

**93.044 SPECIAL PROGRAMS FOR THE AGING - TITLE III - B
GRANTS FOR SUPPORTIVE SERVICES AND SENIOR
CENTERS**

**93.045 SPECIAL PROGRAMS FOR THE AGING - TITLE III – C
NUTRITION SERVICES**

93.053 NUTRITION SERVICES INCENTIVE PROGRAM (NSIP)

**SPECIAL PROGRAMS FOR THE AGING-TITLE III-B
GRANTS FOR SUPPORTIVE SERVICES AND SENIOR
CENTERS**

State Project/Program:

**SPECIAL PROGRAMS FOR THE AGING - TITLE III – C
NUTRITION SERVICES**

NUTRITION SERVICES INCENTIVE PROGRAM (NSIP)

**U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION ON AGING**

Federal Authorization: Older Americans Act of 1965, Title III, Parts A, B and C, Public Law 89-73, as amended; Public Law 90-42, 81 Stat. 106; Public Law 91-69, 83 Stat. 108; Public Law 92-25, 86 Stat. 88; Public Law 93-29, 89 Stat. 301; Public Law 93-351, 88 Stat. 357; Public Law 94-135, 87 Stat. 301; 89 Stat 713; Public Law 95-65, 91 Stat. 269; Public Law 95-478, 92 Stat. 513; Public Law 97-115, 95 Stat. 1595; Public Law 98-459, 98 Stat. 1767; Title III, Part C, Public Law 100-175; Section 705, Public Law 100-628; 42 U.S.C. 3022-3030d; 42 U.S.C. 3030e-3030g; Public Law 102- 375

Older Americans Act of 1965, as amended, Section 311, 42 U.S.C. 303a, Section 604, 42 U.S.C. 3057, Appropriations Bill, Public Law 108-7

**N. C. Department of Health and Human Services
Division of Aging and Adult Services**

Agency Contact Person – Program

Steve Freedman
(919) 733-8400
Steve.Freedman@ncmail.net

Agency Contact Person – Financial

Bob Harrell
(919) 733-8390
Bob.Harrell@ncmail.net

N. C. DHHS Confirmation Reports:

SFY 2009 audit confirmation reports for payments made to Counties, Area Programs, Boards of Education, Councils of Government, District Health Departments, DCD State Level Contractors and HRSA Bioterrorism Grant Subrecipients will be available by around late August to early September at the following web address: <http://www.dhhs.state.nc.us/control/> At this site, page down to “Letters/reports/forms for ALL Agencies” and click on “Audit Confirmation Reports (State Fiscal Year 2008-2009)”. Additionally, audit confirmation reports for Nongovernmental entities receiving financial assistance from the DHHS are found at the same website except select “Non-Governmental Audit Confirmation Reports (State Fiscal Years 2007-2009)”.

SPECIAL PROGRAMS FOR THE AGING – TITLE III-B GRANT FOR SUPPORTIVE SERVICES AND SENIOR CENTERS, TITLE III-C NUTRITION SERVICES, AND NUTRITION SERVICES INCENTIVE PROGRAM

The auditor should not consider the Supplement to be “safe harbor” for identifying audit procedures to apply in a particular engagement, but the auditor should be prepared to justify departures from the suggested procedures. The auditor can consider the Supplement a “safe harbor” for identification of compliance requirements to be tested if the auditor performs reasonable procedures to ensure that the requirements in the Supplement are current. The grantor agency may elect to review audit working papers to determine that audit tests are adequate.

GENERAL INTRODUCTION

The Division of Aging and Adult Services is the State Unit on Aging (SUA) as referenced in the Older Americans Act of 1965 as reauthorized October 17, 2006. The Division administers funding under Titles III, V, and VII of the Older Americans Act as well as a variety of other funds both Federal and State in nature.

The largest program or set of programs administered by the Division is the Home and Community Care Block Grant (HCCBG). This block grant is a pooling of resources used to fund services authorized by both the Older Americans Act and the North Carolina General Assembly. This pool is made up of Parts B, C1, and C2 of Title III and State funds. In addition, the HCCBG is also funded with Social Services Block Grant (SSBG) funds administered by the Division of Social Services via the State's Block Grant Funding Plan which provides for a substantial transfer of SSBG funds to the DAAS for the HCCBG.

The mission of the NC DAAS and the Area Agencies on Aging is to provide services to the State's elderly (60+) population, enabling those individuals to remain in their homes for as long as possible while at the same time providing care and a safe environment in their later years.

