Title XIX Case Management/Nursing Services (CMNS) Core](#_Title_XIX_Case)

[– AAA Requested Services](#_Title_XIX_Case)

[Senior Citizens Service Act (SCSA)](#_Senior_Citizens’_Services)

[State Family Caregiver Support Program (SFCSP)](#_State_Family_Caregiver_1)

[Kinship Caregiver Support Program (KCSP)](#_Volunteer_Chore)

[Kinship Navigator Program](#_Kinship_Navigator_Program)

[Senior Farmers’ Market Nutrition Program (SFMNP)](#_SENIOR_FARMERS’_MARKET)

[Home Delivered Meals (HDM) Expansion](#OLE_LINK2)

[Senior Drug Education](#_Senior_Drug_Education_1)

[Volunteer Services](#_Volunteer_Chore_1)

[Agency Workers’ Health Insurance (AWHI)](#_Agency_Workers’_Health_2)

[Caregiver Training Reimbursement](#_Caregiver_Training_1)

Area Agencies on Aging (AAA) may receive other miscellaneous funding. Review the applicable contract for funding details.

GENERAL GUIDELINES

The following guidelines apply to the majority of funding sources utilized by Aging and Long Term Support Administration (ALTSA) and the Area Agencies on Aging (AAA). 45 CFR 75 is the Uniform Administrative Requirement applicable to Older American’s Act and is referenced throughout this document. 2 CFR 200 is the Uniform Guidance for Federal Awards and is applicable to Medicaid funding. These two sections are almost identical; however, it is important to make this funding source distinction. There also may be exceptions to the guidelines referenced below. It is the responsibility of each funding recipient to reference the Notice of Awards attached to their contract and access the CFDA website (hyperlink included below) to determine the applicable rules and regulations for each funding source. Additional information is also found in the Program Specifics Section of this chapter.

### [SECTION I. Governing Regulations and Guidelines](#_Fiscal_Operations)

Federal and state regulations pertaining to the information in this chapter can be found in the documents, acts, and laws listed below. The AAA should have copies of these documents or have access to them via the internet. As new and updated regulations become available, ALTSA will notify the AAA by Management Bulletin (MB).

The following are the major regulations governing the funding distributed by ALTSA to the AAAs that are governmental entities.Note: This list is not all inclusive and if the AAA is a non-profit entity, other regulations may also apply.

[Budgeting, Accounting and Reporting System (BARS)](https://www.sao.wa.gov/bars-annual-filing/bars-gaap-manual/) (BARS GAAP Manual - Cities, Counties and Special Purpose Districts)

[Assistance Listings (CFDA)](https://beta.sam.gov/)

[Government Auditing Standards](http://www.gao.gov/govaud/ybk01.htm) (The Yellow Book)

[The Older Americans Act](https://www.acl.gov/)

[Nutrition Services Incentive Program (NSIP)](https://acl.gov/programs/health-wellness/nutrition-services)

[Medicaid School-Based Administrative Claiming Guide](https://www.cms.gov/Research-Statistics-Data-and-Systems/Computer-Data-and-Systems/MedicaidBudgetExpendSystem/Downloads/Schoolhealthsvcs.pdf)

[No Wrong Door System for Medicaid Administrative Claiming Guidance](https://www.medicaid.gov/medicaid/finance/admin-claiming/no-wrong-door/index.html)

**Grants and Agreements:**

[2 CFR Part 180](https://www.gpo.gov/fdsys/granule/CFR-2014-title2-vol1/CFR-2014-title2-vol1-part180) Chapter I - OMB Guidelines to Agencies on Government Wide Debarments and Suspension *(also* *see HHS 2 CFR 376)*

[2 CFR Part 200](https://www.gpo.gov/fdsys/search/pagedetails.action?collectionCode=CFR&searchPath=Title+2&granuleId=CFR-2017-title2-vol1-part200&packageId=CFR-2017-title2-vol1&oldPath=Title+2%2FSubtitle+A%2FChapter+II%2FSubchap%2FPart+200&fromPageDetails=true&collapse=false&ycord=200) Chapter II - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards Guidance for Grants and Agreements

[2 CFR Part 300](https://www.gpo.gov/fdsys/search/pagedetails.action?collectionCode=CFR&searchPath=Title+2%2FSubtitle+B%2FChapter+III&granuleId=CFR-2015-title2-vol1-subtitleB-chapIII&packageId=CFR-2015-title2-vol1&oldPath=Title+2%2FSubtitle+B%2FChapter+III&fromPageDetails=true&collapse=true&ycord=300) Chapter III - Department of Health & Human Services

[2 CFR Part 2900](https://www.govinfo.gov/app/details/CFR-2016-title2-vol1/CFR-2016-title2-vol1-part2900) Chapter XXIX - Department of Labor

**Department Of Agriculture:**

[7 CFR Part 249](https://www.gpo.gov/fdsys/search/pagedetails.action?st=accommodation+paper+Definition&ps=10&na=&se=&sb=re&timeFrame=&dateBrowse=&govAuthBrowse=&collection=CFR&historical=true&granuleId=CFR-2017-title7-vol4-part249&packageId=CFR-2017-title7-vol4&fromState=&collectionCode=CFR&browsePath=Title+7%2FSubtitle+B%2FChapter+II%2FSubchapter+A%2FPart+249&collapse=true&fromBrowse=true) Senior Farmers’ Market Nutrition Program

**Employee’s Benefits:**

[20 CFR Part 641](https://www.gpo.gov/fdsys/granule/CFR-2011-title20-vol3/CFR-2011-title20-vol3-part641) Provisions Governing the Senior Community Service Employment Program

**Public Health:**

[42 CFR](https://www.law.cornell.edu/cfr/text/42/chapter-IV)  Chapter IV - Centers for Medicare and Medicaid Services, Dept. of Health and Human Services, Subchapter C-Medical Assistance Programs

**Public Welfare:**

**Subtitle A: Department of Health and Human Services:**

[45 CFR Part 75](https://www.gpo.gov/fdsys/granule/CFR-2016-title45-vol1/CFR-2016-title45-vol1-part75/content-detail.html) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards

[45 CFR Part 93](https://www.gpo.gov/fdsys/granule/CFR-2004-title45-vol1/CFR-2004-title45-vol1-part93) New Restrictions on Lobbying

**Subtitle B: Chapter XIII Subchapter C – The Administration for Community Living**

[45 CFR Part 1321](https://www.law.cornell.edu/cfr/text/45/part-1321) Grants to State and Community Programs on Aging

[45 CFR Part 1322](https://www.law.cornell.edu/cfr/text/45/part-1322) Grants to Indian Tribes for Support and Nutrition Services

### [SECTION II. Definitions](#_Fiscal_Operations)

**Administration on Aging (AoA):** The federal agency responsible for advancing the concerns and interests of older persons and their caregivers. AoA administers programs under the Older Americans Act and is a part of the Department of Health and Human Services.

**Administration for Community Living (ACL)**: An operating division of the Department of Health & Human Services (HHS). ACL brings together the efforts and achievements of the Administration on Aging, the Administration of Intellectual & Developmental Disabilities, and the HHS Office on Disability to serve as the federal agency responsible for increasing access to community support with a particular focus on the unique needs of older Americans and people with disabilities.

**Area Plan:** A four-year planning document developed by the AAA and mandated by The Older Americans Act. The document contains a narrative description of the AAA’s responsibility to plan, coordinate and advocate for the development of a comprehensive service delivery system to meet both the short and long-term needs of older persons and individuals with developmental disabilities in its planning and service area (PSA). In addition to the written plan, the AAA is responsible for developing an annual area plan budget.

**Auditor:** An independent certified public accountant or a federal, state or local government audit organization which meets the general standards specified in Generally Accepted Government Auditing Standards (GAGAS).

**BARS Support Form:** A standardized billing form to be used by the AAA to request monthly payments from ALTSA. These required forms can be accessed at: <http://adsaweb.dshs.wa.gov/aaa/BF/Billing/>

**Cash Contributions:** The grantee's non-federal cash outlay, including the outlay of money contributed to the grantee or subgrantee by other public agencies and institutions, and private organizations and individuals. On rare occasions, federal legislation authorizes federal funds received from other assistance agreements to be considered grantee or subgrantee cash contributions.

**Catalog of Federal Domestic Assistance (CFDA) number**: The number assigned to a Federal program in the CFDA.

**Certified Public Expenditure:** Funds that can be used as match when claiming Federal Financial Participation. Permissible sources of the non-federal share include public funds directly appropriated to the AAA, funds transferred from other public agencies or certified public expenditures of a public agency that are derived from state or local taxes. The matching funds may not include funds derived from another federal funding source.

**Contractor:** An entity that contracts for the purpose of providing goods and services and creates a procurement relationship with the contractor. Refer to 45 CFR 75.351 or *Audits and Fiscal Monitoring* section of this chapter.

**Cost Allocation Plan:** A narrative description of the procedures that will be used in identifying, measuring and allocating all costs incurred in support of all programs administered or supervised.

**Cost Center:** see “Cost Objective”

**Cost Objective:** A program, function, activity, award, organizational subdivision, contract, or work unit for which cost data is desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, capital projects, etc. It may be a major function of the non-federal entity, a particular service or project, a federal award, or an indirect Facilities & Administrative cost activity (2 CFR 200.28).

**Cost Pool:** The accumulation of like costs to be allocated to benefiting funding sources by a method that will produce an equitable result in consideration of relative benefits received.

**Cost Sharing or Matching:** The portion of the project costs not paid by federal funds. Matching contributions are in the form of state or local funds, cash, or third party in-kind contributions. Usually, a minimum percentage is prescribed by the program legislation and matching share requirements are included in contract agreements (2 CFR 200.29).

**Debarment:** An action taken by a federal debarring official to exclude a person or business entity from government procurement contracting and government-approved subcontracting for a reasonable, specified period.

**Department:** The Department of Social and Health Services (DSHS).

**Direct Cost:** Those costs that can be identified specifically with a particular final cost objective. Costs which can be charged directly as a part of the cost of a product, service, department, operating unit or activity, as distinguished from indirect costs which must be prorated among several products, services, departments, operating units or activities.

**Documentation of Funds Form:** A form provided by DSHS to the AAA each year. This form is used by the AAA to record qualifying previous year expenditures, from which DSHS can appraise and evaluate the amount of the existing Long-Term Payable or appropriate adjustments.

**Earmarking:** Requirements that specify the minimum and/or maximum amount or percentage of the program’s funding that must/may be used for specified activities, including funds provided to subrecipients. It may also be specified in relation to the types of participants covered.

**Equipment:** Tangible personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit.

[**Federal Award Identification Number (FAIN)**](https://www.usaspending.gov/#/)**:** A unique number assigned by each Federal Agency to every financial assistance award.

**Federal Award:** Federal financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts used to buy goods or services.

**Federal Financial Assistance:** Assistance that non-federal entities receive or administer in the form of grants, cooperative agreements, non-cash contributions, donations of property, direct appropriations, food commodities, other financial assistance, loans, loan guarantees, interest subsidies and insurance. It does not include Medicaid or Medicare payments for providing patient care services.

**Federal Financial Participation (FFP):** The percentage of federal funding a state is eligible to receive for Title XIX (Medicaid) administration. This percentage applies to all the Title XIX funding the AAA receives in its contracts with ALTSA.

**Federal Medical Assistance Percentage (FMAP):** The percentage of federal funding a state is eligible to receive for Title XIX (Medicaid) state administered services. This percentage rate is calculated annually and the percentage varies between states dependent upon the strength of each state’s per capita income. This rate is usually only applicable to services paid through ProviderOne.

**Federal Fiscal Year:** Atwelve-month period used for calculating annual financial activity. The traditional federal fiscal year runs from October through September, (e.g. FFY19 = October 2018 – September 2019); but some grants may be on a different federal or program fiscal year.

**Final Cost Objective:** A cost objective which has allocated to it both direct and indirect costs and is one of the final accumulation points, such as a particular award, internal project, or other direct activity. Also see “Cost Objective”.

**Funding Formula (OAA):** A formula developed in accordance with Administration on Aging, (AoA) guidelines used to distribute funding among the Area Agencies on Aging. The formula takes into account the geographical distribution of older individuals, as well as economic and social needs, with particular attention to low income minority individuals. At minimum, the formula is updated every ten years based on United States census data and must be approved by AoA. It is also referred to as the Intrastate Funding Formula.

**Grantee:** The entity to which a grant is awarded and which is accountable for the use of the funds provided. The grantee is the entire legal entity even if only a particular component of the entity is designated in the grant award document.

**In-Kind Contributions:** See “Third Party In-Kind Contributions”

**Indirect Cost:** Costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. To facilitate equitable distributions of indirect expenses to the cost objectives served, it may be necessary to establish pools of indirect costs. Indirect cost pools must be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived.

**Indirect Cost Pool:** The accumulated costs that jointly benefit two or more programs or cost objectives.

**Local Government:** Any unit of government within a state, e.g. county, city, school district.

**Long-Term Payable Agreement:** A contract between DSHS and the AAA to provide a working capital cash advance to cover the AAA’s estimated disbursement needs for a given period.

**Matching Share:** See “Cost Sharing or Matching”

**Maintenance of Effort (MOE)**: The requirement that expenditures for a specific program or activity do not fall below a pre-determined amount.

**Management Bulletin (MB):** The means by which ALTSA communicates policy, procedures and general information regarding its programs to its various stakeholders. The MBs can be accessed on the [intranet](http://intra.altsa.dshs.wa.gov/docufind/MB/DefaultHCS.aspx) or the [internet](https://www.dshs.wa.gov/altsa/home-and-community-services/hcs-management-bulletins).

**Medicaid:** Medicaid is a health care program jointly funded by state and federal governments to provide coverage for Americans who have low incomes. Medicaid is authorized under Title XIX of the Social Security Act and administered by the federal Department of Health and Human Services (DHHS), Centers for Medicare & Medicaid Services (CMS).

**Monitoring:** A continuous process used to evaluate subrecipients and contractors to determine whether they are delivering goods and services in accordance with their contractual obligations.

**Non-Federal Entity**: A state, local government, Indian tribe, institution of higher education (IHE), or non-profit organization that carries out a federal award as a recipient or subrecipient.

**Older Americans Act (OAA):** The United States Congress enacted The Older Americans Act in 1965. The act’s objective is to maintain the dignity and welfare of older people and to create a primary vehicle for organizing, coordinating and providing community-based services and opportunities for these individuals.

**Pass-Through Entity:** A non-federal entity that provides a federal subaward to a subrecipient to carry out a federal program. For purposes of this chapter, the definition of Pass-Through Entity is expanded to include the provision of a state subaward to carry out a state program.

**Planning and Service Area (PSA):** The geographical area served by each Area Agency on Aging as designated by the state of Washington and mandated by the Older Americans Act.

**Program Income:**  Gross income received by the non-federal entity that is directly generated by a grant supported activity or earned as a result of the federal award during the period of performance. Program income includes but is not limited to income from fees for services performed.

**Program Year (PY):** Time period stated in a grant agreement in which a grant supported activity occurs. Many times different time periods are used and often program years are referred to differently than state and federal fiscal years.

**Project Costs**: Total allowable costs, incurred under a federal award and all required cost sharing and voluntary committed cost sharing, including third-party contributions.

**Public Agency:**  Any agency, political subdivision, or unit of local government of the state including, but not limited to, municipal corporations, quasi municipal corporations, special purpose districts, and local service districts; any agency of the state government; any agency of the United States; any Indian tribe recognized as such by the federal government, and any political subdivision of another state.

**Real Property:** Land, including land improvements, structures, and appurtenances thereto, but excludes movable machinery and equipment.

**Recipient:** A non-federal entity that receives a federal award directly from a federal awarding agency to carry out an activity under a federal program.

**Risk Assessment:** The process of evaluating a program’s exposure to harm or loss that could happen from some activity associated with a contract for service.

**Single Audit:** A financial, internal control and compliance audit performed in accordance with 45 CFR 75 Subpart F formerly known as OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. It encompasses all financial activities of the organization as opposed to individual audits of individual programs.

**Small and Attractive Item:** Small and attractive assets that cost less than $5,000 but are particularly vulnerable to loss.

**State Fiscal Year:** A twelve-month period used for calculating annual financial activity. Washington State’s fiscal year runs July – June, (e.g. SFY19 = July 2018 – June 2019).

**Subcontract:** An agreement or contract between the AAA and an individual or entity (subcontractor) to perform all or a portion of the duties and obligations that the contractor is obligated to perform.

**Subcontractor:** An individual or entity (including its officers, directors, trustees, employees, and/or agents) with whom the AAA contracts to provide services that are specifically defined in the area plan or are otherwise approved by DSHS in accordance with contract agreements. The subcontractor may be either a vendor or a subrecipient.

**Subgrantee**: The government or other legal entity to which a subgrant is awarded and which is accountable to the grantee for the use of the funds provided.

**Subaward:** An award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a federal award received by the pass-through entity. It does not include payment to a contractor or payment to an individual that is a beneficiary of a federal program.

