A Manual of Policies, Procedures, And Technical Assistance for The Wisconsin Aging Network

Last Revised
June 30, 2011

Department of Health Services
Division of Long Term Care
Bureau of Aging and Disability Resources

P-23203 (06/2011)

Table of Revisions

rev 6-30-2011

Section	Date Last Revised
Cover Page	June 30, 2011
Table of Revisions	June 30, 2011
Introduction	June 30, 2011
Table of Abbreviations and Acronyms	June 30, 2011
Table of Contents	June 30, 2011
Chapter 1	June 30, 2011
Chapter 2	June 30, 2011
Chapter 3	June 30, 2011
Chapter 4	June 30, 2011
Chapter 5	June 30, 2011
Chapter 6	June 30, 2011
Chapter 7	June 30, 2011
Chapter 8	June 30, 2011
Chapter 9	June 30, 2011
Chapter 10	June 30, 2011
Chapter 11	June 30, 2011
Chapter 12	June 30, 2011
Chapter 13	June 30, 2011
Chapter 14	June 30, 2011
Appendix A	June 30, 2011
Appendix B	June 30, 2011
Appendix C	June 30, 2011
Appendix D	June 30, 2011
Appendix E	June 30, 2011
Appendix F	June 30, 2011
Appendix G	June 30, 2011
Appendix H	June 30, 2011
Appendix I	June 30, 2011
Appendix J	June 30, 2011
Appendix K	June 30, 2011
Index	June 30, 2011

Introduction

rev 6-30-2011

The Wisconsin Aging Network Manual of Policies and Procedures was prepared by the Bureau of Aging and Disability Resources, Division of Long Term Care, Department of Health Services.

The purpose of this manual is to provide guidance to the area agencies on aging, aging units and other organizations in the aging network that receive federal and state aging program funds from the Bureau of Aging and Disability Resources.

To make things easier for the reader, certain icons are used in this manual to differentiate the nature of the instructions or guidance.

This symbol is used to denote official law, regulation, or policy. Items preceded by this symbol must be followed.

This symbol is used to provide tips or "best-practice" suggestions.

This symbol is used to remind the reader of a point made elsewhere. It generally denotes a recurring theme or requirement.

This symbol serves as a reminder of something that **is not** allowed.

The ***electronic*** version of this policy manual contains hyperlinks which the reader can mouse-click for quick document navigation. All hyperlinks have been given a yellow background for easy identification by the reader.

Internal hyperlinks can be found in the Table of Contents (TOC), in the Index and throughout the document body. In the TOC and Index, an internal hyperlink appears as a page number. This allows the reader to jump directly from the TOC or Index to the specified page of this manual. In the document body, an internal hyperlink appears as a reference to the section in question. Clicking on any internal hyperlink will take the reader to the specified page number or document section.

External hyperlinks can also be found throughout the document body. In addition to the yellow background color, external hyperlinks appear as blue, underlined text (e.g., http://www.mypyramid.gov). Clicking on an external hyperlink will open a web browser window and, if an Internet connection is available, take the reader directly to the web page or online document specified in the hyperlink.

Table of Abbreviations and Acronyms

rev 6-30-2011

The following abbreviations and acronyms are used throughout this policy manual. In some cases, these abbreviations and acronyms may also be used in the index located at the end of this manual. Items are listed in alphabetical order, sorted on the *abbreviated* text (not the full-length description).

Abbreviation or Acronym	Full-Length Text Description
AAA	Area Agency on Aging
AARP	American Association of Retired Persons
ADA	Americans with Disabilities Act (of 1990)
ADEA	Age Discrimination in Employment Act
AFCSP	Alzheimer's Family and Caregiver Support Program, Wisconsin
AI	Adequate Intake
AIRS	Alliance of Information and Referral Systems
AoA	Administration on Aging
AU	Aging Unit
BADR	Bureau of Aging and Disability Resources
BFOQ	Bona Fide Occupational Qualification
BOALTC	Board on Aging and Long Term Care
CARS	Community Aids Reporting System
CAU	County Aging Unit
CCPA	Consumer Credit Protection Act
CIP	Community Integration Program
CIRS-A	Certified Information and Referral Specialist Aging
COA	Commission on Aging
COBRA	Consolidated Omnibus Budget Reconciliation Act (of 1985)
COP	Community Options Program
CSA	Community Service Assignment
CY	Current Year (not used as calendar year)
DHFS	(*See DHS*.)
DHHS	(*See HHS*.)
DHS	Department of Health Services, Wisconsin
DOL	Department of Labor, U.S.
DRI	Dietary Reference Intake
DWD	Department of Workforce Development, Wisconsin
EA	Elder(ly) Abuse
EAR	Estimated Average Requirement
EBS	Elderly Benefit Specialist (Program)
EBT	Electronic Benefit Transfer System
EEO	Equal Employment Opportunity
EEOC	Equal Employment Opportunity Commission
ENP	Elderly Nutrition Program
EOC	Equal Opportunity Coordinator
EPA	Equal Pay Act (of 1964)
EPPA	Employment Polygraph Protection Act
ERISA	Employment Retirement Income Act
EXPEND	Expenditure
F&C	Family and Caregiver
FAQ	Frequently Asked Question