I. PROGRAM OBJECTIVES

The objectives of Title III of the Older American Act of 1965, as amended, are to (1) help older persons secure and maintain maximum independence and dignity in a home environment, (2) remove barriers to independence for older persons, and (3) provide a continuum of care for the vulnerable elderly.

Part B provides funds for supportive services, senior centers, and In-Home services for frail individuals. Aging services utilize Division's service standards in order to accomplish the objectives, as stated for Title III of the Older Americans Act. The program objectives for State appropriations for support services and senior centers are the same as those for Title III and utilize the Division's service standards that have been established for the Title III services.

The objective of the Special Program for the Aging, Title III C – Nutrition Services, is to provide older persons with low-cost nutritious meals, appropriate nutrition education, and other appropriate nutrition services. Meals may be served in a congregate setting or delivered to the home. The program objective for the State program funds is the same as those for the Title III funds and both utilize the Division's service standards that have been established for the Title III C Nutrition Services.

The U. S. Administration on Aging supplies funding to supplement meals provided under Title III C of the Older American's Act. This supplement is intended to promote the use of U. S. grown agricultural products in various domestic nutrition programs. The purpose of the Nutrition Services Incentive Program (NSIP) is to reward effective performance by states in the efficient delivery of nutrition meals to older individuals through the use of cash or commodities.

SPECIAL PROGRAMS FOR THE AGING – TITLE III-B GRANT FOR SUPPORTIVE SERVICES AND SENIOR CENTERS, TITLE III-C NUTRITION SERVICES, AND NUTRITION SERVICES INCENTIVE PROGRAM

II. PROGRAM PROCEDURES

Funds are provided to States, in accordance with a predefined formula, upon submission of a State plan to the Federal Commissioner on Aging in HHS. The State then allocates funds to Area Agencies on Aging which provide for the delivery of services based on a comprehensive services delivery plan for their respective planning and service areas. Parts B, C, D, and E are administered through Area Agencies on Aging designated by the State Division of Aging and Adult Services. Actual services are delivered in North Carolina by provider agencies under a system of grants to counties through Area Agencies on Aging. Under special conditions and written authorization (waiver) by the Division, Area Agencies may provide services on a direct basis. Title III funds and State appropriations are allocated on the basis of the intrastate funding formula unless otherwise required by statute or DAAS policy.

At the discretion of the Division, a portion of the Title III-B and III-C funds may be used to support the Planning and Administration efforts of the Area Agencies. Title III-B funds is also utilized by Area Agencies to support the activities of the Long-Term Care Regional Ombudsman Program.

Area Agencies monitor subrecipients on a scheduled basis to ensure that support services and senior centers operate according to the service standards. See the AAA Monitoring Schedule (Exhibit 17) of the Area Agency on Aging Area Plan which is submitted to the Division.

The DAAS disburses NSIP funds to Area Agencies on Aging (AAA) for purposes of subsidizing the Title III-C meals programs. The reimbursement for these funds is based on the number of meals delivered by provider agencies to older adults and reported to the Area Agencies. The rate of reimbursement currently is \$0.60 per meal delivered (rate as of July 1, 2003).

To qualify for reimbursement, meals must meet the nutritional standard established under part C, Title III of the Older American's Act, and specific service standards for the congregate and home delivered meals programs set by the Division.

The number of meals provided are recorded daily by service providers, and reported through the Division's Aging Resources Management System (ARMS) for reimbursement. Payments are then made to the 17 Area Agencies on Aging, and subsequently remitted to service providers by the AAA.

The AAA monitors the reimbursement by verifying the units (meals) reported via the ARMS reimbursement system.

III. COMPLIANCE REQUIREMENTS

CROSSCUTTING REQUIREMENTS

The compliance requirements in the Division of Social Services "Cross-Cutting Requirements" in Section D (Supplement #DSS-0) are applicable to this grant.

The federal aging cluster consists of Special Programs for the Aging – Title III-B Grants for Supportive Services and Senior Centers (93.044), Special Programs for the Aging - Title III-C Nutrition Services (93.045), and the Nutrition Services Incentives Program (NSIP) (93.053). Beginning with fiscal year 2006, the State has clustered programs consistently with the federal supplements. A separate supplement is prepared for the Title III-E National Caregiver Support

SPECIAL PROGRAMS FOR THE AGING – TITLE III-B GRANT FOR SUPPORTIVE SERVICES AND SENIOR CENTERS, TITLE III-C NUTRITION SERVICES, AND NUTRITION SERVICES INCENTIVE PROGRAM

Program (93.052) because these funds are significantly different from those funds found in the aging cluster. Audits may find that providers utilized Title III-B, C and NSIP as well as Title III-E funds; however, the separate supplements should be utilized for auditing purposes.