**Subrecipient:** A non-federal entity that receives a subaward from a pass-through entity to carry out part of a federal program, but does not include an individual that is a beneficiary of such program. Refer to 45 CFR 75.351 or *Audits and Fiscal Monitoring* section of this chapter. For purposes of this chapter, the definition of Subrecipient is expanded to include a non-federal entity that receives a subaward to carry out part of a state program.

**Suspension:** An action by a federal suspending official that immediately prohibits a person from participating in covered transactions for a temporary period, pending completion of an agency investigation and any judicial or administrative proceeding that may ensue.

**Third Party In-Kind Contributions:** The value of non-cash contribution (i.e., property or services) that benefit a federally assisted project or program and is contributed by non-federal third parties, without charge, to a non-federal entity under a federal award. The AAA may not provide third party in-kind contributions, because they are not a third party.

**Title XIX: See ‘Medicaid’**

**Vendor:** See “Contractor”

**Working Capital Advance:** See “Long-Term Payable Agreement”

**Year-to-Date (YTD):** Activity reported within a contract period starting at the beginning of the contract period and reported up to the current date. These might also be known as Expenditures to Date, if the contract period is not on a 12-month period.

### [SECTION III. Due Dates for Recurring Items](#_Fiscal_Operations)

The following three tables show due dates and timelines for recurring items applicable to the AAA.  The first table reflects activities and due dates that occur within a calendar year without regard to the budget/contract period.  The next two tables show this same information, as it relates to calendar year and fiscal year cycles and contracts.

The **MB** noted in each table signifies a management bulletin issue date and response date.  For example, in the first table, in the Area Plan & Cost Allocation Plan column; **MB1**Budget, Written Cost Allocation Plan, & Instructions will be issued on approximately May 1st.  The due date for the AAA to respond to **MB1** is approximately October 1st.

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| **ACTIVITIES AND DUE DATES DURING THE CALENDAR YEAR (CY)**  **Note** – The dates listed in the table below are estimates; actual issue dates may vary and due dates will be provided via Management Bulletins or by other means of communication. | | | | |
| **DUE DATE** | **AREA PLAN & COST ALLOC. PLAN** | **OLDER AMERICANS ACT – 21 or 24 month contract ending 9/30** | **STATE/FEDERAL** | **OTHER** |
| 01/01 | Effective start date | Effective start date (excluding Yakama) |  |  |
| 02/15 |  |  | TXIX and MTD Fund Balance Reports due from non-Tribal AAAs |  |
| 03/01 |  |  | **MB 4** – Reallocation of funds (current SFY) |  |
| 04/01 |  | **MB 2** - funding allocation & budget instructions (current contract) | **MB 4** response due | DSHS Working Advance - Doc. of Funds Report due to DSHS |
| 05/01 | **MB** **1** – budget, written cost allocation plan, & instructions (next CY) |  | **MB 5** – funding allocation, budget & instructions **(or)** maximum consideration (next SFY) | Caregiver Training (CGT) Contract sent out for signature  (next SFY) |
| 05/15 |  |  | Final budget amendments due (current SFY) |  |
| 06/01 |  | **MB 2** budgets due |  |  |
| 06/30 |  |  | **MB** **5** response due & budget approval | Tribal Audit due (prior FFY) |
| 07/01 |  |  | Effective start date | Effective date CGT & DSHS Working Advance |
| 7/15 |  | Final transfers between T3B, T3C1 and T3C2 due |  |  |
| 08/1 |  |  | **MB6**  funding allocation, budget & instructions (if initial funding was max consideration)  (current SFY) |  |
| 08/15 |  |  | Final year-end billings due (prior SFY) | CGT final year-end billing due (prior SFY) |
| 09/1-15 |  | Notification of final funding in early Sept (current contract) |  |  |
| 09/30 |  |  | **MB** **6** response due | AAA (Non-Tribal) Audit report due (prior CY) |
| 10/01 | **MB 1** response due | Effective start date of subsequent contract (Yakama only) |  |  |
| 11/01 |  | Max consideration sent for signature  No budget due (next contract) |  |  |
| 11/15 |  | Final billings due (prior contract) | TXIX and MTD Fund Balance Reports due from Tribal AAAs |  |
| 12/31 |  | Max consideration contract due (next contract) |  |  |
| **Each Month - Monthly billings are due 30 days after the last day of the month** | | | | |
| \* State/Federal Funding - Depending upon legislative timing the allocation may be actual funding or could be a maximum consideration that would require a line item budget amendment. If a line item budget amendment is required an MB will be posted in August with a September response date. | | | | |

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| **Calendar Year Cycle**  **Note** – The dates listed in the table below are estimates; actual issue dates may vary and due dates will be provided  via Management Bulletins or by other means of communication. | | | |
| **DUE DATE** | **AREA PLAN & COST ALLOCATION PLAN** | **OLDER AMERICANS ACT – 21 or 24 month contract ending 9/30** | **OTHER** |
| Activity Prior to Effective Start Date | | |  |
| 05/01 | **MB** **1**– budget, written cost allocation plan, & instructions (next CY) |  |  |
| 10/01 | **MB 1** response due | Effective start date (Yakama only) |  |
| 11/01 |  | Max consideration sent for signature (excluding Yakama) - No budget due |  |
| 12/31 |  | Max consideration contract due (next 21 month contract) |  |
| **Beginning of Calendar Year** | | |  |
| 01/01 | Effective start date | Effective start date (excluding Yakama) |  |
| 04/01 |  | **MB 2** – funding allocation & budget instructions (current contract) |  |
| 06/01 |  | **MB 2** budgets due |  |
| 07/15 |  | Final T3B, T3C1 and T3C2 transfers due |  |
| 09/01-15 |  | Notification of final funding in early Sept (current contract) |  |
| 09/30 |  |  | AAA (Non-Tribal) Audit report due (prior CY) |
| 10/01 |  | Effective start date of subsequent contract (Yakama only) |  |
| 11/15 |  | Final billings due (prior contract) |  |
| 12/31 | Period end date | Max consideration contract due (next contract) |  |

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| **State Fiscal Year Cycle**  **Note** – The dates listed in the table below are estimates; actual issue dates may vary and due dates will be provided via Management Bulletins or by other means of communication | | |
| **DUE DATE** | **STATE/FEDERAL CONTRACT** | **CGT & DSHS Working Advance** |
| **Activity Prior to Effective Start Date** | | |
| 04/01 |  | DSHS Working Advance - Doc. of Funds Report due to DSHS |
| 05/01 | **\* MB 5** – funding allocation, budget & instructions **(or)** maximum consideration (new SFY) | CGT Contracts sent out for signature |
| 06/30 | **MB 5** response due & budget approval |  |
| **Beginning of State Fiscal Year** | | |
| 07/01 | Effective start date | Effective start date |
| 08/01 | **\* MB 6**  funding allocation, budget & instructions **(if)** initial funding was maximum consideration (current SFY) |  |
| 09/30 | **MB** **6** response due |  |
| 11/15 | TXIX and MTD Fund Balance Reports due from Tribal AAAs |  |
| 02/15 | TXIX and MTD Fund Balance Reports due from non-Tribal AAAs |  |
| 03/01 | **MB 4** – reallocation of funds (current SFY) |  |
| 04/01 | **MB 4** response due |  |
| 05/15 | Final budget amendments due (current SFY) |  |
| 06/30 | Period end date | Period end date |
| **End of State Fiscal Year** | | |
| 08/15 | Final year end billings due (prior SFY) | Final year end CGT billings due |
| **\*** Depending upon legislative timing the allocation may be actual funding or could be a maximum consideration that would require a line item budget amendment. If a line item budget amendment is required an MB will be posted in August with a September response date. | | |

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### [SECTION IV. Financial Accountability](#_Fiscal_Operations)

ALTSA requires the AAA and its subcontractors to comply with all pertinent federal and state fiscal regulations. There is a listing of applicable regulations at the beginning of this chapter.

ALTSA uses the Management Bulletin (MB) process to explain, expand, and clarify existing policy, or to issue new policies and procedures. Management Bulletins issued by ALTSA may also contain fiscal policy. ALTSA’s Management Bulletins can be accessed on the [intranet](http://intra.altsa.dshs.wa.gov/docufind/MB/DefaultHCS.aspx) or on the [internet](https://www.dshs.wa.gov/altsa/home-and-community-services/hcs-management-bulletins). It is the AAA’s responsibility to stay apprised of newly issued MBs, however ALTSA will send notification when an MB pertinent to fiscal operations is issued.

ALTSA requires the AAA to adhere to all contract terms and conditions.

In addition to MBs, rules, regulations and contract terms and conditions, there are several general practices to which the AAA and subcontractors must adhere. They are as follows:

1. Financial statements are typically prepared in accordance with Generally Accepted Accounting Principles (GAAP). Using another basis of accounting, while acceptable, will result in a modified or qualified audit opinion. Financial statements must be accurate, current, and reflect complete disclosure of all fiscal activities. Also, a Schedule of Expenditures of Federal Awards (SEFA) must be completed. If a SEFA is not prepared using the same basis of accounting as the AAA’s financial statements, it should be included in notes to the SEFA. More detail is provided in Section XII Audits and Fiscal Monitoring.
2. A sound accounting system must be established and maintained.
3. The system must identify all funds received and expended.
4. The system must identify all revenue sources, track and document the allocation of all expenditures, and identify the costs by funding source.
5. The underlying records must contain information pertaining to all projects, grants or subgrants. For each, it must detail all:
6. awards and authorizations (not client or Provider One authorizations)
7. obligations
8. unobligated balances
9. assets, liabilities, outlays or expenditures, and income
10. Accounting records must be supported by source documentation such as banking records, paid bills, payrolls records, time and attendance records, contracts, etc. This documentation must be readily available for examination, review and audit. These documents must be retained for six years in accordance with RCW 40.14.
11. Applicable cost principles, program regulations and contract terms must be followed when determining whether costs are reasonable, allowable and allocable. See [Section VI. Determination of Costs](#_SECTION_VI.__1) for more detail.
12. Adequate budget controls must be established and maintained. Expenditures or outlays must be monitored against budgeted amounts for each funding source included in the contract(s).
13. Written policies and procedures must sufficiently document the financial systems, including internal controls. The policies and procedures must be in sufficient detail so that in the absence of key personnel, tasks can be completed.
14. Adequate internal control systems must be established and maintained. These internal controls must adequately safeguard assets and provide reasonable assurances against material errors, misstatements and unauthorized use.
15. Funds received from DSHS may not be advanced to any party, in compliance with the Washington State Constitution, Article VIII, Section 5 which states, “The credit of the state shall not, in any manner be given or loaned to, or in aid of, any individual, association, company, or corporation”.
16. Assurances must be made that federal funds are not used for lobbying activities in compliance with 45 CFR Part 93. If any funds other than federal appropriated funds have or will be paid for lobbying activities, that information must be disclosed according to 45 CFR 75.215.
17. The AAA must complete and submit to ALTSA, a signed Contract Signature Authorization Form and/or a signed Invoice Voucher Signature Authorization Form any time there is a change in personnel authorized to sign contracts or invoices. Blank forms can be accessed at ALTSA’s [intranet](http://intra.altsa.dshs.wa.gov/aaa/BF/Billing/), or ALTSA’s [internet](https://fortress.wa.gov/dshs/adsaapps/contractors/aaa/forms/) site. Both forms are located within the same file; they are on separate tabs within the workbook.

### [SECTION V. AAA Contracts and Budgets](#_Fiscal_Operations)

The following agreements require submission of an annual budget:

* The Area Plan
* The Older Americans Act Interlocal Agreement
* State/Federal Interlocal Agreement

ALTSA obligates funds to the AAA through interlocal agreements; throughout this manual, these agreements may also be referred to as contracts.

ALTSA issues Management Bulletins (MB), which provide detailed instructions, due dates, and forms for completion of the necessary budgets.

Budget forms can also be accessed at:

ALTSA’s intranet site, <http://adsaweb.dshs.wa.gov/aaa/BF/Budget/>, or ALTSA’s internet site, <https://fortress.wa.gov/dshs/adsaapps/contractors/aaa/forms/>.

|  |  |  |
| --- | --- | --- |
| **Budget for:** | **Budget Period** | **Due Dates** |
| Area Plan | | January – December | October 1st submission for new year |
| Older Americans Act Contract | | October Year 1 – September Year 2 (Yakama only)  January Year 1 – September Year 2 (excluding Yakama) | September 30th maximum consideration for new year contract (Yakama only)  December 31st maximum consideration for new year contract (excluding Yakama) |
| June 1st line item budget |
|  |
| State & Federal Contract | | July - June | June 30th budget for new state fiscal year |
| September 30th line item budget if June 30th budget was maximum consideration |
| April 1st reallocation of funds |
| May 15th final budget amendments |

Note: The dates listed in the table above are estimates; actual dates may vary. Also, there may be other funding received outside of these contracts that require budget submissions.

Types of contracts/budgets:

1. Maximum Consideration – A maximum consideration budget is used at the beginning of a contract period when final funding is not known or has not been finalized. The dollar amount of the contract is based on an estimate by ALTSA and the AAA is not required to submit a line item budget at this time.
2. Line Item – When the amounts of all funding sources have been finalized for the contract period, ALTSA requires the AAA to submit a line item budget by service line.
3. Amendments – When funding is either increased or decreased in the contract, or if the AAA receives approval to make line item budget adjustments or funding source transfers, the contract and budget must be amended. Each contract amendment is numbered sequentially for tracking purposes.
4. Unilateral - Unilateral amendments can only be used to obligate new funding when ALTSA has a short time frame to increase the amounts in the AAA contracts. This usually occurs when funding is received toward the end of a contract or grant funding period. ALTSA will notify the AAA of the amount of additional funding and how it will be applied to the AAA’s contract. An e-mail acceptance from the AAA director or other authorized signatory is considered acceptance. The AAA will receive a copy of the revised contract and budget shortly after the acceptance is received by ALTSA.

All budget and contract amendments shall be negotiated between the AAA and ALTSA. Approximately 60 days is required to amend and fully execute a contract, with the exception of a unilateral amendment.

Specific types of budgets:

(Timelines are discussed in more detail in the Due Dates for Recurring Items Section of this chapter)

1. Area Plan Budget – Area plan budgets must be submitted to ALTSA in accordance to the due date outlined in the MB, but usually October 1st of the year prior to the plan’s budget year. This budget is submitted in conjunction with the AAA’s area plan narrative (when required) and the annual written cost allocation plan. Written cost allocation plans are discussed in the Cost Allocation section of this chapter. The area plan narrative requirements, approval process and amendments are discussed in Chapter 2, Section II of this manual.
2. Older Americans Act (OAA) Contract and Budget – The initial OAA budget is a maximum consideration. This is necessary because the Administration on Aging (AoA) does not finalize the state’s allocation of federal funding before the contract start date. For the maximum consideration, ALTSA uses approximately 80 percent of the AAA’s prior year’s OAA funding. When ALTSA receives the funding from ACL, an MB is posted requiring the AAA to submit a line item budget.

Additional budget amendments may be required if additional new funding is received, if the AAA needs to make line item adjustments, or transfer funds between Title III B, C1 and/or C2. If AoA provides additional funding just prior to the end of the contract period, it must be obligated to the AAA immediately and a unilateral contract amendment will be required.

1. State/Federal Contract and Budget – Depending upon the timing of legislative funding decisions and ALTSA‘s ability to disseminate these funds, the initial state/federal budget can be either a maximum consideration or line item budget. If a maximum consideration is required, ALTSA estimates the funding for sources that have not yet been determined. When funding figures have been finalized, ALTSA posts an MB requiring the AAA to submit a line item budget. Throughout the fiscal year various amendments may be required due to increase or decrease in funding, reallocation of funds between AAAs and/or AAA line item adjustments.

Budget Submissions:

For all budget submissions, the AAA must:

1. Submit the budget within the timelines specified in the MB.
2. Submit the budget on ALTSA’s forms and in accordance with the budget instructions which are attached to the MB.
3. Complete and submit all applicable worksheets.
4. Ensure that the amounts budgeted for each funding source match the funding allocations provided by ALTSA (exception - some figures used for the area plan budget are based on the AAA’s estimates).

1. Comply with all applicable state and federal funding requirements including but not limited to ensuring that:
2. Budget amounts fall within the limitations of funding limits.
3. Budget amounts meet all minimum funding requirements.
4. The amounts and sources of match comply with requirements.
5. Provide information in the description column of the worksheet that is either requested in the instructions or considered necessary for complete understanding of the budget entries. For example, if the ‘Other ALTSA’ funding column includes Administration from more than one source, indicate the sources and amounts; if you have TXIX-Matched activities, indicate the source of match.
6. Ensure that values on the Grand Total line match the Revenue Total line for each column.
7. Ensure that there are no significant variances between the area plan, OAA and State/Federal budgets. If there is a significant variance, added service or discontinued service, the AAA must contact its AAA Specialist to determine if an interim area plan amendment is required.