Table of Abbreviations and Acronyms

rev 6-30-2011

Abbreviation or Acronym	Full-Length Text Description
FEPA	Fair Employment Practices Agency
FFY	Federal Fiscal Year
FGP	Foster Grandparents Program
FLSA	Fair Labor Standards Act
FM	Fiscal Management
FMLA	Family and Medical Leave Act
FSS	Food Safety and Sanitation
FY	Fiscal Year (alternately used as future year, aka current year + 1)
g	gram(s)
GAC	Grant Agreement/Contract
GPR	General Purpose Revenue
HACCP	Hazard Analysis and Critical Control Point
HDM	Home-Delivered Meal
HHS	Department of Health and Human Services, U.S.
HIPAA	Health Insurance Portability and Accountability Act (of 1996)
I&A	Information and Assistance Program
INA	Immigration and Nationality Act
IRCA	Immigration Reform and Control Act
LAP	Legal-Assistance Provider
LBP	Legal-Backup Provider
LMRDA	Labor-Management Reporting and Disclosure Act (a.k.a. Landrum-Griffith Act)
LSC	Legal Services Corporation
LSP	Legal-Services Provider
mg	milligram(s)
NACSP	Native American Caregiver Support Program
NALA	National Association of Legal Assistants
NAPIS	National Aging Program Information System
NASUA	National Association of State Units on Aging
NFCSP	National Family Caregiver Support Program
NP	Nutrition Program
NSI	Nutrition Screening Initiative
NSIP	Nutrition Services Incentive Program
NSSCP	National Senior Service Corp Program
OAA	Older Americans Act
OSHA	Occupational Safety and Health Administration, U.S. Department of Labor
OSH Act	Occupational Safety and Health Act
PI	Program Income
PSA	Planning and Service Area
PY	Prior Year
QA	Quality Assurance
RDA	Recommended Dietary Allowance
RFP	Request for Proposals
RSVP	Retired and Senior Volunteer Program
SAMS	Social Assistance Management System
SCP	Senior Companion Program
SCS	Senior Community Services
SCSP	Senior Community Services Program

Table of Abbreviations and Acronyms

rev 6-30-2011

Abbreviation or Acronym	Full-Length Text Description
SCSEP	Senior Community Services Employment Program
SEAL	Service Excellence and Aging Leadership
SHIP	State Health Insurance Assistance Grant Program
SVS	Services
TAU	Tribal Aging Unit
UL	Tolerable Upper Intake Level
USERA	Uniformed Services Employment and Reemployment Act
WAFR	Wisconsin Aging Financial Reports
WISE	Wisconsin Senior Employment (Program)
YTD	Year-to-Date

Table of Contents

rev 6-30-2011

Chapter 1. Overview of the Aging Network 1-1

1.1 ..... What is the Aging Network? 1-1
1.2 ..... Structure of the Aging Network 1-2
Figure 1.3..... The Aging Network 1-3
1.4 ..... The Administration on Aging 1-3
1.5 ..... The Bureau of Aging and Disability Resources 1-4
1.6 ..... Area Agencies on Aging 1-4
Figure 1.7..... Area Agency on Aging Planning and Service Areas 1-6
1.8 ..... Aging Units 1-7
1.9 ..... Other Organizations 1-7
1.10 ..... The Aging Difference 1-7