In developing the audit procedures for testing the compliance requirements for aging programs, auditors should refer to the matrix to identify which of the 14 compliance requirements (Section B Part 2 of the State Compliance Supplement) are applicable. The general requirements are contained in Part 3 of the A-133 Compliance Supplement.

In addition to those general requirements, the following compliance requirements also apply.

A. ACTIVITIES ALLOWED OR UNALLOWED

Supportive Services and Senior Centers

Area Agencies on Aging may provide services directly only if the State agency decides that it is necessary to ensure the adequate provision of services. A waiver request must be submitted annually in order for an Area Agency to provide services on a direct basis. The waiver request must be for a specific service, and prior written approval must be granted by the Division before services are delivered. (OAA Sec. 307, 2000 Amendments) NOTE: When an Area Agency provides services on a direct basis, they are subject to any and all compliance requirements as is a service provider agency of that service.

The Area Agency may award Title III-B funds to public and nonprofit agencies to acquire, alter, lease, renovate, or construct a facility for use as a multipurpose senior center. Such awards may also be used to pay the cost of professional and technical personnel to operate the center. Funds used for the construction of senior centers require the prior approval of the State agency. Newly constructed senior centers must be used as senior centers for at least 20 years after completion of construction. Acquired facilities must be used as a senior center for at least 10 years after completion of the acquisition.

In the absence of a waiver from DAAS, Title III-B funds received by an Area Agency will be expended for priority services, as specified in minimum percentages stated in the state plan and instructional letter accompanying the allocation notification to the Area Agencies, or with the written waiver of percentage requirements from DAAS, for each category of services established by the Division (currently, these minimum percentages are: Access 30%, In Home 25%, and Legal 2%). Priority services are as follows:

- a) In-home services (all levels in-home aide, home health, respite, home repair, health screening, senior companion, institutional respite, and adult day care).
- b) Access services (transportation (general and medical), case management, information and assistance, outreach).
- c) Legal services (OAA Sec. 306 and 307).
- d) Area Agency may award Title III-B funds to public and nonprofit agencies to acquire, alter, lease, renovate, or construct a facility for use as a multipurpose senior center. Such awards may also be used to pay the cost of professional and technical personnel to operate the center.

Nutrition Services

SPECIAL PROGRAMS FOR THE AGING – TITLE III-B GRANT FOR SUPPORTIVE SERVICES AND SENIOR CENTERS, TITLE III-C NUTRITION SERVICES, AND NUTRITION SERVICES INCENTIVE PROGRAM

Funds may be used for congregate and home delivered meals that meet one-third of the minimum daily recommended dietary allowances for the elderly and are provided at least once per day, 5 or more days a week (excluding scheduled holidays and adverse weather days). Lesser frequency than 5 days per week in service delivery must be approved in writing by the DAAS. (Older Americans Act (OAA) Sec. 312, 313, 331, 2000 Amendments)

Services can be provided only by a sub-grantee or service provider, unless the State agency decides that direct provision by an Area Agency is necessary to ensure an adequate supply of services and approval is obtained from the Division. Any Area Agency providing nutrition services directly must receive a waiver from the Division. (OAA Sec. 307)

A unit of service equals one (1) meal. The effective NSIP reimbursement rate since July 1, 2003 is \$0.60 per meal.

B. ALLOWABLE COSTS/COST PRINCIPLES

All grantees that expend State funds (including federal funds passed through the N. C. Department of Health and Human Services) are required to comply with the cost principles described in the N. C. Administrative Code at 09 NCAC 03M .0201.

C. CASH MANAGEMENT

Payment is made to the local provider on the basis of reimbursement for services rendered and is managed through the Division's Aging Resources Management System (ARMS). Funding amounts and unit rates are stated in the current DOA-731 County Funding Agreement and on the DOA-732 Provider Agency Funding Agreement. Monthly reimbursement to the provider can be verified through the Provider Summary report (ZGA-370-A). Year-to-date reimbursement can be determined through the Provider Summary report (ZGA-370-A-YTD). Reimbursement can be documented through the Unit of Service Verification report (ZG-903).