### [SECTION VI. Determination of Costs](#_Fiscal_Operations)

Principles to be applied in establishing whether costs are allowable are discussed in 45 CFR 75 Subpart E-Cost Principles for Health and Human Services funding, or 2 CFR 200 Subpart E-Cost Principles for grants not covered by 45 CFR or other Titles (the grant award should cite the applicable administrative regulation). These principles apply to both direct and indirect costs, as well as matching share. If a particular item of cost is not mentioned in Subpart E, it does not imply that it is either allowable or unallowable; rather, determination must be made in each case based on the treatment or standards provided for similar or related items of costs.

1. General guidelines to determine allowable costs for state and federal awards are noted below.

Costs must:

1. Be necessary and reasonable for proper and efficient performance and administration of the award. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. For further guidance refer to 45 CFR 75.404
2. Be allocable. A cost is allocable if the goods or services involved are chargeable or assignable to a federal award or cost objective in accordance with relative benefits received. See the Cost Allocation section of this chapter for more information.
3. Conform to any limitations or exclusion set forth in CFR, federal laws, state laws, and terms and conditions of the state or federal award, as to types or amounts of cost items.
4. Be consistent with policies, and procedures that apply uniformly to all state and federally financed awards and other activities of the non-federal entity.
5. Be treated consistently. For example, a cost may not be assigned to an award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the award as an indirect cost.
6. Be in accordance with Generally Accepted Accounting Principles, except for state and local governments and Indian tribes as otherwise provided for in 45 CFR Part 75 .

1. Not be included as a cost or used to meet cost sharing or matching requirements of any other federally financed program in either the current or a prior period, except as specifically provided by federal law or regulation.

1. Be net of all applicable credits.
2. Be adequately documented.
3. Composition of Allowable Cost

**Typical Components of Costs**

|  |
| --- |
| **DIRECT COSTS** |
| **INDIRECT COSTS** |
| **MATCHING SHARE** |

**Total**

**Costs**

Note: All costs, whether paid by federal or state awards or claimed as match, must meet the allowable cost guidelines contained in 45 CFR Part 75.

1. Direct Costs – Generally, direct costs are those that can be identified specifically with a particular cost objective, such as a federal award, and are direct charged. For example, if a staff person completes a time sheet/activity report, and their associated costs are based on the results of their specific time, these would be direct costs charged directly to the applicable cost objective. Typical costs charged directly are:
2. Compensation of employees for the time devoted and identified to a specific cost objective.
3. Cost of material acquired, consumed, or expended that can be tied directly to a specific cost objective.
4. Equipment and other approved capital expenditures that can be identified to a specific cost objective.
5. Travel expenses incurred and identified to a specific cost objective.
6. Funds paid to subcontractors to perform specific program functions; for example, a congregate meal provider.

Any direct cost of a minor amount may be treated as an indirect cost for reasons of practicality where such accounting treatment for that item of cost is consistently applied to all cost objectives.

There is no universal rule for classifying costs as either direct or indirect under every accounting system; therefore, it is essential that each item of cost be treated consistently in like circumstances either as a direct or an indirect cost.

1. Indirect Costs - Generally indirect costs are those incurred for a common or joint purpose benefiting more than one cost objective and not readily assignable to a cost objective specifically benefited, without effort disproportionate to the results achieved. Examples would be goods, services and facility costs benefiting the entity as a whole. Indirect costs must be distributed to benefited cost objectives on a basis that will produce an equitable result in consideration to relative benefits derived. See the Cost Allocation section of this chapter for more information.

Indirect costs also include Interfund Payments for Services. These are allowable costs of support services provided by those activities normally identified with a central government. This may include services provided by a county auditor, treasurer, prosecutor, purchasing department, personnel department, etc. The AAA would then allocate a portion of these costs to all applicable cost objectives benefiting from these services.

1. Matching Share – refer to the Cost Sharing or Matching section of this chapter.
2. Unallowable Cost – If the AAA or other recipient of ALTSA funds determines that unallowable costs have been claimed and reimbursed, ALTSA must be notified. The funds must be returned to ALTSA and reimbursed to the state and federal program(s) that were charged. ALTSA will determine the action needed by one of the following methods:
3. A cash refund
4. Offset a subsequent billing
5. Submit a Supplemental BARS Support Form (to credit the amount previously charged)
6. Other remedies prescribed by ALTSA.

Examples of unallowable costs are: alcoholic beverages, bad debts, fines and penalties.

### [SECTION VII. Cost Allocation](#_Fiscal_Operations)

AAA’s must complete an annual written cost allocation plan describing how they allocate all costs. The following outlines the requirements for AAA cost allocation. Public Assistance Cost Allocation Plans described in Appendix VII to 45 CFR Part 75 are applicable to AAA operations.

1. Cost Allocation Process and Methods - After direct costs have been determined and assigned directly to the applicable cost objectives, expenditures accumulated in cost pools (including indirect) must be allocated to the benefiting cost objectives. These cost pools are allocated to benefiting cost objectives by one of the following cost allocation methodologies:
2. Case/Person Counts – Costs are allocated based on the population served. For example, cases, claims, clients, participants, or average resident population.
3. Dollars Disbursed – Costs are allocated based on dollars disbursed in an identified area.
4. Full-time Equivalent (FTE) Disbursed – Costs are allocated based on FTE activity disbursed in an identified area.
5. Output Count – Costs are allocated based upon a specific output. For example, number of pieces mailed or copies made in an identified area.
6. Staff Effort – Costs are allocated based on collective hours worked or activities performed. This information is gathered in the form of Random Moment Time Samples (RMTS), Time Studies, Time Sheets, etc. For example, a unit’s time sheets are summarized and the results are used to calculate allocation percentages.
7. Transaction or Contracts Counted – Costs are allocated according to the number of transactions processed or existing contracts for a specific time period.
8. Other Reasonable Method – Costs allocated in any manner acceptable under 45 CFR Part 75 and approved by ALTSA.
9. A cost is allocable to a cost objective if the goods or services involved are chargeable or assignable to the cost objective in accordance with relative benefits received. This standard is met if the cost:
10. Is incurred specifically for the state or federal award;
11. Benefits both the state and/or federal award and other work of the entity and can be distributed in proportions that may be approximated using reasonable methods; and
12. Is necessary to the overall operation of the entity and is assignable in part to the state and/or federal award in accordance with 45 CFR 75 Subpart E.
13. All activities which benefit from the entity’s indirect cost, including unallowable activities and donated services by the entity, will receive an appropriate allocation of indirect costs. Any portion of indirect cost related to unallowable activities will not be billed to ALTSA.
14. Any cost allocable to a particular state or federal award may not be charged to overcome fund deficiencies, to avoid restrictions imposed by statues, regulations, or terms and conditions of the award, or for other reasons.
15. Payroll Time and Effort Requirements

Charges for salaries/wages and fringe benefits, whether treated as direct or indirect cost, must be based on payroll documentation and approved by a responsible official(s).

* 1. General compensation for personnel services includes all remunerations, paid currently or accrued, for services of employees rendered during the period of performance under the award, including wages, salaries and fringe benefits. Cost of compensation is allowable if:

1. It is reasonable for the services rendered. Compensation will be considered reasonable to the extent that it is comparable to that paid for similar work in the labor market or within the entity itself.
2. It conforms to the established written policy of the entity and is consistently applied to all activities of the entity.
3. It is supported by records that accurately reflect the work performed. These records must:

* Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable and properly allocated;
* Be incorporated into the official records of the entity;
* Reasonably reflect the total activity for which the employee is compensated; and
* Support the distribution of the employee’s salary/wages and fringe benefits among specific activities or cost objectives.
* Comply with the established accounting policies and practices of the entity.
  1. When an employee works solely on a single award or cost objective and does not complete an activity report or timesheet, salary/wage and fringe benefit charges must be supported by a periodic certification that the employee worked solely on the program or cost objective over a specified time period. This certification must be prepared at least semi-annually and must be signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee.
  2. When employees work on multiple activities or cost objectives, a distribution of salaries or wages must be supported by one or more of the following:

1. Personnel activity reports (PAR), timesheet or an equivalent document.
2. Time studies conducted at least quarterly.
3. An approved cost allocation methodology as listed under A. above and discussed in #7 below.
4. Substitute system approved by ALTSA.
   1. Personnel Activity Reports/timesheet must meet the following standards:
5. Reflect an after the fact distribution of the actual activity of the employee,
6. Account for the total activities for which the employee is compensated,
7. Must be prepared at least monthly and must coincide with one or more pay periods, and
8. Must be signed, or the electronic equivalent, by the employee and a supervisory official.
   1. The distribution must:
9. Account for the total activity of the employee.
10. Distribute costs to all benefiting cost objectives, including unallowable activities if applicable.
11. Be based upon actual activity. Budget or award distributions are not an accepted method of distribution.
    1. Electronic timesheets are allowed when:
12. A written policy has been established,
13. Electronic signature system is secured and verifiable,
14. Individuals can be identified and authenticated as the source of the electronic signature,
15. The system does not allow changes to the electronic record once appropriate electronic signatures have been applied unless there is a clear and auditable record of the revision.

7. Substitute systems for allocating salaries/wages and fringe benefits to awards may be used in place of activity reports or time studies. Substitute systems may include case counts or other quantifiable measures of employee effort approved by ALTSA. These systems must meet acceptable statistical sampling standards and:

1. Must include all employees whose salary/wages and fringe benefits are to be allocated based on selected cost allocation methodology.
2. The entire time period involved must be covered by the sample.
3. The results must be statistically valid and applied to the period being sampled.
4. Cost Shifting – As stated in D. above, all costs must be allocated and borne by the appropriate award or cost objective. Costs allocable to a particular award or other cost objective may not be shifted to other funding or cost objectives to overcome funding deficiencies, or to avoid other restrictions imposed by law or grant award terms: however, costs may be shifted between like funding sources, when allowed by all funding sources involved, for example Title III B and SCSA. The shifting of costs must be properly documented.

Written Cost Allocation Plan

A written cost allocation plan is a narrative description of the procedures that the AAA will use in identifying, measuring, and allocating all of the AAA costs incurred in support of all programs it administers or supervises. The AAA is required to submit a written cost allocation plan to ALTSA on an annual basis. An update is required if the AAA would like to request a modification to a previously submitted plan. ALTSA will provide cost allocation instructions and a template for the required submission via a Management Bulletin (MB). The written cost allocation plan and the corresponding area plan budget for the subsequent calendar year are normally due October 1st of each year.

The written plan must contain the following:

* + - 1. A general description of the agency.
      2. A brief description of the federal cost principles and regulations to which the AAA must adhere.
      3. A detailed description of each funding source of the AAA and noting other funding sources that support shared costs with the AAA. At a minimum, each description should identify how funding deficiencies will be accounted for and list any restrictions that may apply.
      4. A description of each cost pool utilized by the AAA. At a minimum, each plan must include an administrative cost pool.
      5. A description of each cost objective of the AAA. The plan must identify all staff that are included in these cost objectives, the methodology used to allocate costs, the frequency of data collection, and the frequency with which the allocation system is updated. Also, a clear description is needed of how the allocated costs relate to each applicable funding source(s).
      6. A description of any additional distribution(s), as well as any information needed for the reader to have a complete understanding of the AAA’s allocation system and overhead operations.
      7. Other required supporting documents include, but are not limited to:

1. The AAA’s staffing plan, including a description of duties. \*
2. The AAA’s organization chart. \*
3. Supporting direct services worksheets. \*
4. Allocation worksheets or documents supporting the plan.
5. Personal activity reports or equivalent document for each staff type or group.
6. Time Study Documents.
7. Any other pertinent documents that will assist the reader’s understanding of the allocation system.
8. A signed Cost Allocation Plan Certification. A template will be provided in the Management Bulletin.

\* These are also area plan requirements.

### [SECTION VIII. Cost Sharing or Matching](#_Fiscal_Operations)

Various federal funds awarded to the AAA by ALTSA require the AAA to provide a specified percentage of matching funds. This section describes the criteria, procedures, and general rules governing this requirement per CFR 45 Part 75.306 and 42 CFR 433.51. Federal programs that have unique matching requirements and state program funding that may be used for match are discussed in the Program Specifics Section of this chapter.

A. The AAA’s matching share may consist of:

1. Non-federal grants or awards (on rare occasions federal statute allows costs borne by other federal grant agreements to meet cost sharing or matching requirements).
2. Cash contributions received from non-federal sources such as local and state governments or private sources.
3. Non-federal third party in-kind contributions such as:
   1. Donations of time
   2. Donations of goods, services, real or personal property
   3. Use of real or personal property
4. Match must be reported monthly by subcontractors to the AAA and by the AAA to ALTSA. ALTSA’s BARS Support Forms provide a section for reporting this information. ALTSA will monitor reported match monthly. If amounts appear to be insufficient, ALTSA may require the AAA to report on how they intend to meet the match requirements by the end of the contract period. If the AAA does not report sufficient match by the end of the related contract period, federal funding will be reduced proportionately to maintain the required match ratio.
5. In order for costs to be considered match, they must be allowable under the grant or award and be necessary and reasonable for proper and efficient accomplishment of the grant or award’s objectives.
6. Match must be identified and tracked in the AAA’s records and be identified in the budget documents submitted to ALTSA.
7. Match may be applied towards satisfying a matching requirement of a federal award only if it has not been used to meet match requirements of another federal grant agreement or award.
8. Additional criteria for third party in-kind contributions:
9. Must be applicable to the period to which the matching requirements apply.
10. If in-kind contributions would have been treated as an indirect cost if the AAA had paid for them, they must also be treated as if they were an indirect cost. Indirect costs must be allocated and only the applicable portion can be reported as match.
11. Must be verifiable in the records of the AAA’s subcontractors and must demonstrate how the value placed on in-kind contributions was derived.

Rules for determining these values are as follows:

1. Volunteer services must be an integral and necessary part of an approved project or program and valued at rates consistent with those paid for similar work in same labor market. A reasonable amount for fringe benefits may be included in the valuation.
2. Third-party organization may furnish the services of an employee. These services must be valued at the employee’s regular rate of pay plus an amount of fringe benefits that is reasonable, necessary, allocable, and otherwise allowable provided these services employ the same skill(s) for which the employee is normally paid. Refer to 2 CFR 200.306 (f) for details.
3. The value of donated equipment and supplies must not exceed the fair market value of items of the same age and condition at the time of donation.
4. Donated equipment or space in a building (when the owner retains title) must not exceed the fair rental rate of the equipment or space.
5. If a third party donates equipment, buildings, or land and the title passes to the AAA, the treatment of the donated property will depend upon the purpose of the grant. Refer to 45 CFR 75.306 (h) for details.

Program income may **not** be used to satisfy federal cost sharing or matching requirements. See Program income section of this chapter for more information.

At the end of each contract period, the AAA will be required to complete and submit a “Local Match Certification” form for all matching funds. ALTSA will provide this form in contracts and it can also be accessed at [http://ALTSAweb.dshs.wa.gov/aaa/BF/Billing/](http://adsaweb.dshs.wa.gov/aaa/BF/Billing/).

Example of Match Calculation:

**Components of Program Costs**

Federal Grant $$ Federal Grant % ?? %

+ Matching Share $$ Match Requirement ?? %

Total Program Cost $$ Total Program 100%

The required match amount is calculated by dividing the federal grant amount by the federal grant percentage (100% less required match percentage) which results in the total program cost. Subtract the federal grant amount from the total program cost to determine the matching share.

For example: A grant received in the amount of $100,000 has a 15% match requirement.

$100,000/.85 = $117,647 (.85 is calculated by taking 100% less 15% requirement)

$117,647 - $100,000 = $17,647 required match

Federal Grant $100,000 Federal Grant % 85 %

+ Matching Share $ 17,647 Match Requirement 15 %

Total Program Cost $117,647 Total Program Cost 100%

A common error when calculating required match is to multiply the required match percentage (15%) times the federal grant ($100,000), which would result in understated match requirements.

### [SECTION IX. Program Income](#_Fiscal_Operations)

Program income is gross income earned by the AAA or subcontractors that is directly generated by a grant-supported activity or earned only as a result of the grant agreement during the grant period. The AAA and subcontractors are encouraged to earn program income to defray program costs.

1. Program Income includes, but is not limited to:
2. Income from fees for services performed. In some instances, an established minimum fee is charged to persons receiving the service who are not eligible program participants. These fees are program income. The contractor is responsible for collection of the fees. It is unallowable to bill ALTSA for any uncollected fees.
3. Proceeds from the use or rental of real or personal property acquired with grant funds.
4. Proceeds from the sale of commodities or items fabricated under a grant agreement.
5. Program income does not include interest earned on grant funds, interest earned on DSHS Working Advance (Long-Term Payable Agreement), donations, proceeds from the sale of real estate or equipment, taxes, rebates, credits, discounts, refunds, etc. or interest earned on any of them.
6. Program income may not be used to satisfy federal cost sharing or matching requirements.
7. Program income must be:
8. Used prior to expending contract funds.
9. Accounted for properly within the service providers’ accounting records. (It is the AAA’s responsibility to ensure that program income is correctly recorded).
10. Expended only within the program in which it was earned and in accordance with that program’s objectives.
11. Reported monthly by the subcontractor to the AAA and by the AAA to ALTSA.
12. The AAA must establish appropriate procedures to safeguard and account for all program income.
13. While 45 CFR Part 75.307 describes three methods for applying program income, OAA regulations only allow the AAA to use the additive method. For this method, program income is added to the funds committed to the program and may not be used to satisfy federal cost sharing or matching requirements.