Chapter 2. Organizational Requirements for Area Agencies on Aging 2-1

2.1 ..... Planning and Service Areas 2-1
2.2 ..... Organizational Options 2-1
2.3 ..... Becoming an Area Agency on Aging 2-2
2.4 ..... Appeal Process for Area Agency on Aging Designation 2-2
2.5 ..... Standard Bureau of Aging and Disability Resources Hearing Process 2-2
2.6 ..... De-Designation of an Area Agency on Aging 2-3
2.6.1 ..... Appeal Process for De-Designation 2-3
2.7 ..... Dissolution of an Area Agency on Aging 2-3
2.8 ..... Area Agency on Aging Operational Policies and Procedures 2-4
2.9 ..... Area Agency on Aging Board of Directors 2-4
2.9.1 ..... Overview of the Role of a Board Member 2-4
2.9.2 ..... Sample Board Job Description 2-5
2.9.3 ..... Membership and Tenure 2-5
2.9.4 ..... By-Laws for the Board 2-6
2.9.5 ..... Open Meetings 2-6
2.9.6 ..... Closed Meetings 2-7
2.9.7 ..... Meeting Frequency 2-8
2.9.8 ..... Board Compensation 2-8
2.10 ..... Area Agency on Aging Advisory Council 2-8
2.10.1 ..... Meeting Frequency 2-10
2.10.2 ..... Open Meetings 2-10
2.10.3 ..... Compensation 2-10
2.11 ..... Code of Ethics 2-10
2.12 ..... Conflict of Interest 2-10
2.13 ..... The Aging Difference 2-11

Chapter 3. Organizational Requirements for Aging Units 3-1

3.1 ..... Aging Unit Overview 3-1
3.2 ..... Creation of Aging Unit 3-1
3.3 ..... Wisconsin Elders Act 3-2

3.4 ..... Organizational Options 3-2
3.5 ..... Powers and Duties of the Aging Unit 3-3
3.6 ..... Commission on Aging 3-5
3.6.1 ..... Powers and Duties 3-5
3.6.2 ..... Composition 3-6
3.6.3 ..... Term Limits 3-6
3.6.4 ..... Compensation 3-7
3.7 ..... Aging Unit Staff 3-7
3.8 ..... Open Meetings 3-8
3.9 ..... Closed Meetings 3-9
3.10 ..... Code of Ethics 3-10
3.11 ..... Conflict of Interest 3-11
3.12 ..... Non-Compliance with Wisconsin Elders Act 3-12
3.12.1 ..... How to Appeal Non-Compliance with Wisconsin Elders Act 3-12
3.13 ..... The Aging Difference 3-12

Chapter 4. Area Agency on Aging Plans 4-1

4.1 ..... Purpose of the Area Agency on Aging Plan 4-1
4.2 ..... The Area Agency Plan and the Older Americans Act 4-1
4.3 ..... Role of the State Unit on Aging Related to Area Agency on Aging Plans 4-6
4.4 ..... Planning Requirements and Techniques 4-7
4.4.1 ..... Participation of Older People 4-7
4.4.2 ..... Participation of Board of Directors and Advisory Council 4-8
4.4.2.1 ..... Provide Information but not Decisions 4-8
4.4.2.2 ..... Give a Frank Report on the Previous Plan 4-8
4.4.2.3 ..... Give the Board and Council Assignments 4-9
4.4.3 ..... Meeting the Needs of Aging Units 4-9
4.4.4 ..... Follow the Prescribed Format and Timetable 4-9
4.5 ..... Public Hearings 4-9
4.5.1 ..... Time of Hearing 4-9
4.5.2 ..... Public Notice 4-10
4.5.3 ..... Location and Number of Hearings 4-10
4.5.4 ..... Opportunity for Comment 4-10
4.5.5 ..... Summary of Comments 4-10
4.5.6 ..... Participation of Board of Directors and Advisory Council 4-10
4.6 ..... Role of the Aging Units 4-11
4.7 ..... Procedures for Approval or Disapproval of an Area Plan 4-11
4.7.1 ..... Approval of an Area Plan 4-12
4.7.2 ..... Conditional Approval of an Area Plan 4-12
4.7.3 ..... Disapproval of an Area Plan 4-12
4.7.3.1 ..... Appeal Process for Plan Disapproval 4-13
4.8 ..... Suspension of an Area Plan 4-13
4.8.1 ..... Consequences of a Suspended Plan 4-13
4.8.2 ..... Reinstatement of a Suspended Plan 4-13
4.8.3 ..... Appeal Process for a Suspended Plan 4-13
4.9 ..... Termination of an Area Plan 4-14
4.9.1 ..... Consequences of a Terminated Plan 4-14
4.9.2 ..... Reinstatement of a Terminated Plan 4-14