E. ELIGIBILITY

Supportive Services and Senior Centers

The basic eligibility requirement to receive aging services under Parts B of the Older Americans Act and through State appropriations is age. Participants receiving aging services must be age 60 or older. Documentation of each service recipient's eligibility is maintained on the Client Registration Form (DOA-101) which is maintained at the administrative offices of the local service provider.

Nutrition Services

Only persons 60 years of age or older, their spouse (regardless of age), volunteers, disabled persons under 60 who reside in housing facilities occupied primarily by the elderly where congregate nutrition services are provided, and individuals with disabilities who reside at home with, and accompany older individuals who are eligible under this act, are eligible for congregate nutrition services. (NOTE: Volunteers are persons providing free assistance to the nutrition service provider.)

Persons age 60 or older who are homebound by reason of illness or incapacitating disability or otherwise isolated are eligible for home delivered meals. Their spouses are eligible to receive a meal as the service recipient's designated caregiver, regardless of age. (OAA Sec. 307 (a)(13)(A), 45 CFR 1321.69, 45 CFR 1321.17(f)(12))

SPECIAL PROGRAMS FOR THE AGING – TITLE III-B GRANT FOR SUPPORTIVE SERVICES AND SENIOR CENTERS, TITLE III-C NUTRITION SERVICES, AND NUTRITION SERVICES INCENTIVE PROGRAM

Client eligibility is determined through the Client Registration Form (DOA-101) and is a part of the client file. The format requires signed authorization by the service provider. Based on requirements of the Older Americans Act, eligibility is not based on means testing. Clients self-declare on the Client Registration Form if they are economically disadvantaged.

NOTE: Independent verification of eligibility might include, but is not limited to, the following: Review of monitoring reports completed by the Area Agency on Aging, conducting staff interviews, and based on the auditor's observations.

F. EQUIPMENT AND REAL PROPERTY MANAGEMENT

Local service providers do not purchase equipment. Therefore, this section is not applicable at the local level.

G. MATCHING, LEVEL OF EFFORT, EARMARKING

The Division of Aging and Adult Services provides federal funds to Area Agencies on Aging to assist in providing general planning and administration, and Ombudsman activities. A description of Ombudsman activities can be found in State Compliance Supplement 93.042. The Federal share of such cost cannot exceed 75% for planning and administration and 85% for Ombudsman approved activities as indicated in the budget support information approved by the Division and awarded to the Area Agency via a Notice of Grant Award (NGA). (OAA 304 and OAA 309). Note: Area Agencies on Aging report reimbursement data on the DAAS/ZGA 060 report.

The DAAS allocates Federal and State aging services funding through Area Agencies on Aging. This combination of Federal/State funding must have a minimum-matching requirement of 10% in local resources. Specific information on the level of effort can be found in Section G State Supplement 93.042. These local resources may consist of in-kind resources, local cash, or any combination of the two. (Older Americans Act, Section 304). NOTE: The minimum matching requirement can be determined by dividing .90 into the total allocation of Federal and State funds and then multiplying the product by .10. The actual local resources contributed may then be compared to the minimum amount required in order to determine that minimum matching requirements have been satisfactorily met.

There is no match for the NSIP Program.

H. PERIOD OF AVAILABILITY OF FEDERAL FUNDS

Funding is available to the local service provider for the duration of the state fiscal year (July 1 through June 30). Carry-forward of unobligated funding is not allowed unless authorized by the Division. The current local provider funding is stated on the County Funding Agreement (DOA-732). Funding available through the Division's Aging Resources Management System (ARMS) can be verified through the Area Plan Activity by County report (ZGA-515). This report is available through the Area Agency.

Funding is allocated by the Division to the Area Agency through the Notification of Grant Award (NGA). Funding available through the ARMS can be verified through the Area Agency Financial report (ZG-060 series). These reports are available through the Area Agency or the DAAS.