### [SECTION X. DSHS Working Capital Advance (Long-Term Payable Agreement)](#_Fiscal_Operations)

Washington State’s revised code RCW 39.34.150 allows state agencies to “advance funds to defray charges for materials to be furnished or services to be rendered by other state agencies.” Area Agencies on Aging are considered extensions of state government and are eligible for advances of state funds, commonly referred to as “advances.” The Department of Social and Health Services (DSHS) makes these advances available to improve the AAA’s cash flow so that entities providing goods and services supporting ALTSA programs may be paid promptly. The AAA may not use the DSHS Working Capital Advance or any ALTSA provided funds to advance working capital to its subcontractors per Washington State Constitution Article VIII, Section 5.

If the AAA elects to receive these funds and enter into a contract with DSHS, the AAA is required to:

1. Annually complete a Documentation of Funds Form (DFF) listing the previous year’s qualifying expenditures. The reporting period is based on a state fiscal year, July 1 through June 30. This information is used to calculate the maximum advance available to the AAA. A copy must also be submitted to ALTSA.
2. Annually enter into a Long-Term Payable contract with DSHS Financial Services Administration (FSA) for the advance. This is a separate contract from AAA contracts with ALTSA.
3. Record the funds received in the financial records as a liability (long term payable).
4. Only utilize these funds for the DSHS programs and/or services for which the funds were originally designated.
5. Ensure that interest earned from these funds is only utilized for the programs or services for which the funds were originally designated.
6. Be prepared to repay DSHS if the assessment of the DFF determines the amount of the current contract exceeds the amount warranted in the future period.

The amount of the advance is not automatically increased based on the results of the DFF. In order to be considered for an increase, the AAA must submit a formal written request, preferably on agency letterhead to the DSHS FSA. An electronic pdf is acceptable. A copy of this request must also be sent to ALTSA.

### [SECTION XI. Invoicing](#_Fiscal_Operations)

The AAA’s billings to ALTSA must be submitted on a monthly basis using ALTSA’s standardized billing forms - BARS Support Forms. These forms can be accessed at [http://ALTSAweb.dshs.wa.gov/aaa/BF/Billing/](http://adsaweb.dshs.wa.gov/aaa/BF/Billing/). ALTSA informs the AAA when billing forms have been updated; however, it is recommended that this site be checked periodically to ensure the most current billing forms are being used.

1. The BARS Support Forms require the following information:
   1. Name of the AAA
   2. DSHS contract number
   3. Reporting period
   4. Current and year-to-date billing amounts reported by line item
   5. Source and amount of match, both current and year-to-date, as applicable
   6. Current budget amounts by line item
   7. Contract balance by line item
   8. Program income, if applicable
   9. Date and name of the preparer and the signature of an authorized signatory. 45 CFR 200.415 requires invoices to be signed by an official who is authorized to legally bind the entity. Note: When BARS Support Forms are submitted electronically, an ALTSA’s Signature Page for Electronic BARS Submission form must include the name of the preparer and the signature of an authorized signatory. This is discussed later in the section.
2. Amounts to be reimbursed by ALTSA may only include expenditures in which cash has been disbursed. All billings are on a cost reimbursement basis unless otherwise stated in the contract, for example, Case Management/Nursing Services – Core Services is billed at a unit rate.

1. Monthly billings must be received 30 days after the end of the month in which costs were incurred. If this deadline cannot be met, the AAA must contact its -ALTSA fiscal analyst to request an extension.
2. BARS Support Forms may be submitted in paper copy or electronically. All paper copies must identify the preparer and be signed by an authorized signatory. If the billing BARS Support Forms are sent electronically and are unsigned, the AAA must fax, scan, or mail a signed copy of ALTSA’s Signature Page for Electronic BARS Submission form. This form can be accessed at [http://ALTSAweb.dshs.wa.gov/aaa/BF/Billing/](http://adsaweb.dshs.wa.gov/aaa/BF/Billing/).

1. BARS Support Forms must include required supporting documentation, if applicable. Supporting documentation must be submitted in the format prescribed by ALTSA.
2. In extenuating situations and with permission from ALTSA, a AAA may submit BARS Support Forms containing charges for more than one month. In these situations, the AAA must include supporting documentation itemizing the charges by month, if amounts are material.
3. A “Supplemental” billing may be submitted if the original monthly BARS Support Form submitted to ALTSA did not include all charges for services provided. The AAA must identify a supplemental billing by typing the word “Supplemental” next to the date entered on the reporting period line. An explanation must accompany or be noted on the billing form as to why the supplemental billing is being submitted.

Supplemental billings will only include the adjustment for the month. The adjustment must be incorporated into the current month year-to-date (YTD) figures to arrive at the corrected YTD amounts. These corrected YTD amounts are then used when preparing the subsequent month’s billing.

1. A “Revised” billing is submitted when the original BARS Support Form contains an error which requires that the BARS Support Form be resubmitted in its entirety, but has not yet been processed by ALTSA. The AAA must identify the revised billing by typing the word “Revised” next to the date entered on the reporting period line. If the original, erroneous billing has been processed by ALTSA, then a Supplemental billing is required instead of a “Revised” billing.
2. Total YTD expenditures can never exceed the contract budget amount. Generally, the AAA is allowed to overspend on service line items up to an aggregate of 10 percent of the program’s contracted budget without requiring a contract amendment. A number of limitations may apply, such as program restrictions, lids, etc. These exceptions are discussed in more detail in the Program Specifics Section of this chapter.

For example: The AAA has the following YTD expenditures, contract budget and remaining contract balances.

|  |  |  |  |
| --- | --- | --- | --- |
| Line item | YTD Expenditures | AAA Contract Budget | Remaining Contract Balance |
| Admin | $ 2,000 | $ 2,000 | $ 0 |
| Service #1 | $ 7,000 | $ 9,500 | $ 2,500 |
| Service #2 | $ 8,000 | $ 6,500 | ($ 1,500) |
| Service #3 | $ 9,000 | $ 8,000 | ($ 1,000) |
|  |  |  |  |
| TOTAL | **$ 26,000** | **$ 26,000** | **$ 0** |
|  |  |  |  |

The AAA is not required to amend the contract because the aggregate over expenditure of $2,500 ($1,500 + $1,000) is less than 10% of the AAA Contract Budget ($26,000 times 10% = $2,600). Notice that the over expenditures of ($1,500) and ($1,000) on Service Lines #2 and #3 respectively, were offset by an under expenditure of $2,500 on Service line #1. This was necessary because the total YTD Expenditures of $26,000 cannot exceed the total AAA Contact Budget of $26,000. This example assumes no program restrictions or lids were exceeded.

1. If the AAA determines that unallowable costs have been claimed and reimbursed, those funds must be returned to ALTSA and reimbursed to the state and federal program(s) that were charged. Contact the AAA fiscal analyst to determine which of the following methods will be used:
   1. A cash refund
   2. Offset a subsequent billing
   3. Submit a Supplemental BARS Support Form (to credit the amount previously charged)

Examples of unallowable costs are: alcoholic beverages, bad debts, fines and penalties.

1. Final invoices are due 45 calendar days after the end of contract period. If this deadline cannot be met, the AAA must contact its ALTSA fiscal analyst and request an extension. The AAA must identify a final billing by typing the word “Final” next to the date entered on the reporting period line.

### [SECTION XII. Audits and Fiscal Monitoring](#_Fiscal_Operations)

Subrecipient and Contractor Determination

A non-federal entity may concurrently receive federal awards as a recipient, a subrecipient, and a contractor, depending on the substance of its agreements with federal awarding agencies and pass-through entities. A subrecipient is a non-federal entity that expends federal awards received from a pass-through entity to carry out a federal program, but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency. For purposes of this chapter, a subrecipient may also be a non-federal entity that expends state awards received to carry out a state program.

The following criteria can be used as a guide to determine if an association between a pass-through entity and a subcontractor is a subrecipient or a contractor relationship. Only general characteristics are listed, and not all of the characteristics listed are required to make the determination. Professional judgment should be used.

|  |  |
| --- | --- |
| **Subrecipient** | **Contractor** |
| Determines who is eligible to receive what federal or state assistance | Provides the goods and services within normal business operations |
| Performance measured against program objectives | Provides similar goods or services to many different purchasers |
| Has responsibility for making programmatic decisions | Normally operates in a competitive environment |
| Responsible for adhering to federal or state program compliance requirements | Is generally not subject to compliance requirements of the federal or state program |
| Uses federal or state funds to carry out a program for a public purpose | Provides goods or services that are ancillary to the operation of the federal or state program |

**Funding Streams**

State Government

Federal Government

ALTSA

(Pass-Through Entity)

AAA

(Subrecipient)

(Pass-Through Entity)

Contractor

Subrecipient

Provider

(Vendor) see Chapter 6

**Audit Requirements**

Recipients of Federal Awards

An annual audit is required for the AAA and other subrecipients who expend $750,000 or more in the entity’s fiscal year in federal awards. (This threshold is subject to change. Consult current 45 CFR 75.501(a) for the current threshold amount.) A single audit must be conducted unless the entity makes an election to have a program-specific audit conducted. A subrecipient may qualify for this election if it expends federal awards under only one federal program and that federal program’s statutes, regulations, or the terms and conditions of the federal awards do not require a financial statement audit. The AAA does not qualify for this election because it receives multiple federal funds. Refer to 45 CFR 75 Subpart F for single audit and program-specific audit provisions.

CFR 45 CFR 75.502(i) states that Medicaid payments to a provider for providing patient care services to Medicaid-eligible individuals are not considered federal awards expended. For the AAA, this means that the payment for in-home services for Medicaid clients should not be included as federal awards in determining if the audit threshold has been reached and should not be included on the Schedule of Expenditures of Federal Awards.

If a subcontractor is a for-profit organization, it may be a subrecipient, but it will not fall under the 45 CFR 75 Subpart F requirements for a federal single or program-specific audit. In this case, the AAA is responsible for establishing requirements, as necessary, to ensure compliance by for-profit subrecipients. The agreement with the for-profit subrecipient must describe applicable compliance requirements and the for-profit subrecipient’s compliance responsibility. Methods to ensure compliance may include pre-award audits, monitoring during the agreement (see Fiscal Monitoring discussed later in this Section), and post-award audits.

Home Care Agencies

A home care agency is required to have an annual independent audit or review of its financial statements.

Additional Requirement for Agency Worker Health Insurance (AWHI) -

The home care agencies receive a vendor rate for client services. This vendor rate includes a designated portion which must be used solely to purchase health benefits for eligible workers directly providing in-home care services to publicly funded consumers. At least annually, a home care agency is required by ALTSA to substantiate that the amount of funds received from the unit rate for health insurance was used to provide health insurance by providing to both ALTSA and the AAA:

* A Notice of Good Standing from SEIU Healthcare NW Health Benefits (Trust), or
* An independent review or audit that determines whether the full amount paid to a home care agency for AWHI has been paid out for agency worker health benefits. This verification may be included in the agency’s annual financial statement audit or could be done via an Agreed-Upon Procedures Engagement report.
* The annual independent review or audit must be accompanied by ALTSA’s Reimbursement Calculation Form and Instructions for Agency Worker’s Health Insurance (AWHI). Home care agencies must reimburse ALTSA for any AWHI funds identified as not having been used for agency worker health benefits within 30 days of completion of the independent review or audit. ALTSA will notify AAAs when an AWHI reimbursement is received.
* If the AAA receives a Reimbursement Calculation Form showing that an amount is owed to ALTSA, but is not notified by ALTSA that reimbursement has been received by the 30 day deadline, the AAA will inform ALTSA that the home care agency owes an amount to ALTSA.

**Audit Guide**

|  |  |
| --- | --- |
| **Type of Entity** | **Audit Requirements** |
| Nonprofit subrecipient expends $750,000 or more in federal awards | Single audit or program specific audit required |
| Nonprofit subrecipient expends less than $750,000 in federal awards | Exempt from single audit or program specific audit requirements but may have other contractual requirements for an audit |
| For-profit organization subrecipient | Exempt from single audit requirements but may have other contractual requirements for an audit |
| Home Care Agency | Annual audit (potentially a single audit) or review of financial statements required |
|  | |

**AAA Audit Requirements as a Subrecipient**

In the relationship between ALTSA and the AAA, the AAA is considered a subrecipient. AAA audit requirements are listed below.

1. AAAs who are a division of a county or other governmental entity shall have an audit conducted by the WA State Auditor’s office. AAAs who areIndian Tribal Governmentsor are nota division of a county or other governmental entity will be audited by a certified public accounting (CPA) firm. The audits must conform to appropriate federal, state, and departmental requirements. Guidelines on auditor selection can be found in 45 CFR 75.509.
2. The AAA must comply with all requirements listed in Section IV Financial Accountability of this chapter.
3. The audit shall be completed and the information described in 45 CFR 75.512 shall be submitted to ALTSA’s fiscal office (tribal governments only) and the federal clearinghouse within the earlier of 30 days after receipt of the auditor’s report or nine months after the end of the audit period. Audits completed by a CPA firm must be provided to ALTSA within this time frame. Audits completed by the WA State Auditor’s Office are available online. Therefore, the AAA does not need to provide them to ALTSA.
4. The AAA will provide ALTSA with copies of any management letters or exit items resulting from the audit.
5. The AAA will notify ALTSA of any findings and questioned or disallowed costs pertaining to the AAA which arise from an audit.
6. ALTSA must issue a Management Letter, within six months of the finding, and require a Corrective Action Plan (CAP) for any AAA audit findings related to programs funded by ALTSA.
7. The AAA will be responsible for resolving all findings pertaining to the AAA in a manner which will satisfy federal, state, or ALTSA regulations and policies.
8. The AAA will develop a corrective action plan and will take the necessary steps outlined in the plan and work with ALTSA to resolve issues as rapidly as possible. An updated corrective action plan will be submitted to ALTSA on a monthly basis until all issues are resolved.
9. The AAA will retain copies of the audit reports and corrective action plans for six years from the latter of the date of submission to the federal clearinghouse or to ALTSA, or corrective action plan completion.

**AAA Requirements as a Pass-through Entity**

The AAA’s responsibilities as a pass-through entity of state and federal awards include:

1. Ensuring that every federal subaward is clearly identified to the subrecipient as a subaward and includes the required information in 45 CFR 75.352(a). If any data elements change, the changes should be noted in a subsequent award modification. If some information is unavailable, the pass-through entity must provide the best information available to describe the federal award and subaward.
2. Advising subrecipients of the requirements imposed on them by federal and state statutes, regulations, and the terms and conditions of the award(s), as well as any supplemental requirements imposed by the AAA or ALTSA.
3. Requiring each subrecipient to permit the AAA and its auditors to have access to its records and financial statements.
4. Monitoring the activities of subrecipients as necessary to ensure that federal and state awards are used for authorized purposes in compliance with statutes, regulations, and the terms and conditions of contract or grant agreements. Subsequent sections of this chapter discuss responsibilities for pass-through entities with regard to fiscal monitoring. Chapter 6 Section VII of this manual discusses responsibilities for pass-through entities with regard to program monitoring.
5. Ensuring that subrecipients expending $750,000 (or current threshold) or more in federal awards during the subrecipient’s fiscal year have met the single audit or program-specific audit requirements for that fiscal year.
6. Issuing a management decision on audit findings within six months after receipt of the subrecipient’s audit report.
7. Requiring the subrecipient to develop a corrective action plan ensuring that the subrecipient takes appropriate and timely corrective action. Notifying ALTSA of findings and the steps to be taken to satisfactorily resolve the issues.
8. Considering whether subrecipient’s audit necessitates an adjustment of the AAA’s own records and notifying ALTSA if this is the case.
9. If questioned costs are included, ensuring those costs are returned to ALTSA in a timely manner. The process for returning these funds will be determined on a case by case basis.
10. Establishing a tracking system to ensure timely submission of their subrecipients’ required reporting, such as: financial reports, performance reports and audit reports, as well as the AAA’s monitoring of subrecipients, and timely resolution of audit findings.
11. Keeping subrecipients' audits on file for six years from date of receipt.

**Fiscal Monitoring**

This section applies to both the fiscal monitoring of the AAA by ALTSA, as well as the fiscal monitoring conducted by the AAA of its receiving entities. Program monitoring is addressed in Chapter 6 of this manual.