I. PROCUREMENT AND SUSPENSION AND DEBARMENT

SPECIAL PROGRAMS FOR THE AGING – TITLE III-B GRANT FOR SUPPORTIVE SERVICES AND SENIOR CENTERS, TITLE III-C NUTRITION SERVICES, AND NUTRITION SERVICES INCENTIVE PROGRAM

Procurement

As specified in 45 CFR 92.36(b)(11), community service providers shall have procedures for settling all contractual and administrative issues arising out of procurement of services through the Home and Community Care Block Grant. Community Service providers shall have procedures governing the evaluation of bids for services and procedures through which bidders and contracted providers may appeal or dispute a decision made by the community service provider as affirmed in the Standard Assurances (DOA-734). Furthermore, the County or Area Agency on Aging can recoup any required payback from the community service provider's failure to meet OMB Circular A-122 requirements, requirements of A-110, requirements of 45 CFR, Part 1321, and 45 CFR, Part 92.

All grantees that expend federal funds (received either directly from a federal agency or passed through the N. C. Department of Health and Human Services) are required to conform with federal agency codifications of the grants management common rule accessible on the Internet at <http://www.whitehouse.gov/omb/grants/chart.aspx>.

All grantees that expend State funds (including federal funds passed through the N. C. Department of Health and Human Services) are required to comply with the procurement standards described in the North Carolina General Statutes and the North Carolina Administrative Code, which are identified in the State of North Carolina Agency Purchasing Manual accessible on the Internet at http://www.doa.state.nc.us/PandC/agpurman.htm#P6_65.

J. PROGRAM INCOME

Supportive Services and Senior Centers

Each service provider must offer older persons an opportunity to voluntarily contribute toward the cost of the services they receive under Title III programs. Voluntary contributions shall be allowed and may be solicited for services received under the Older Americans Act if the method of solicitation is non-coercive. Such contributions shall be encouraged for individuals whose self-declared income is at or above 185% the poverty line, at contribution levels based on the actual costs of services. Such contributions must be used to expand the provider's services to older persons. (45 CFR 1321.67) (OAA Section 315)

Providers are to exclude clients from consumer contribution policy requirements who receive adult day care, adult day health care, housing and home improvement, and in-home aide services AND who are receiving Work First assistance or who are applying for or receiving Supplemental Security Income (SSI).

Upon initiation of the provision of the service(s) subject to consumer contributions and at least annually thereafter, the service providing agency shall review with each client determined eligible to receive services subject to consumer contributions the following information:

1. that the contribution is entirely voluntary and that there is no obligation to contribute;
2. that all contributions collected shall be used to expand the service(s);
3. that information about the client's participation in consumer contributions shall be confidential;
4. who should be contacted, including the telephone number, if the client has questions regarding consumer contributions;
5. the total cost of the service (actual or per unit); and

SPECIAL PROGRAMS FOR THE AGING – TITLE III-B GRANT FOR SUPPORTIVE SERVICES AND SENIOR CENTERS, TITLE III-C NUTRITION SERVICES, AND NUTRITION SERVICES INCENTIVE PROGRAM

6. that services shall not be reduced or terminated for failure to contribute.

Providers are required to provide a copy of the Recommended Contribution Schedule showing the recommended contribution amount based on the service recipient's self-declared income to clients who are 1) above the federal poverty guidelines and who 2) receive Adult Day services, Group Respite, Home Health, Housing and Home Improvement, In-Home Aide, Institutional Respite, and/or Mental Health Counseling.

Providers must have written procedures to collect, account for, and safeguard all consumer contributions.

Nutrition Services

Each service provider must provide each older person with an opportunity to contribute voluntarily to the cost of the services provided, and all such contributions must be used to expand the services of the provider, increase the number of meals served, and provide access, and/or other supportive services directly related to nutrition services. Voluntary contributions shall be allowed and may be solicited for services received under the Older Americans Act if the method of solicitation is non-coercive. Such contributions shall be encouraged for individuals whose self-declared income is at or above 185% the poverty line, at contribution levels based on the actual costs of services. Providers of home delivered nutrition services shall maintain the completed Provider Assurance Form in each client's file verifying that the client was informed about the Consumer Contribution Policy.

Congregate Nutrition providers shall display posters or distribute flyers indicating informing clients about the Consumer Contributions Policy.

Providers shall have written procedures to account for and safeguard all contributions.

L. REPORTING

Special reporting – Service providers are reimbursed on the basis of the Unit of Service Report (ZG-903) or Non-Unit Service Report (ZG-543 or other source documentation) submitted through the Division's ARMS System. A listing of unit and non-unit services is provided in the DAAS County Budget Instructions and is available from the Area Agency on Aging or local service provider.

Service providers are required to report program income collected on a monthly basis. The "addition method" of accounting for program income is utilized by the Division. Program income must be used by service providers to expand services to clients. Program income shall be deducted from outlays, which may be both federal and non-federal outlays, before Federal and State funds are reimbursed. (45 CFR 92.25; 45 CFR 1321.67; 45 CFR 1321.73; OMB Circular A-110) NOTE: Program income entries made on the General Ledger or Receipt Journal must agree with amounts reported on the data entry records or DOA/ZGA 370 series reports. Year-to-date amounts can be found on the DOA/ZGA 370-YTD reports. With exceptions for data entry errors, the entities' records for program income receipts should match those on the Division's ARMS System for reimbursement reporting purposes.

M. SUBRECIPIENT MONITORING

SPECIAL PROGRAMS FOR THE AGING – TITLE III-B GRANT FOR SUPPORTIVE SERVICES AND SENIOR CENTERS, TITLE III-C NUTRITION SERVICES, AND NUTRITION SERVICES INCENTIVE PROGRAM

Area Agencies on Aging (AAA) are required to monitor service provider agencies at least once every other year (bi-annually) to ensure the accuracy and reliability of units reported for reimbursement.

Area Agencies on Aging are required to monitor service providers to ensure that eligible individuals are served. (OAA 306; 45 CFR 1321.61)) Monitoring schedules can be found in Exhibit 17 Provider Monitoring Plan of the Area Plan for the Area Agency on Aging. (OAA 306 a6 A)

Area Agencies in direct service of Nutrition Programs for the Elderly receive an on-site review for programmatic compliance and unit verification at least every other year depending on the level of risk assigned by the NC Division of Aging and Adult Services.

N. SPECIAL TESTS AND PROVISIONS

Area Agencies on Aging may charge indirect costs of their governing organizations to Planning & Administration, other applicable services. These charges must result from an approved cost allocation plan or indirect cost rates prepared in accordance with applicable Federal cost principles found in OMB Circular A-87 and other appropriate guidelines.

Suggested Audit Procedures

- Review agency cost allocation plan or indirect cost rate to determine that it was prepared in accordance with applicable federal and State guidelines.
- Review charge made to the Aging programs under the cost plan or indirect rate to assure that the charge agrees with the funding plan and that they are supported by time records or other statistical documentation of the allocation base.

Service provider agencies are required to maintain source documentation that records the number of units provided to eligible participants. This data is entered into the Division's Aging Resources Management System (ARMS) for processing. Reimbursement is based on the actual number of units (units times reimbursement rate up to the budgeted limit) accepted by ARMS. Title III-B services that are **unit based** include: Adult Day Care, Adult Day/Health Care, In Home Aide, Legal, Respite and Transportation. Title III-C services are unit based and include Congregate and Home Delivered Meals.

Suggested Audit Procedures

- Review a sample of contracts or grant agreements with service providers and compare with ARMS reports. Determine the following:
 - a) contract unit reimbursement rate equals ARMS reimbursement rate,
 - b) contracted services are supported by ARMS reports and
 - c) budget data reflected on ARMS reports are consistent with contract or grant agreement (DOA-732).
- Determine if the sampled contracts or grant agreements are supported by the appropriate HCCBG budget forms.
- To the extent possible for sampled contracts and grant agreements, determine if costs are reasonable, allowable and necessary for the provision of the reported service. Use Unit Cost Computation Worksheets (if available) for unit based services, and ARMS expenditure data for non-unit based services.

SPECIAL PROGRAMS FOR THE AGING – TITLE III-B GRANT FOR SUPPORTIVE SERVICES AND SENIOR CENTERS, TITLE III-C NUTRITION SERVICES, AND NUTRITION SERVICES INCENTIVE PROGRAM

Service provider agencies are required to maintain source documentation that support the program activities of non-unit based services. Actual expenditures that support non-unit based services are entered into the Division's ARMS system for reimbursement. Title III-B services that are **non-unit based** includes: Case Management, Health Screening, Information & Case Assistance, and Senior Center Operations.

Suggested Audit Procedures

- Compare source documents for selected unit-based services with ARMS report for the test period. Reconcile any units rejected by ARMS or other appropriate adjustments.
- Compare the actual amount reimbursed by ARMS with the receivable due for the test period.
- Verify actual expenditures and relevant documentation for non-unit based services, and compare with reported expenditures for non-unit based services.
- Determine if the costs are reasonable, allowable and necessary for the provision of the sampled services.