Monitoring is the processes and procedures undertaken by a pass-through or other entities, as necessary, to ensure that subrecipients, contractors, and vendors are complying with applicable statutes, regulations, or the terms and conditions of contract or grant agreement provisions, and that performance goals are being achieved. As part of ensuring legal requirements are met, it also includes processes and procedures to verify that applicable audit requirements are satisfied and audit findings are reviewed for timely corrective action.

1. Written monitoring policies and procedures must be established. These policies must meet all relevant laws and standards described in this chapter as well as described in Chapter 6 of this manual. Best practices include collaboration between fiscal and program staff to assess risk and monitor receiving entities where possible.
2. A financial risk assessment must be completed annually for all receiving entities.
3. All receiving entities require some form of annual monitoring. One of the criteria in determining the type of monitoring required is the determined level of risk resulting from a risk assessment. The following are examples of risk criteria that may affect the nature, timing and extent of monitoring:
4. Frequency of independent financial audits or reviews.
5. Length of time that has elapsed since last on-site monitoring occurred.
6. New or substantially changed systems or policies.
7. A history of non-compliance, litigation, prior audit findings, or corrective actions.
8. Response times and accuracy of submitted budget, reports, billings, and other contract deliverables.
9. Whether indirect costs are allocated and charged to the program.
10. Type and number of contracts.
11. Dollar amount of contract(s) or a large percentage of the entity’s funding is provided through AAA contracts.
12. Internal control structure of the receiving entity.
13. Recent turnover of key staff, new personnel or abnormal frequency of personnel turnover.
14. Length of time as a recipient of federal or state awards.
15. Complexity of the program or major policy changes regarding program or service.
16. Experience, competency and length of time in business.
17. Significant expansion or decline in services.
18. High profile entity or negative press in the past two years.

A sample risk assessment worksheet attached to DSHS Administrative Policy 19.50.30 can be accessed at: <http://one.dshs.wa.lcl/Policies/Administrative/DSHS-AP-19-50-30-A.pdf>

1. An annual monitoring schedule must be created based upon the results of the risk assessment.
2. The results of the risk assessment will determine the type of monitoring that must occur. Entities may be monitored in the following ways:
3. On-site comprehensive review to examine financial and programmatic records and observe operations (high risk).
4. A focused review which entails regular focused contact with entities and appropriate inquiries concerning financial activities (medium risk).
5. A desk review of the entity’s financial and performance reports submitted (low risk).
6. An agreed-upon procedure engagement for certain aspects of entity activities. The entity performing the monitoring determines the procedures to be used and compliance areas to be tested, which enables them to target areas of greatest risk. The cost of the agreed-upon procedure engagement is an allowable cost if the agreed-upon procedures are performed for entities below the single audit threshold for audit, conducted in accordance with Generally Accepted Government Auditing Standards, paid for and arranged by the pass-through entity, and are limited to the following types of compliance requirements: activities allowed or unallowed; allowable costs/cost principles; eligibility; and reporting. See 45 CFR 75.425.
7. On-site Comprehensive Review – If risk level is determined to be high, an on-site review is required. The following items 1-5, if applicable, must be reviewed and documented in the on-site comprehensive review: Items 6-18, may be included as appropriate. If included, items must be documented.
8. Entity’s invoices and supporting documentation.
9. Entity’s program/service and financial reports and records.
10. Entity’s audit report or financial report and follow up to ensure all appropriate corrective action has been taken.
11. Follow-up on identified problems from previous visits, corrective action plans, audit findings, or through any other means ensuring appropriate action has been taken.
12. Entity’s indirect rate certification, if applicable.
13. Entity’s compliance with contract terms and conditions
14. Discussions about the entity’s problems or challenges.
15. Interview of staff to determine whether they are familiar with the program(s).
16. Review of, and compliance with, the entity’s policies and procedures governing service delivery and financial processes.
17. Review of, and compliance with, the entity’s monitoring policies and procedures.
18. Review of any independent limited scope program audits.
19. Verification of performance from outside sources.
20. Review of the entity’s self-risk assessment survey.
21. Review of internal controls.
22. Review of billing and payment practices.
23. Review of allocation of costs.
24. Review of timesheets or activity reports.

A sample monitoring tool attached to DSHS Administrative Policy 19.50.30 Attachment D can be accessed at: <http://one.dshs.wa.lcl/Policies/Administrative/DSHS-AP-19-50-30-D.pdf>

1. Focused Review – If risk is determined to be at a medium level, a focused review must be done. A focused review must include, if applicable, items 1-5 listed in the On-site Compressive Review section above and may include any of the other items listed. In addition, a focused review must include a review of the risk assessment elements that triggered a medium risk.
2. Desk Review – If risk is determined to be at a low level a desk review is sufficient. A desk review must include, if applicable, items 1 – 5 listed in the On-site Comprehensive Review section above.
3. All monitoring processes must be well documented and if applicable, must include corrective action procedures that will be used to follow-up on deficiencies. AAAs must notify ALTSA if it determines that corrective action necessitates an adjustment of the AAA’s own records or if funds must be returned.
4. Monitoring documentation must be kept for a total of six years. The documentation must be kept on-site for a minimum of two years.

**Home Care Agency Fiscal Monitoring**

Fiscal monitoring of home care agencies is addressed in the annual Management Bulletin discussed in Other Entities at the beginning of Section XII. A fiscal monitoring tool is typically provided in that bulletin.

### [SECTION XIII. Equipment](#_Fiscal_Operations)

Equipment Purchases

The following requirements apply to equipment purchase requests by the AAA (approved by ALTSA) or the AAA subcontractor (approved by the AAA).

1. Equipment is tangible personal property (including information technology systems) having a useful life of more than one year and an acquisition cost of $5,000 (subject to change) or more per unit. Acquisition costs are all costs necessary to make the property usable for the purpose for which it is acquired. This includes, but is not limited to:
2. Net invoice price of the equipment
3. Cost of modifications
4. Any attachments or accessories
5. If equipment has an acquisition cost of less than $5,000 no action is required.
6. If equipment has an acquisition cost of more than $5,000 the AAA must submit a written request to ALTSA to purchase equipment if the item has:
7. An acquisition cost of $5,000 or more and will be funded by one federal funding source.
8. An acquisition cost of $5,000 or more and will be funded by two or more federal funding sources and at least one of those sources will pay $5,000 or more.

Note: The separate parts of the Older Americans Act are considered separate funding sources. For example Title III C1 and C2 would be considered two separate funding sources.

1. The equipment request must:
2. Describe the equipment
3. Provide a clear demonstration of the need for the equipment
4. Document the alternatives explored
5. Include the total acquisition costs of the equipment
6. Include the funding source(s) the AAA intends to charge
7. Include any other pertinent information that will help ALTSA make a determination

Note: The AAA must be able to provide evidence that approval by ALTSA was granted prior to incurring cost.

1. The AAA is encouraged to use excess and surplus property in-lieu-of purchasing new equipment and property whenever such use is feasible and reduces costs.
2. To offset the cost of replacement property, the AAA may use the equipment to be replaced as a trade-in or sell the property and use the proceeds. This may be subject to ALTSA’s approval.

Recording Keeping and Maintenance of Equipment:

1. Asset records must be maintained that include a description of the item, a serial number or other unique identifier, the acquisition date, the cost, the location or the person in possession, use and condition of the property, the disposal date, and other pertinent information. This is recommended for small and attractive items as well.
2. The AAA must maintain records that identify the federal funding source and the percentage of federal participation in the cost of the equipment purchased with federal funds.
3. A physical inventory of the equipment must be taken and the results reconciled with the asset records at least once every two years.
4. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
5. Adequate maintenance procedures must be developed to keep the property in good condition.

Disposition of equipment:

1. When equipment acquired with funding received from ALTSA is no longer needed for the original project or program or for other activities currently or previously supported by ALTSA and/or the AAA, disposition of the equipment will be made as follows:
2. For equipment with a current per-unit fair market value (FMV) of less than $5,000, the AAA may retain, sell or otherwise dispose of the item with no further financial obligation to ALTSA. Refer to the rules regarding the disposition of equipment beginning with B, below.
3. For equipment with a current per-unit FMV of $5,000 or more, the AAA must request disposition instructions from ALTSA.
4. If the equipment is sold, the AAA must ensure the highest possible return.
5. Equipment may be subgranted to a subrecipient for use in a federally sponsored program, disposed of on a competitive basis, or given to official surplus programs.
6. Equipment may not be loaned or given directly to any individual, association, company or corporation, as this would be considered a gift of public funds.
7. If the disposed of equipment was purchased from an identifiable federal funding source(s) the proceeds must go back into the program(s), if it still exists. Per the Program Income Section, these proceeds are not considered program income.
8. Inventory records must be retained for six years after final disposition.

EQUIPMENT PURCHASES

YES

No action is required

Asset cost less than $5,000?

NO

Written request to ALTSA, permission must be obtained prior to purchase.

$5,000 or more being charged to one federal funding source

YES

NO

No Action is required

### [SECTION XIV. Commonly Used Acronyms](#_Fiscal_Operations)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Acronym |  |  | Acronym |  |
| AAA | Area Agency on Aging |  | IP | Individual Provider |
| ACD | Agency Contracts Database |  | KCSP | Kinship Caregiver Support Program |
| ACL | Administration for Community Living |  | LTC | Long-Term Care |
| ADC | Adult Day Care |  | LTCO | Long-Term Care Ombudsman |
| ADH | Adult Day Health |  | LTSS | Long-Term Services & Supports |
| ADRC | Aging & Disability Resource Center |  | MAC | Medicaid Administrative Claiming |
| ALTSA | Aging and Long-Term Support Administration |  | MAC | Medicaid Alternative Care |
| AoA | Administration on Aging |  | MB | Management Bulletin |
| AP | Agency Provider |  | MER | Medicaid Eligibility Rate |
| AWHI | Agency Worker’s Health Insurance |  | MOE | Maintenance of Effort |
| BARS | Budgeting, Accounting, & Reporting System |  | MOS | Month of Service |
| BHO | Behavioral Health Organization formerly Regional Support Network (RSN) |  | MPC | Medicaid Personal Care |
| CAP | Corrective Action Plan |  | MSD | Management Services Division |
| CAP | Cost Allocation Plan |  | MTP | Medicaid Transformation Project (1115 Waiver) |
| CARE | Comprehensive Assessment, Reporting and Evaluation |  | NFCSP | National Family Caregiver Support Program |
| CFC | Community First Choice |  | NSIP | Nutrition Services Incentive Program |
| CFDA | Catalog of Federal Domestic Assistance |  | OAA | Older Americans Act |
| CFR | Code of Federal Regulations |  | OAS | Office of Accounting Services |
| CGT | Caregiver Training |  | OMB | Office of Management and Budget (federal) |
| CM/NS | Case Management/Nursing Services |  | P1 | ProviderOne (payment system) |
| CMS | Centers for Medicare & Medicaid Services (federal) |  | PAR | Personnel Activity Report |
| COG | Council of Governments |  | PSA | Planning & Service Area |
| COPES | Community Options Program Entry System |  | PY | Program Year |
| CSCM | Core Services Contract Management |  | RCL | Roads to Community Living |
| CY | Calendar Year (January – December) |  | RCS | Residential Care Services |
| DDA | Developmental Disabilities Administration |  | RCW | Revised Code of Washington |
| DFF | Documentation of Funds Form |  | RFP | Request for Proposals |
| Acronym |  |  | Acronym |  |
| DOH | Department of Health |  | RFQ | Request for Qualifications |
| DSHS | Department of Social & Health Services |  | RN | Registered Nurse |
| F&A | Facilities & Administration |  | SCSA | Senior Citizens Services Act |
| FAIN | Federal Award Identification Number |  | SCSEP | Senior Community Service Employment Program (Title V) |
| FFP | Federal Financial Participation |  | SEFA | Schedule of Expenditures of Federal Awards |
| FFY | Federal Fiscal Year (October – September) |  | SFCSP | State Family Caregiver Support Program |
| FMAP | Federal Medical Assistance Percentage |  | SFMNP | Senior Farmers’ Market Nutrition Program |
| FTE | Full-Time Equivalent |  | SFY | State Fiscal Year (July – June) |
| GAAP | Generally Accepted Accounting Principles |  | SOW | Statement of Work |
| HCA | Home Care Agency |  | SSPS | Social Services Payment System (payment system prior to ProviderOne |
| HCBS waivers | Home & Community Based Services Waiver |  | TSOA | Tailored Supports for Older Adults |
| HCS | Home & Community Services |  | SUA | State Unit on Aging |
| HHS | US. Dept. of Health and Human Services (federal) |  | TXIX | Title XIX of the Social Security Act – Medical Assistance Programs |
| I&A | Information and Assistance |  | USDA | United States Department of Agriculture |
| IEP | Individual Employment Plan |  | WAC | Washington Administrative Code |
| IPOne | Individual Provider (payment system) |  |  |  |

# 

# Program Specifics

This section provides information about specific programs that the AAA may participate in and receive funding for.

### [THE OLDER AMERICANS ACT (OAA)](#_Fiscal_Operations)

The AAA receives the following OAA program funding from DSHS:

Title III Part B Supportive Services

Title III Part C1 Congregate Nutrition Services

Title III Part C2 Home Delivered Nutrition Services

Title III Part D Disease Prevention and Health Promotion Services

Title III Part E National Family Caregiver Support Program (NFCSP)

Title VII Elder Abuse Prevention

NSIP Nutritional Services Incentive Program (NSIP)

These programs are sectioned into eight categories which are:

Administration

Coordination

Legal Assistance

Access Services

In-Home Services

Nutrition Services

Social & Health Services

Other Activities

Not all programs allow services in each category. For example Title III C1 and C2 only allow expenditures in the Administration and Nutrition categories.

Each program will be discussed individually but the following rules apply across multiple programs.

Administration Lids:

Administrative costs are allowed in Title III B, C1, C2, and E up to a combined maximum (lid) of 10%. The maximum is calculated by taking 10% of the total expenditures for Title III B, C1, C2, D and E. While Title III D does not allow administration charges, the Title III D funding is included in the calculation of the allowable 10% that will be charged to Title III B, C1, C2 and E administration.

The administrative costs may be distributed between the four parts (Title III B, C1, C2 and E) that allow administration, in any proportion as long as the combined 10% is not exceeded. The exception is Title III E, which is limited to a maximum of 10% for administration of Title III E funding.

Coordination Expenditures:

If the AAA has Title III B expenditures for coordination, federal regulations dictate that the total expenditures for administration must be exactly 10% of the total overall expenditures.

For billings, this rule is periodically reviewed for compliance, but it is not enforced until the OAA final billings are received. Consequently, the AAA may bill for coordination expenditures throughout the contract period without having to meet the 10% administration requirement every month.

Below is an example of the final billing calculation:

Total Expenditures Total Administration and

Coordination expenditures

Title III B $100,000 Title III B \* $ 15,000

Title III C1 $ 50,000 Title III C1 $ 4,500

Title III C2 $ 50,000 Title III C2 $ 5,500

Title III D $ 10,000 Title III D \*\* $ 0

Title III E $ 40,000 Title III E \*\*\* $ 4,000

Total Expenditure $250,000 Total Expenditure $ 29,000

\* Title III B Administration plus Title III B Coordination expenditures

\*\* Title III D does not allow administration expenditures

\*\*\* Title III E has a separate administration lid of 10%

The total allowable administration is $25,000 (10% of the $250,000 total expenditures)

* If the AAA does not have coordination expenditures it must determine another allowable funding source for the excess $4,000 of administration expenditures ($29,000 total less $25,000 allowed)
* If the AAA does have coordination expenditures it must charge $4,000 of those expenditures to coordination ($29,000 total less $25,000 allowed)

Below is an example of the breakout if the AAA has coordination expenditures:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Total Expenditures | | Total Coordination Expenditures | | Total Admin Expenditures | |
| Title III B | $ 100,000 | Title III B Coordination | **$ 4,000** | Title III B Admin | **$ 11,000** |
| Title III C1 | $ 50,000 |  |  | Title III C1 | $ 4,500 |
| Title III C2 | $ 50,000 |  |  | Title III C2 | $ 5,500 |
| Title III D | $ 10,000 |  |  | Title III D | $ 0 |
| Title III E | $ 40,000 |  |  | Title III E | $ 4,000 |
|  |  |  |  |  |  |
| Total |  | Total |  | Total |  |
| Expenditure | $ 250,000 | Coordination | $ 4,000 | Expenditure | $ 25,000 |

Transfers Between OAA Funding Sources

In order to meet program objectives, the AAA may request to transfer funding between Title III B, C1 and C2. A Transfer Justification Sheet provided in the OAA budget workbook must be completed for a transfer to be considered. The AAA must provide the amount, purpose, need and impact of the transfer on the provision of service. This request is usually made when the AAA submits an initial line item budget, but requests can be made throughout the first eight to ten months of the contract if time allows for the request, with the approval and amendment processed before the end of the federal fiscal year.

The OAA dictates the limitations for these transfers which are currently as follows:

* Transfer from Title III B to Titles III C1 and C2 cannot exceed 30% of the total Title III B new funding
* Transfer from Titles III C1 and C2 to Title III B cannot exceed 30% of the total Titles III C1 and C2 new funding
* Transfer from Title III C1 to C2 cannot exceed 40% of the Title III C1 new funding
* Transfer from Title III C2 to C1 cannot exceed 40% of the Title III C2 new funding

### [Title III Part B Supportive Services](#_Fiscal_Operations)

General Information

The primary purpose of Title III B is to encourage the AAA to concentrate resources to develop and implement comprehensive and coordinated community-based systems of service for older individuals via area planning and provision of supportive services. The objective of these services is to maximize the informal support provided to older individuals to enable them to remain in their homes and communities. This funding provides services such as outreach, information & assistance, transportation, in-home services and elder rights services, to ensure that older adults receive the services they need to remain independent.

Contract Information

Older Americans Act

21 month period: January – September (excluding Yakama); 24 month period: October – September (Yakama only)

Cost reimbursement

Line item budget required

Program Specifics

*Administration:*

.11 Area Agency Planning/Administration

.12 Interfund Payments for Services

See the Administration Lids and Coordination Expenditures under Older Americans Act Section above.

*Services:*

Title III B funding provides a wide range of services allowing at least one service option in each of the eight categories listed at the beginning of the Older Americans Act Section of this chapter.

Service restriction and requirements include:

* Coordination – see the Administration Lids and Coordination Expenditures under Older Americans Act Section above.
* Legal services – a minimum of 11% of Title III B funding must be budgeted in the Legal Services category. This may be calculated before or after Title IIIB, C1, and C2 transfers.
* Access services – a minimum of 15% of Title III B funding must be budgeted in the Access Services category, i.e., transportation, information and assistance, etc.
* In-home services – a minimum of 1% of Title III B funding must be budgeted in the In-home Services category, i.e., home health, adult day care, visiting & telephone reassurance, etc.
* Long Term Care Ombudsman – each AAA is required to meet or exceed its 2019 Title III B spending level for ombudsman services. This figure is provided on the annual OAA allotment worksheet.

Billing

The AAA will bill ALTSA monthly, but not more frequently, using the OAA BARS Support Form.

Funding Source

Federal

CFDA 93.044

Older Americans Act

Match

OAA regulations require the following minimum non-federal match percentages:

Administration - 25%

Services - 15%

Program Income

Must be reported – see Program Income Section of this chapter

Distribution Methodology

Intrastate Funding Formula

Guidelines and Regulations

Older Americans Act

45 CFR Part 75

### [Title III Part C1 Congregate Nutrition Services](#_Fiscal_Operations)

General Information

The primary purpose of Title III C1 is to provide nutritious meals in a congregate setting, nutrition education and other appropriate nutrition services for older individuals in order to promote and maintain health, independence, socialization and quality of life.

Contract Information

Older Americans Act

21 month period: January – September (excluding Yakama); 24 month period: October – September (Yakama only)

Cost reimbursement

Line item budget required

Program Specifics

*Administration:*

.11 Area Agency Planning/Administration

.12 Interfund Payments for Services

See the Administration Lids under Older Americans Act Section above.

*Services:*

.61 Congregate Meals

.63 Nutrition Education & Outreach

.65 Shopping Assistance

.66 Registered Dietician

Billing

The AAA will bill ALTSA monthly, but not more frequently, using the OAA BARS Support Form.

Funding Source

Federal

CFDA 93.045

Older Americans Act

Match

OAA regulations require the following minimum non-federal match percentages:

Administration - 25%

Services - 15%

Program Income

Must be reported – see Program Income Section of this chapter

Distribution Methodology

Intrastate Funding Formula

Guidelines and Regulations

Older Americans Act

45 CFR Part 75

### [Title III Part C2 Home Delivered Nutrition Services](#_Fiscal_Operations)

General Information

The primary purpose of Title III C2 is to provide nutritious home delivered meals to qualified individuals, as well as providing, nutrition education, nutrition counseling and other nutrition services based on the needs of the meal recipient in order to maintain health, independence and quality of life.

Contract Information

Older Americans Act

21 month period: January – September (excluding Yakama); 24 month period: October – September (Yakama only)

Cost reimbursement

Line item budget required

Program Specifics

*Administration:*

.11 Area Agency Planning/Administration

.12 Interfund Payments for Services

See the Administration Lids under Older Americans Act Section above.

*Services:*

.63 Nutrition Education & Outreach

.64 Home Delivered Meals

.65 Shopping Assistance

.66 Registered Dietician

Billing

The AAA will bill ALTSA monthly, but not more frequently, using the OAA BARS Support Form.

Funding Source

Federal

CFDA 93.045

Older Americans Act

Match

OAA regulations require the following minimum non-federal match percentages:

Administration - 25%

Services - 15%

Program Income

Must be reported – see Program Income Section of this chapter

Distribution Methodology

Intrastate Funding Formula

Guidelines and Regulations

Older Americans Act

45 CFR Part 75

### [Title III Part D Disease Prevention and Health Promotions Services](#_Fiscal_Operations)

General Information

The primary purpose of Title III D is to support healthy lifestyles and promote healthy behaviors through evidence-based disease prevention and health promotion programs which reduce the need for more costly interventions. Priority is given to serving elders living in medically underserved areas of the state or who are of greatest economic need.

Contract Information

Older Americans Act

21 month period: January – September (excluding Yakama); 24 month period: October – September (Yakama only)

Cost reimbursement

Line item budget required

Program Specifics

*Administration:*

Not allowed

*Services:*

.54 Health Maintenance

.63Nutrition Education & Outreach

.66 Registered Dietician

.72 Geriatric Health Screening

.73 Medication Management

.75 Disease Prevention/Health Promotion

.77 Mental Health Services

.84 Health Appliance/Limited Health Care

.89 Newsletters

.90 Other, i.e., Foot Care, Peer Counseling

Title III D funds may only be used for programs and activities which meet the Administration for Community Living (ACL) evidence-based requirements. Information regarding these requirements is found at <https://aoa.acl.gov/AoA>\_Programs/HPW/Title\_IIID/index.aspx.

Billing

The AAA will bill ALTSA monthly, but not more frequently, using the OAA BARS Support Form.

Funding Source

Federal

CFDA 93.043

Older Americans Act

Match

OAA regulations do not require match for this program.

Program Income

Must be reported – see Program Income Section of this chapter

Distribution Methodology

Intrastate Funding Formula

Guidelines and Regulations

Older Americans Act

45 CFR Part 75

### [Title III Part E National Family Caregiver Support Program (NFCSP)](#_Fiscal_Operations)

General Information

The primary purpose of Title III E is to enable the provision of multifaceted systems of support services for family caregivers; and for grandparents or older individuals who are relative caregivers.

The AAA is required to complete an annual FCSP report. This information will be used for federal reporting purposes.

Contract Information

Older Americans Act

21 month period: January – September (excluding Yakama); 24 month period: October – September (Yakama only)

Cost reimbursement

Line item budget required

Program Specifics

*Administration:*

.11 Area Agency Planning/Administration

.12 Interfund Payments for Services

Administration expenditures are limited to 10% of the funding, Also, see the Administration Lids under Older Americans Act Section above.

*Services:*

.79.1 Information Services

.79.2a Access Assistance

.79.2b Support Services

.79.3 Respite Care Services (limited to 35% of new year’s funding)

.79.4 Supplemental Services

.79.5 Service to Grandparents

Billing

The AAA will bill ALTSA monthly, but not more frequently, using the Title III E BARS Support Form.

Funding Source

Federal

CFDA 93.052

Older Americans Act

Match

OAA regulations require the following minimum non-federal match percentages:

Administration - 25%

Services - 25%

Program Income

Must be reported – see Program Income Section of this chapter

Distribution Methodology

Intrastate Funding Formula

Guidelines and Regulations

Older Americans Act

45 CFR Part 75

RCW 74.41 Respite Care Services

### [Title VII Elder Abuse Prevention](#_Fiscal_Operations)

General Information

The primary purpose of Title VII is to develop and enhance comprehensive and coordinated programs for the prevention and treatment of elder abuse, neglect, and exploitation, consistent with relevant state law and coordinated with state adult protective service activities.

Contract Information

Older Americans Act

21 month period: January – September (excluding Yakama); 24 month period: October – September (Yakama only)

Cost reimbursement

Line item budget required

Program Specifics

*Administration:*

Not allowed

*Services:*

.31 Legal Assistance

.76 Elder Abuse Prevention

.88 Long Term Care Ombudsman \*

.89 Newsletters

\* Each AAA must meet or exceed its 2019 Title VII spending level for ombudsman services. This figure is provided on the annual OAA allotment worksheet.

Billing

The AAA will bill ALTSA monthly, but not more frequently, using the OAA BARS Support Form.

Funding Source

Federal

CFDA 93.041

Older Americans Act

Match

OAA regulations do not require match for this program

Program Income

Must be reported – see Program Income Section of this chapter

Distribution Methodology

Intrastate Funding Formula

Guidelines and Regulations

Older Americans Act

45 CFR Part 75

### [Nutrition Services Incentive Program (NSIP)](#_Fiscal_Operations)

General Information

The primary purpose of NSIP is to provide incentives to encourage and reward efficient delivery of nutritious meals to older individuals, with the restriction that purchased foods must be domestically produced.

Contract Information

Older Americans Act

21 month period: January – September (excluding Yakama); 24 month period: October – September (Yakama only);

Cost reimbursement

Line item budget required

Program Specifics

*Administration:*

Not allowed

*Services:*

.61 Congregate Meals

.64 Home Delivered Meals

Billing

The AAA will bill ALTSA monthly, but not more frequently, using the NSIP BARS Support Form.

Funding Source

Federal

CFDA 93.053

Older Americans Act

Match

OAA regulations do not require match for this program

Program Income

Not applicable

Distribution Methodology

Performance Incentive Model – based on the number of meals actually served in the prior federal fiscal year.

Guidelines and Regulations

Older Americans Act

45 CFR Part 75

### [TITLE XIX (Medicaid)/CHORE](#_Fiscal_Operations)

Medicaid is a health care program jointly funded by state and federal governments to provide coverage for Americans who have low incomes. Medicaid is authorized under Title XIX of the Social Security Act and administered by the federal Department of Health and Human Services (DHHS), Centers for Medicare & Medicaid Services (CMS).  The Washington State Health Care Authority (HCA) is the single state agency responsible for administering the Medicaid program in the state of Washington.  To receive federal matching funds, Washington State has an approved Medicaid State Plan that provides a set of core services to specific groups of qualifying individuals.   In addition, Washington State may provide additional services through a Medicaid waiver process.

The AAA Title XIX services that are contracted with ALTSA include:

Core Services Contract Management (CSCM)

Case Management/Nursing Services (CMNS) - Core Services

Nursing Services - Developmental Disabilities Administration (DDA)

Nursing Services - Contracted with Home & Community Services (HCS)

Contracted Front Door Functions

Information and Assistance (Administrative Claiming)

Title XIX Match for DSHS Allocated Funding - For every non-federal dollar expended for Title XIX services, the federal government will contribute a matching percentage. This Federal Financial Participation (FFP) rate is established at 50% by the Department of Health and Human Services.

The amount reflected in the AAA contracts with DSHS for Title XIX - DSHS Allocated funding includes both the state and federal share, therefore the AAA is not required to provide the match for Title XIX DSHS Allocated funding that it receives.

The funding for Title XIX/Chore Case Management/Nursing Services-DSHS Allocated includes Medicaid and Chore (state only funded) clients so the costs must be allocated across these funding sources. The net result is that CM/NS is allocated a small portion to state only funding and the remaining Title XIX portion is matched by 50% federal dollars. Because of this allocation process, the AAA must request the federal breakout of these funds from ALTSA when completing its annual Schedule of Expenditures of Federal Awards for the Medicaid programs.

### [Title XIX (Medicaid) /Chore - DSHS Allocated](#_Fiscal_Operations)

### [Core Services Contract Management (CSCM)](#_Fiscal_Operations)

General Information

The AAA is responsible for the management of subcontracts for services provided to Medicaid/Chore clients. This includes subcontracts with in-home agency personal care providers (including Developmental Disabilities Administration (DDA) Medicaid clients), Medicaid Waiver Service providers, and Roads to Community Living providers. Core Services Contract Management includes staff costs and expenditures for procurement, negotiation, execution, monitoring (program and fiscal) as required by ALTSA, and training and technical assistance on contract requirements or monitoring findings. It does not include any of the functions associated with case management, ProviderOne and IPOne authorizations or contracting individual providers.

Contract Information

State/Federal July 1 – June 30

Unit rate

Line item budget required

Program Specifics

*Administration:*

.13 Core Services Contract Management

*Services:*

Not applicable

Billing

A unit rate, specific to each AAA is established annually and stated in each AAA contract. The monthly billing is determined by multiplying the unit rate by the monthly in-home caseload, as authorized in ProviderOne (P1). The caseload figures are posted on ALTSA’s website and are normally available on the 15th of the month, approximately five weeks after the end of the month of service. For example, the caseload for July would be available September 15th.

Note: Even though the AAA is reimbursed for Title XIX Core Service Contract Management on a unit rate, the AAA must determine a method of allocating its contract management costs. The actual costs must be tracked accordingly and be reflected in the AAA’s accounting records.

Funding Sources

Portions related to Medicaid clients:

50% State

50% Federal

CFDA 93.778 – Title XIX

CFDA 93.791 – Money Follows the Person/Roads to Community Living (MFP/RCL)

Portion related to Chore clients:

100% State

Match is not an exact 50% federal/state split. This funding includes Medicaid, RCL and Chore (state only funded) clients so the costs must be allocated across these funding sources. The net result is that CSCM is allocated a small portion to state only funding and the remaining Title XIX/RCL portion is matched by 50% federal dollars. Because of this allocation process, the AAA must request the federal breakout of these funds from ALTSA when completing its annual Schedule of Expenditures of Federal Awards for the Medicaid programs.

Match

No matching requirement at the AAA level, match is included in the contracted amount

Program Income

Not applicable

Carryover

Not allowed

Distribution Methodology

Funding for Core Service Contract Management consists of two parts: a base amount equal to the amount of funding allocated in SFY15, and an additional annual unit rate per estimated client. Projected AAA clients come from the Washington State Caseload Forecast Council (CFC) annual caseload projection.

Fund Balance report – Fund balances are the net effect of revenue received and expenditures of that same funding source. AAAs are required to report their TXIX Fund Balance to ALTSA annually. The report is due 45 days from the AAA’s fiscal year-end close. A TXIX Fund Balance Report template, combining reporting for both Core Service Contract Management and Case Management/Nursing Services is included in the Management Bulletin for the State/Federal contract.

Guidelines and Regulations

42 CFR Parts 430 through 456 (Subchapter C)

45 CFR Part 75

### [Title XIX/Chore Case Management/Nursing Services (CMNS) - Core Services](#_Fiscal_Operations)

General Information

The AAA is responsible for providing case management services to assist functionally impaired adults who are at risk of institutionalization in accessing, obtaining, and effectively utilizing the necessary and available services in the least restrictive setting. Nursing services offer clients, providers, and case managers with health-related assessment and consultation in order to enhance the development and implementation of the plan of care for clients eligible to receive long term care services.

Contract Information

State/Federal July 1 – June 30

Unit rate

Line item budget required

Program Specifics

*Administration:*

Included in line .43.1 below

*Reported on line item:*

.43.1 Case Management/Nursing Services – Core Services

Billing

A unit rate, specific to each AAA is established annually and stated in each AAA contract. The monthly billing is determined by multiplying the unit rate by the monthly in-home caseload, as authorized in ProviderOne (P1). The caseload figures are posted on ALTSA’s website and are normally available on the 15th of the month, approximately five weeks after the end of the month of service. For example, the caseload for July would be available September 15th.

The AAA is required to maintain a standard ratio, between the following:

* Clinical Staff to Medicaid/Chore Clients
* Supervisor to Case Handling Staff

These ratios are determined by ALTSA on an annual basis. If the Clinical Staff to Medicaid/Chore Client ratio is exceeded, the AAA payment amount will be adjusted unless the AAA does not exceed the statewide average clinical ratio.

Note: Even though the AAA is reimbursed for Title XIX/Chore CMNS - Core Services on a unit rate, the AAA must determine a method of allocating its case management and nursing services costs between all nursing and case management activities. The actual costs must be tracked accordingly and be reflected in the AAA’s accounting records.

Funding Sources

Portion related to Medicaid clients:

50% State

50% Federal

CFDA 93.778 – Title XIX

CFDA 93.791 – Money Follows the Person/Roads to Community Living (MFP/RCL)

Portion related to Chore clients:

100% State

Match is not an exact 50% federal/state split. This funding includes Medicaid, RCL and Chore (state only funded) clients so the costs must be allocated across these funding sources. The net result is that CM/NS is allocated a small portion to state only funding and the remaining Title XIX/RCL portion is matched by 50% federal dollars. Because of this allocation process, the AAA must request the federal breakout of these funds from ALTSA when completing its annual Schedule of Expenditures of Federal Awards for the Medicaid programs.