The following special tests and provisions apply to Senior Centers:

Compliance Requirement

The Area Agency must have on file an updated senior center inventory from the Division. The Area Agency must make an annual on-site visit to each senior center listed on the inventory that has been constructed or acquired with Federal and/or State funds. The Area Agency should maintain documentation that the facility is being used as a multipurpose senior center with emphasis on outreach and targeting services to those elderly with the greatest social and economic need, with particular attention to low-income minority elderly.

Suggested Audit Procedures

- Review the senior center inventory issued by the Division of Aging and Adult Services for the period ending 6/30/05.
- Review documentation that the Area Agency has visited all centers on the inventory that received federal and/or state funding for acquisition or construction and has verified the centers are functioning as a multipurpose senior center and are targeting services as specified above.

Compliance Requirement

The Area Agency must have either a Notice of Record - Local Government (DOA-711) or a Notice of Record Private Non-Profit (DOA-712) for all senior centers listed on the inventory that receive Title III-B funding for construction or acquisition after July 1, 1993.

Suggested Audit Procedure

SPECIAL PROGRAMS FOR THE AGING – TITLE III-B GRANT FOR SUPPORTIVE SERVICES AND SENIOR CENTERS, TITLE III-C NUTRITION SERVICES, AND NUTRITION SERVICES INCENTIVE PROGRAM

- Verify that the Area Agency has the applicable form on file for each of the senior centers indicated in the Senior Center Inventory as receiving Title III-B funds for construction or acquisition.

Compliance Requirement

Service provider agencies that have been involved in acquiring or constructing senior centers must maintain records that document adherence to certain requirements. These requirements, which are applicable to senior centers listed on the inventory and which must appear in all contracts between the Area Agency and sponsoring organizations, are as follows:

- a) An itemization of all contracted funding as Federal and/or State and required minimum 10% local match.
- b) The identification of purpose for funding and a description of the long-term obligation, as stated in the Senior Center Development Service match.
- c) A copy of the Senior Center Development Service Standard is provided as an addendum to all contracts and a statement is provided indicating that all service standards requirements are applicable to contractual performance.

Suggested Audit Procedure

Review contractual agreements between the Area Agency and service provider to verify that the aforementioned information is stated.

SPECIAL PROGRAMS FOR THE AGING – TITLE III-B GRANT FOR SUPPORTIVE SERVICES AND SENIOR CENTERS, TITLE III-C NUTRITION SERVICES, AND NUTRITION SERVICES INCENTIVE PROGRAM

The following special tests and provisions apply to Nutrition Services only:

1. Service provider agencies are required to maintain source documentation that records the number of meals served to eligible clients. This data is entered into the Division's ARMS system for processing. Reimbursement is based on the units accepted by the ARMS system.

Suggested Audit Procedures

- Review selected meal reports received from providers, and compare to the Title III C and NSIP reimbursement from the Division for those providers. The meal count times the NSIP rate should equal the reimbursement for NSIP. The meal count times the unit rate should equal the reimbursement for Title III-C.
 - Compare the total units recorded on source documentation with total units reimbursed for the test period. Reconcile any units rejected by ARMS or other recording errors. Compare actual NSIP funds received with Title III C and NSIP receivable (reported units times the NSIP rate) for the test period.
2. Title III C and NSIP reimbursement is based on the number of meals prepared/purchased and received by an eligible client. Accurate and complete records shall be maintained with respect to the number of meals purchased or prepared and the number of meals provided to eligible clients. Donated food or food items received from a food bank distribution center provided to clients is not considered as eligible units of service. No reimbursement for donated food is provided and therefore, no inventory of these items should be reviewed or considered.

Suggested Audit Procedures

- Review selected meal reports received from providers, and compare to the NSIP reimbursement and the Title III C reimbursement from the Division for those providers. The meal count times the NSIP rate should equal the reimbursement. The meal count times the reimbursement rate should equal the Title III C reimbursement.
 - Compare the total units recorded on source documentation with total units reimbursed for the test period. Reconcile any units rejected by ARMS or other recording errors. Compare actual Title III C and NSIP funds received with Title III C and NSIP receivable (reported units times the NSIP rate) for the test period.
3. The unit verification completed by the Division and the Area Agency on Aging determines, through a random sample, that the number of meals provided equals the total number of meals purchased. Donated meals are not included in the meals reported for reimbursement. Therefore, no additional audit procedure is required.