Match

No matching requirement at the AAA level, match is included in the contracted amount.

Program Income

Not applicable

Carryover

Not allowed

Distribution Methodology

The funding for CMNS is allocated by AAA based on legislative appropriation and the Washington State Caseload Forecast Council (CFC) annual caseload projection. Individual AAA caseload projections are multiplied by the AAA specific unit rate to determine annual funding.

ALTSA calculates a unit rate for each AAA based on a standard staffing model \* using Occupational Employment Statistic salary data and a projection of all other applicable costs.

\* Adjustments to the staffing model may be required due to ALTSA’s legislative budget requirements and restrictions.

Fund Balance report – Fund balances are the net effect of revenue received and expenditures of that same funding source. AAAs are required to report their TXIX Fund Balance to ALTSA annually. The report is due 45 days from the AAA’s fiscal year-end close. A TXIX Fund Balance Report template, combining reporting for both Core Service Contract Management and Case Management/Nursing Services is included in the Management Bulletin for the State/Federal Interlocal Agreement.

Guidelines and Regulations

42 CFR Parts 430 through 456 (Subchapter C)

45 CFR Part 75

**General Billing Instructions for Title XIX CSCM and CMNS**

The AAA will bill ALTSA on a monthly basis using the Title XIX BARS Support Form. The AAA has two billing options:

* Based on the actual caseload posted for the month being billed.
* Based on an estimate using the previous month’s caseload and adjusting the estimate to the actual caseload on the subsequent month’s billing.

Detailed billing instructions can be found at: [http://adsaweb.dshs.wa.gov/aaa/BF/Billing/](http://adsaweb/aaa/BF/Billing/)

### [Nursing Services - Developmental Disabilities Administration (DDA)](#_Fiscal_Operations)

General Information

Nursing services offer clients, providers, and case managers health-related assessments and consultation in order to enhance the development and implementation of the plan of care for clients with developmental disabilities.

Contract Information

State/Federal July 1 – June 30

Cost reimbursement

Line item budget required

Program Specifics

*Administration:*

Included in line .44 below

*Reported on line item:*

.44 Nursing Services – DDA

Billing

The AAA will bill ALTSA monthly, but not more frequently, using the Title XIX BARS Support Form.

Funding Sources

50% State

50% Federal

CFDA 93.778 – Title XIX

Match

No matching requirement at the AAA level, match is included in the contracted amount.

Program Income

Not applicable

Carryover

Not allowed

Distribution Methodology

ALTSA and the AAA negotiate each year regarding the amount of funding it will receive to manage and maintain DDA nursing functions. The funding is based on the historical number of DDA nursing contacts, the projection for future contacts and projected costs.

Guidelines and Regulations

42 CFR Parts 430 through 456 (Subchapter C)

45 CFR Part 75

### [Nursing Services - Contracted with HCS (Home & Community Services)](#_Fiscal_Operations)

General Information

Nursing services offer clients, providers, and case managers health-related assessments and consultation in order to enhance the development and implementation of the plan of care for in-home clients.

In specific areas, as listed in the current statement of work, the ALTSA HCS office may contract with the AAA to deliver RN-provided nursing services for in-home clients.

Contract Information

State/Federal July 1 – June 30

Cost reimbursement

Line item budget required

Program Specifics

*Administration:*

Included in line .46 below

*Reported on line item:*

.46 Nursing Services – Contracted with HCS

Billing

The AAA will bill ALTSA monthly, but not more frequently, using the Title XIX BARS Support Form.

Funding Sources

Portion related to Medicaid clients:

50% State

50% Federal

CFDA 93.778 – Title XIX

CFDA 93.791 – Money Follows the Person/Roads to Community Living (MFP/RCL)

Portion related to Chore clients:

100% State

Match is not an exact 50% federal/state split. This funding includes Medicaid, RCL and Chore (state only funded) clients so the costs must be allocated across these funding sources. The net result is that Nursing Services – Contracted with HCS is allocated a small portion to state only funding and the remaining Title XIX/RCL portion is matched by 50% federal dollars. Because of this allocation process, the AAA must request the federal breakout of these funds from ALTSA when completing its annual Schedule of Expenditures of Federal Awards for the Medicaid programs.

Match

No matching requirement at the AAA level, match is included in the contracted amount.

Program Income

Not applicable

Distribution Methodology

ALTSA and the AAA negotiate the amount of funding it will receive to manage and maintain HCS nursing functions. The funding is based on the historical number of HCS nursing contacts, the projection for future contacts and projected costs.

Guidelines and Regulations

42 CFR Parts 430 through 456 (Subchapter C)

45 CFR Part 75

### [Muckleshoot and Other Contracted Front Door Functions](#_Fiscal_Operations)

General Information

The Aging and Disability Services/Seattle King County AAA has been authorized to complete initial in-home assessments for individuals who identify as Muckleshoot tribal members, and to contract with other organizations in its services area to complete initial in-home assessments for identified ethnic populations that it serves.

Contract Information

State/Federal July 1 – June 30

Cost reimbursement

Line item budget required

Program Specifics

*Administration:*

Included in lines .48 and .49 below

*Reported on line item:*

.48 Muckleshoot Initial Assessment (King only)

.49 Contract Front Door Functions (King only)

Billing

The AAA will bill ALTSA monthly, but not more frequently, using the Title XIX BARS Support Form.

Funding Sources

Portion related to Medicaid clients:

50% State

50% Federal

CFDA 93.778 – Title XIX

CFDA 93.791 – Money Follows the Person/Roads to Community Living (MFP/RCL)

Portion related to Chore clients:

100% State

Match is not an exact 50% federal/state split. This funding includes Medicaid, RCL and Chore (state only funded) clients so the costs must be allocated across these funding sources. The net result is that Front Door is allocated a small portion to state only funding and the remaining Title XIX/RCL portion is matched by 50% federal dollars. Because of this allocation process, the AAA must request the federal breakout of these funds from ALTSA when completing its annual Schedule of Expenditures of Federal Awards for the Medicaid programs.

Match

No matching requirement at the AAA level, match is included in the contracted amount.

Program Income

Not applicable

Carryover

Not allowed

Distribution Methodology

ALTSA and the AAA negotiate the amount of funding it will receive to manage and maintain these functions each year. The funding is based upon the projection of new cases in the contract cycle multiplied by the per-assessment rate. The per-assessment rate is calculated using the AAA’s Title XIX/Chore Case Management/Nursing Services unit rate calculated into an hourly rate, multiplied by the number of hours funded by the legislature to complete an initial assessment.

Guidelines and Regulations

42 CFR Parts 430 through 456 (Subchapter C)

45 CFR Part 75

### [TITLE XIX – AAA Requested Funding](#_Fiscal_Operations)

The AAA may request additional funding for some Title XIX functions if they show that they are able to provide the required match from appropriate sources. In some cases there may be restrictions placed on the amount of funds the AAA may access.

### [Title XIX Information & Assistance (Administrative Claiming)](#_Fiscal_Operations)

General Information

Information and Assistance (I&A) activities related to assisting individuals that are potentially eligible for Medicaid services, Medicaid applicants, and Medicaid recipients not already served by ALTSA Title XIX case management programs.

Contract Information

State/Federal July 1 – June 30

Cost reimbursement

Line item budget required

Program Specifics

*Administration:*

Included in line .42 below

*Reported on line item:*

.42 Information and Assistance

To determine the amount of staff time and effort related to Medicaid administrative claiming activities I&A staff, at minimum, must participate in quarterly time studies. The time study is to be conducted for one month out of every three month period and must document 100% of the time study participant’s activities. Approximately one week prior to each quarter, ALTSA staff will inform the AAA the month in which the time study must be completed. The AAA is responsible to forward this requirement on to its contractors, if applicable. ALTSA’s Time Study Form must be used unless an alternative has been preapproved by ALTSA.

Billing

The AAA will bill ALTSA monthly, but not more frequently, using the Title XIX Matched by SCSA or Local Funds BARS Support Form.

Funding Source

Federal

CFDA 93.778 –Title XIX

Match

The AAA must provide dollar for dollar (50%) match from non-federal funding sources. The match must come from public funds, and must directly benefit and be specifically identifiable to Title XIX I&A service delivery.

Program Income

Not applicable

Carryover

Not allowed

Distribution Methodology

The AAA must provide ALTSA with an implementation plan which must include an explanation of match resources, information gathering and time study methodology. This plan must be approved by ALTSA before the AAA will be allowed to participate in the program. After receiving ALTSA’s initial approval, the AAA will estimate the cost of its Title XIX I&A program and submit that to ALTSA for budget approval each year.

Guidelines and Regulations

Medicaid School-Based Administrative Claiming Guide

Senior Information and Assistance Program Standards attached to MB H06-064

42 CFR Part 430-433

45 CFR Part 75

### [Title XIX Case Management/Nursing Services (CMNS) Core – AAA Requested Services](#_Fiscal_Operations)

General Information

Title XIX funding **may be available** to the AAA to buy down the case handling ratio for Title XIX Case Management/ Nursing Services - Core Services. These funds can only be granted to the AAA if:

* The AAA receives ALTSA’s approval to utilize the additional funds to maintain a case handling staff to Medicaid/Chore client ratio in accordance with contractual requirement, or
* The AAA’s eligibility for the additional funds continues due to grandfathered status. Grandfathered AAAs are Snohomish, King, Pierce, LMT and NW. These AAAs are limited to the amount of SCSA they can use as the non-federal match, without having to buy down their caseload ratio.

**Any AAA** may spend qualifying local funds in TXIX to bring down federal matching funds. Case handling staff ratio buy down will only be required on the federal portion, unless SCSA is used as the non-federal match. If matching with SCSA, case handling staff ratio buy down will be required based on both state and federal funds.

Contract Information

State/Federal July 1 – June 30

Unit rate

Line item budget required

Program Specifics

*Administration:*

Included in line .43.1 below

*Reported on line item:*

.43.1 Case Management/Nursing Services – Core Services

Billing

A unit rate, specific to the AAA is established annually and stated in each AAA contract. The monthly billing is determined by multiplying the unit rate by the monthly in-home caseload, as authorized in ProviderOne (P1). The caseload figures are posted on ALTSA’s website and are normally available on the 15th of the month, approximately five weeks after the end of the month of service. For example, the caseload for July would be available September 15th.

The AAA will bill ALTSA on a monthly basis using the Title XIX Matched by SCSA or Local Funds BARS Support Form. The AAA has two billing options:

* Based on the actual caseload posted for the month being billed
* Based on an estimate using the previous month’s caseload and adjusting the estimate to the actual caseload on the subsequent month’s billing

The AAA is required to maintain a standard ratio, between the following:

* Clinical Staff to Medicaid/Chore Clients
* Supervisor to Case Handling Staff

These ratios are determined by ALTSA on an annual basis. If the Clinical Staff to Medicaid/Chore Client ratio is exceeded, the AAA’s payment amount will be adjusted unless the AAA does not exceed the statewide average clinical ratio.

Note: Even though the AAA is reimbursed for Title XIX CMNS – Core Services – AAA Requested on a unit rate, the AAA must determine a method of allocating its case management and nursing services costs between all nursing and case management activities. The actual costs must be tracked accordingly and be reflected in the AAA’s accounting records.

Funding Sources

Portion related to Medicaid clients:

50% State

50% Federal

CFDA 93.778 – Title XIX

CFDA 93.791 – Money Follows the Person/Roads to Community Living (MFP/RCL)

Portion related to Chore clients:

100% State

Match is not an exact 50% federal/state split. This funding includes Medicaid, RCL and Chore (state only funded) clients so the costs must be allocated across these funding sources. The net result is that a small portion of the expenditures is allocated to state only funding and the remaining Title XIX/RCL portion is matched by 50% federal dollars. Because of this allocation process, the AAA must request the federal breakout of these funds from ALTSA when completing its annual Schedule of Expenditures of Federal Awards for the Medicaid programs.

Match

The AAA must provide dollar for dollar (50%) match from non-federal funding sources. The match must come from public funds, and must directly benefit and be specifically identifiable to Title XIX CMNS – Core service delivery.

For grandfathered AAAs, the amount of SCSA used as match is set at the following: NW - $39,058; Snohomish - $118,232; King - $104,135; Pierce - $100,995; and LMT - $134,000. Additional TXIX matching funding available to grandfathered AAAs will be increased by an inflation factor. If the amount of SCSA is increased, caseload ratio will need to be bought down by the amount of the additional SCSA match. Grandfathered AAAs may make up the inflated difference with local match and would not be required to buy down caseload. Any additional local match used to draw down federal match above the new grandfathered level will need to buy down the caseload ratio with the federal portion.

Program Income

Not applicable

Carryover

Not allowed

Distribution Methodology

The amount negotiated between ALTSA and the AAA and/or the grandfathered amount is divided by the AAA annual caseload projection to reach a unit rate specific to the AAA.

Guidelines and Regulations

42 CFR Parts 430 through 456 (Subchapter C)

45 CFR Part 75

### [Senior Citizens’ Services Act (SCSA)](#_Fiscal_Operations)

General Information

Senior Citizens Service Act funding is provided to develop, expand, or maintain programs for senior citizens which provide an alternative to institutional care when that form of care is premature, unnecessary, or inappropriate. SCSA funded programs and services should be designed to restore individuals to, or maintain them at, the level of independent living they are capable of attaining. These services should be designed to both complement the present forms of institutional care and create a system that offers appropriate services that reflect individual care needs.

Contract Information

State/Federal July 1 – June 30

Cost reimbursement

Line item budget required

Program Specifics

*Administration:*

.11 Area Agency Planning/Administration

.12 Interfund Payments for Services

Administration expenditures are limited to 16.5% of the program year’s funding.

*Services:*

Refer to [RCW 74.38.040](http://apps.leg.wa.gov/rcw/) for types of services

Service restriction:

* Line .21 Coordination expenditures are not allowed

Billing

The AAA will bill ALTSA monthly, but not more frequently, using the SCSA BARS Support Form.

Funding Source

State

Match

SCSA may be used to match most of the federally funded programs if:

* Expenditures are allowable under the grant or award and are necessary and reasonable for proper and efficient accomplishment of the grant or award’s objectives, and
* Client eligibility requirements are met in both SCSA and the federal grants

Program Income

Must be reported – see Program Income Section of this chapter

Carryover

Not allowed

Distribution Methodology

Intrastate Funding Formula

Guidelines and Regulations

RCW 74.38 Senior Citizens’ Services Act

WAC 388-106-1100 through 388-106-1120

### [State Family Caregiver Support Program (SFCSP)](#_Fiscal_Operations)

General Information

The purpose for the Family Caregiver Support Program is to provide a comprehensive program which includes specialized caregiver information and assistance, support groups, education/ training, consultation/counseling, and respite care services for family or other unpaid caregivers who provide the primary care to adults with functional disabilities. These adults could be at risk of being placed in a long-term care facility if these services were not available.

Contract Information

State/Federal July 1 – June 30

Cost reimbursement

Line item budget required

Program Specifics

*Administration:*

.11 Area Agency Planning/Administration

.12 Interfund Payments for Services

Administration expenditures are limited to 10% of the program year’s funding

*Services:*

.79.1 Information Services

.79.2a Access Assistance

.79.2b Support Services

.79.3 Respite Care Services (limited to 53% of program year’s funding)

.79.4 Supplemental Services

Service restriction:

* State Family Caregiver funds may not be used to provide Services to Grandparents, service line .79.5

Billing

The AAA will bill ALTSA monthly, but not more frequently, using the State Family Caregiver Support Program BARS Support Form.

Funding Source

State

Match

SFCSP may be used to match Title III B and Title III E or a specific grant if:

* Expenditures are allowable under the grant or award and are necessary and reasonable for proper and efficient accomplishment of the grant or award’s objectives, and
* Client eligibility requirements are met in both SFCSP and the grant.

Program Income

Must be reported – see Program Income Section of this chapter

Carryover

Not allowed

Distribution Methodology

Intrastate Funding Formula

Guidelines and Regulations

RCW 74.41 Respite Care Services

WAC 388-106-1200 through 388-106-1230

### [Kinship Caregiver Support Program (KCSP)](#_Fiscal_Operations)

General Information

Initially authorized in 2004, the Washington State Legislature appropriated state funds to implement the Kinship Caregiver Support Program. The purpose of the program is to support kinship caregivers (grandparents and relatives raising children) who are at risk of being unable to maintain their care giving role, by providing funding for emergent needs.

Contract Information

State/Federal July 1 – June 30

Cost reimbursement

Line item budget required

Program Specifics

*Administration:*

.11 Area Agency Planning/Administration

.12 Interfund Payments for Services

Administration expenditures are limited to 10% of the program year’s funding

*Services:*

.78.1a Service Delivery (limited to 15% of the program year’s funding \*)

.78.1b Goods and Services

\* The lid for Service Delivery can be exceeded if it is offset by the reduction of Administration. For example, if Administration totals 8% of the program year’s funding, up to 17% could be expended for Service Delivery for a total of 25%. This is not allowed in reverse, Administration cannot exceed 10% of the program year’s funding even if Service Delivery is less than 15%.

Administration may be passed through to a subcontractor and is then reported on line .78.1a. Subject to the same lids as noted above.

Billing

The AAA will bill ALTSA monthly, but not more frequently, as expenditures are incurred using the Kinship Caregiver Support Program BARS Support Form.

Funding Source

State

Match

KCSP may be used to match Title III E if:

* Expenditures are allowable under the grant or award and are necessary and reasonable for proper and efficient accomplishment of the grant or award’s objectives, and
* Client eligibility requirements are met in both KCSP and the OAA grant.

Program Income

Not applicable

Carryover

Not allowed

Distribution Methodology

Allocation based on the 2008-2012 American Community Survey (ACS) 5-Year Estimate of the number of grandparents responsible for their own grandchildren under the age of 18 in each planning and service area (PSA) with a minimum of $10,000 allocated to each PSA. The ACS comes from the U.S. Census Bureau. It is being used for this allocation because the 2010 Census did not include questions around grandparents raising grandchildren. ACS information can be found at <https://data.census.gov/cedsci/?q=United%20States>.

Guidelines and Regulations

None

### [Kinship Navigator Program](#_Fiscal_Operations)

General Information

Initially authorized by the 2005 state legislature, the Kinship Navigator Program’s primary purpose is to connect grandparents and relatives who are raising children with needed community resources. These links between kinship caregivers and services can help families establish the support and long-term stability needed to keep children out of foster care.

Contract Information

State/Federal July 1 – June 30

Cost reimbursement

Line item budget required

Program Specifics

*Administration:*

.11 Area Agency Planning/Administration

.12 Interfund Payments for Services

Administration expenditures are limited to 10% of the program year’s funding.

*Services:*

.78.2 Kinship Navigator Services

Administration may be passed through to a subcontractor and is then reported on line .78.2a. Subject to the same lids as noted above.

Billing

The AAA will bill ALTSA monthly, but not more frequently, using the Kinship Navigator BARS Support Form.

Funding Source

State

Match

Kinship Navigator may be used to match Title III B and Title III E or a specific grant if:

* Expenditures are allowable under the grant or award and are necessary and reasonable for proper and efficient accomplishment of the grant or award’s objectives, and
* Client eligibility requirements are met in both Kinship Navigator and the grant.

Program Income

Not applicable

Carryover

Not allowed

Distribution Methodology

Each year the legislature designates the number of sites it will support within a specified amount of funding. If additional funding becomes available, AAAs may have the opportunity to submit a request to develop new program sites.

Guidelines and Regulations

None

### [Senior Farmers’ Market Nutrition Program (SFMNP)](#_Fiscal_Operations)

This program is designed to provide low-income seniors with resources in the form of fresh, nutritious, unprepared, locally grown fruits, vegetables, and herbs from state approved farmers’ markets, roadside stands and community supported agriculture programs. The SFMNP allows for the distribution of checks that can be redeemed at the above mentioned locations.

Annually, ALTSA requires each AAA to submit a plan for the market season. One component requires the AAA to state the amount of SFMNP checks it will be purchasing identified by the source of funding: State SFMNP, Federal SFMNP and local funding. These checks are purchased, and the redemption is tracked by ALTSA. ALTSA provides the AAA with the ordered checks and the AAA distributes these checks to eligible recipients. The checks can be used by the recipient throughout the market season, which runs from June 1 through September 30. Because the market season crosses two state fiscal years, funding for checks provided in a single market season consists of state funds from two state fiscal years and from a federal grant.

### State Funded Senior Farmers’ Market Nutrition Program

General Information

State SFMNP funds may be used to purchase bulk foods in addition to the SFMNP checks mentioned above. There is also a nutrition education component to help seniors utilize the fresh produce they receive.

Contract Information

State/Federal July 1 – June 30

Cost reimbursement and check redemption program

Line item budget required

Program Specifics

*Administration:*

.11 Area Agency Planning/Administration

.12 Interfund Payments for Services

Total administrative and service delivery expenditures cannot exceed 10% of the program year’s funding. \*

*Services:*

.63 Nutrition Education and Outreach

.67.1 Food Purchased

.67.2 Checks Received

.67.3 Service Delivery \*

\* Administration and Service Delivery expenditures are subject to a 10% lid. For example, if Administration totals 8% of the program year’s funding, a maximum of 2% can be expended for Service Delivery for a total of 10%.

Administration may be passed through to a subcontractor and is then reported on line .67.3. Subject to the same lids as noted above.

Billing

The AAA will bill ALTSA monthly, but not more frequently, using the Senior Farmers’ Market Nutrition Program – State BARS Support Form.

Funding Source

State

Match

Not applicable

Program Income

To be reported on the federal SFMNP- USDA BARS Support Form.

Carryover

Not allowed

Distribution Methodology

Intrastate Funding Formula

Guidelines and Regulations

7 CFR Part 249

WAC 246-780

### Federal Senior Farmers’ Market Nutrition Program

General Information

Federal SFMNP funding cannot be used for bulk food purchases or for Nutrition Education.

Contract Information

State/Federal July 1 – June 30

Cost reimbursement and check redemption program

Line item budget required

Program Specifics

*Administration:*

.11 Area Agency Planning/Administration

.12 Interfund Payments for Services

Total administrative and service delivery expenditures cannot exceed 10% of the program year’s funding. \*

*Services:*

.67.2 Checks Received

.67.3 Service Delivery \*

\* Administration and Service Delivery expenditures are subject to a 10% lid. For example, if Administration totals 8% of the program year’s funding, a maximum of 2% can be expended for Service Delivery for a total of 10%.

Administration may be passed through to a subcontractor and is then reported on line .67.3. Subject to the same lids as noted above.

Billing

The AAA will bill ALTSA monthly, but not more frequently, using the Senior Farmers’ Market Nutrition Program – USDA BARS Support Form.

Funding Source

Federal

CFDA 10.576

Match

Not applicable

Program Income

Must be reported – see Program Income Section of this chapter

Carryover

Carryover is only allowed for administration and service delivery. The carryover period is limited to three months; therefore it must be fully expended by September 30th.

Distribution Methodology

Intrastate Funding Formula

Guidelines and Regulations

7 CFR Part 249

WAC 246-780

**[Home Delivered Meals (HDM) Expansion](#_Fiscal_Operations)**

General Information

Initially authorized by the 2017 state legislature in Senate Bill 5736, the HDM Expansion program’s primary purpose is to provide home delivered meals to new or underserved populations or areas. Per SB 5736, these funds cannot be used to supplant existing funds for home delivered meals. In order to ensure the legislative intent is met, ALTSA requires a Maintenance of Effort in the current HDM program. Annually, ALTSA compares the current Annual Expenditure Report to the SFY17 Annual Expenditure Report. If the total HDM expenditures in the current Annual Expenditure Report (excluding HDM Expansion expenditures) is equal to or greater than total HDM expenditures in the SFY17 Annual Expenditure Report, MOE has been met. If current Annual Expenditure Report HDM expenditures are less than SFY17 Annual Expenditure Report HDM expenditures, the AAA will be asked to provide a plan for meeting MOE in the future. Failure to meet MOE for two or more years could result in a reduction of HDM Expansion funding.

Contract Information

State/Federal July 1 – June 30

Cost reimbursement

Line item budget required

Program Specifics

*Administration:*

Not allowed

*Services:*

.64 Home Delivered Meals

Billing

The AAA will bill ALTSA monthly, but not more frequently, using the Expanded Nutrition (SB5736) BARS Support Form.

Funding Source:

State

Match

HDM Expansion funds may be used to match T3C2 or a specific grant if:

* Expenditures are allowable under the grant or award and are necessary and reasonable for proper and efficient accomplishment of the grant or award’s objectives, and
* Client eligibility requirements are met in both HDM Expansion and the grant.

Program Income

Not applicable

Carryover

Not allowed

Distribution Methodology

Intrastate Funding Formula

Guidelines and Regulations

None

### [Volunteer Services](#_Fiscal_Operations)

General Information

This program is applicable only to Northwest Regional Council AAA and Catholic Community Services (CCS). The Volunteer Services program uses volunteers to provide chore services to persons age 18 and over who are unable to perform personal care tasks due to functional or cognitive impairment. The program provides assistance with housework, laundry, shopping, cooking, moving, minor home repair, yard care, limited personal care, monitoring and transportation.

Contract Information

State/Federal July 1 – June 30

Cost reimbursement for NW, unit rate per direct service hour for CCS

Line item budget required for NW’s contract

Program Specifics

*Administration:*

.11 Area Agency Planning/Administration

.12 Interfund Payments for Services

Administration expenditures are limited to 8% of the program year’s funding. *This limitation applies only to NW, as CCS is paid on a unit rate.*

*Services:*

.59.1 Services

.59.2 Mileage (subject to limitations as noted in the current statement of work)

Billing

The AAA will bill ALTSA monthly, but not more frequently, using the Volunteer Chore BARS Support Form.

Funding Source

State

Match

Not applicable

Program Income

Must be reported – see Program Income Section of this chapter.

Carryover

Not allowed

Distribution Methodology

Funding is allocated using the Intrastate Funding Formula to determine the Northwest Regional Council AAA portion and the remaining funding is allocated to CCS.

Guidelines and Regulations

WAC 388-106-0650 through 388-106-0675

### [Senior Drug Education](#_Fiscal_Operations)

General Information

This program requires each AAA to implement a program intended to inform and train persons, 65 years of age and older in the safe and appropriate use of prescription and nonprescription medications.

Contract Information

State/Federal July 1 – June 30

Cost reimbursement

Line item budget required

Program Specifics

*Administration:*

Not allowed

*Services:*

.74 Senior Drug Education

Billing

The AAA will bill ALTSA monthly, but not more frequently, using the Senior Drug Education BARS Support Form.

Funding Source

State

Match

Senior Drug Education may be used to match Title III B funding for .72 Geriatric Health Screening and .73 Medication Management if:

* Expenditures are allowable under the grant or award and are necessary and reasonable for proper and efficient accomplishment of the grant or award’s objectives, and
* Client eligibility requirements are met in both the Senior Drug Education and OAA grant.

Program Income

Not applicable

Carryover

Not allowed

Distribution Methodology

The distribution is based on recommendations made by the Executive Committee of the Washington Association of Area Agencies on Aging.

Guidelines and Regulations

RCW 74.09.660

### [Agency Workers’ Health Insurance (AWHI) – Providers of Medicaid Clients](#_Fiscal_Operations)

General Information

Since September 1, 2011, the Home Care Agency Vendor Rate includes a designated portion which must be used solely to purchase health (e.g. medical, mental health, dental, vision) benefits for eligible workers directly providing in-home care services to publicly funded consumers. The AWHI portion of the vendor rate is determined per RCW 74.39A.310

Management Bulletin H15-025 dated April 20, 2015 states: AAAs were responsible to audit/review AWHI through June 2014. Service months beginning with July 2014 will be audited/reviewed by Independent Auditors/Reviewers retained by the home care agency.

1. AAAs must distribute this MB to all home care agencies and make them aware that the AWHI tool \* is available for the agency’s auditor/reviewer to use as a resource to assist in their audit/review process. The tool is optional; however if not used, some form of work papers are expected.
2. The AAA must verify that each applicable agency’s AWHI has been reviewed by an independent auditor/reviewer at least annually and obtain a copy of the auditor/reviewer’s report and/or, a copy of the AWHI tool if completed.
3. AAA Contract Managers are required to include a copy of the agency’s SEIU Healthcare NW Health Benefits Trust Notice of Good Standing OR the auditor/reviewers AWHI report, and/or completed AWHI tool along with each AAA monitoring report sent to ALTSA.
4. Home care agencies must reimburse ALTSA within 30 days if it is determined that an AWHI reimbursement is required. All reimbursements to ALTSA must be accompanied with a Reimbursement Calculation Form.

\*The AWHI tool is available with the HCS/AAA forms at <http://intra.altsa.dshs.wa.gov/aaa/BF/Billing/>

Guidelines and Regulations

RCW 74.39A.310

**Agency Worker Health Insurance (AWHI) for Non-Medicaid Services**

General Information

For services provided by contracted home care agencies (HCAs) for FCSP Respite and Non-core personal care/chore programs, AAAs will pay HCAs for the related AWHI at the calculated parity equivalent amount determined by final funding of the collective bargaining agreement for individual providers. AAAs will bill DSHS/ALTSA for the same per instructions received through Management Bulletin(s). AWHI expenses are billed separate from services expenses to ensure that FCSP budgets are not adversely impacted by increases in AWHI.

Contract Information

AAA Agreement State/Federal July 1 – June 30

Unit rate – see below \*

No line item budget required

\* The unit rate can be found in the annual/semiannual MB for home care agency rate changes, and on the BARS Support Form – AWHI and CGT Tuition – FCSP Respite and Non-Core Personal Services

### [Caregiver Training](#_Fiscal_Operations)

General Information

Home care agency workers who provide personal care services to ALTSA’s in-home clients are required to complete specific caregiver training classes. ALTSA will reimburse the AAA for the agency worker wages while attending required training. As of January 1, 2010, tuition costs were included in ALTSA’s hourly vendor rate paid to home care agencies.

Contract Information

Caregiver Training July 1 – June 30

Unit rate – see below \*

No line item budget required

\* The unit rate can be found in the annual/semiannual MB for home care agency rate changes, and on the Caregiver Training BARS Support Form. See Billing Section below for further explanation.

Program Specifics

*Administration:*

.11 Area Agency Planning/Administration

.12 Interfund Payments for Services

ALTSA allows up to 5% of the amount billed for training for administrative costs. Administrative costs incurred in excess of this 5% may be charged to Core Services Contract Management (CSCM) if funding is available.

*Services:*

.98.0 Basic Training

.98.0 Orientation/Safety

.98.3 Continuing Education

.98.7 Nurse Delegation for Nursing Assistants Training

Billing

The AAA will bill ALTSA monthly, but not more frequently, using the following forms:

* 1. BARS Support Form – Caregiver Training, Orientation, Safety and Nurse Delegation Training
  2. Agency Workers Classtime Summary\*
  3. Agency Classtime Allocation\*

\*Home care agencies are required to submit these forms with their monthly billings to the AAA. The AAA is required to submit a copy of these forms to ALTSA with its monthly billing.

Home care agencies are responsible for ensuring their workers receive required training, verify worker attendance, and retaining all supporting documentation, i.e., training attendance sheets, training certificate, etc. Home care agencies are to bill the AAA each month for ALTSA’s share of the training wage cost, and the AAA in turn bills ALTSA.

To determine ALTSA’s share, all training wage costs must be allocated to all funding sources of the clients served by the home care agency. Costs allocated to non-ALTSA funding sources, i.e., private pay, must be paid from those funding sources. It is the AAA’s responsibility to monitor the home care agencies to ensure:

* An approved method for allocating home care worker training wage costs between all funding sources is used and updated at least quarterly.
* Only appropriate types of training are billed for reimbursement.
* Only employees eligible for training are reflected on the billing.

An appropriate method of allocation would be to calculate a percentage for each funding source by dividing each funding source by the total funding for a specific time period. These percentages would then be multiplied by total training wage costs. Another method would be to conduct a time study tracking the actual time each worker provided services under each funding source for a specific time period. All allocation percentages must be updated at least quarterly. For more information on allocating costs, see the Cost Allocation Section of this chapter.

Funding Source

The funding sources are shown on the BARS Support Forms and include:

Title XIX/Chore – Aging

State Only – Aging

Developmental Disabilities Administration (DDA)

Private Pay

Other (Non-ALTSA)

Match

Not applicable

Program Income

Not applicable

Carryover

Not allowed

Distribution Methodology

Funds are not allocated to the AAA by ALTSA. Costs are reimbursed on a unit rate.

Guidelines and Regulations

WAC 388-71-0841 through WAC 388-71-1130

RCW 74.39A

**Caregiver Training Tuition for Non-Medicaid Services**

General Information

For services provided by contracted home care agencies (HCAs) for FCSP Respite and non-Core personal care/chore programs, AAAs will pay HCAs for the related training tuition at the calculated parity equivalent amount determined by final funding of the collective bargaining agreement for individual providers. AAAs will bill DSHS/ALTSA for the training tuition per instructions received through Management Bulletin(s). CGT tuition expenses are billed separate from services expenses to ensure that FCSP budgets are not adversely impacted by increases in CGT tuition.

Contract Information

AAA Agreement State/Federal July 1 – June 30

Unit rate – see below \*

No line item budget required

\* The unit rate can be found in the MB for home care agency rate changes, and on the Caregiver Training BARS Support Form – Agency Worker Health Insurance (AWHI) and Caregiver Training (CGT) Tuition for Respite and Non-Core Service Hours (only)