4.9.3 ..... Final Report on a Terminated Plan 4-14
4.9.4 ..... Appeal Process for a Terminated Plan 4-15
4.10 ..... Mid-Year Plan Amendments 4-15
4.10.1 ..... Circumstances Requiring a Mid-Year Plan Amendment 4-15
4.11 ..... Annual Plan Amendments 4-15
4.11.1 ..... Role of the Advisory Council and the Board of Directors 4-15
4.11.2 ..... Approval by BADR 4-15
4.11.3 ..... Annual Plan Status Report 4-16
4.12 ..... The Aging Difference 4-16

Chapter 5. Aging Unit Plans 5-1

5.1 ..... Purpose of the Aging Unit Plans 5-1
5.1.1 ..... Advocacy 5-1
5.1.2 ..... Catalyst for Change 5-1
5.1.3 ..... Direct Support 5-1
5.1.4 ..... Indirect Support 5-1
5.2 ..... The Aging Unit Plan and the Wisconsin Elders Act 5-2
5.3 ..... Role of the State Unit on Aging Related to Aging Unit Plans 5-2
5.4 ..... Role of the Area Agencies on Aging Related to Aging Unit Plans 5-2
5.5 ..... Planning Requirements and Techniques 5-2
5.5.1 ..... Participation of Older People 5-3
5.5.2 ..... Participation of Policy-Making Body and Advisory Committee 5-4
5.5.2.1 ..... Provide Information but not Decisions 5-4
5.5.2.2 ..... Give a Frank Report on the Previous Plan 5-4
5.5.2.3 ..... Give the Policy-Making Body and Advisory Committee Assignments 5-5
5.5.3 ..... Meeting the Needs of Older People 5-5
5.5.4 ..... Follow the Prescribed Format and Timetable 5-5
5.6 ..... Public Hearings 5-5
5.6.1 ..... Time of Hearing 5-5
5.6.2 ..... Public Notice 5-5
5.6.3 ..... Location and Number of Hearings 5-6
5.6.4 ..... Opportunity for Comment 5-6
5.6.5 ..... Summary of Comments 5-6
5.6.6 ..... Participation of Policy-Making Body and Advisory Committee 5-6
5.7 ..... Role of Advisory Committee 5-7
5.8 ..... Procedures for Approval or Disapproval of an Aging Unit Plan 5-7
5.8.1 ..... Approval of an Aging Unit Plan 5-7
5.8.2 ..... Conditional Approval of an Aging Unit Plan 5-7
5.8.3 ..... Disapproval of an Aging Unit Plan 5-8
5.8.3.1 ..... Appeal Process for Plan Disapproval 5-8
5.9 ..... Standard Area Agency on Aging Hearing Process 5-8
5.10 ..... Suspension of an Aging Unit Plan 5-9
5.10.1 ..... Consequences of a Suspended Plan 5-9
5.10.2 ..... Reinstatement of a Suspended Plan 5-9
5.10.3 ..... Appeal Process for a Suspended Plan 5-10
5.11 ..... Termination of an Aging Unit Plan 5-10
5.11.1 ..... Consequences of a Terminated Plan 5-10
5.11.2 ..... Reinstatement of a Terminated Plan 5-10
5.11.3 ..... Final Report on a Terminated Plan 5-10

5.11.4 ..... Appeal Process for a Terminated Plan 5-11
5.12 ..... Mid-Year Plan Amendments 5-11
5.12.1 ..... Circumstances Requiring a Mid-Year Plan Amendment 5-11
5.13 ..... Annual Plan Amendments 5-11
5.13.1 ..... Role of the Advisory Committee and the Policy-Making Body 5-11
5.13.2 ..... Approval by the Area Agency on Aging 5-12
5.13.3 ..... Annual Plan Status Report 5-12
5.14 ..... The Aging Difference 5-12

Chapter 6. Personnel 6-1

6.1 ..... Staffing Requirements 6-1
6.1.1 ..... Area Agency on Aging Staffing Requirements 6-1
6.1.1.1 ..... Personnel Authority 6-1
6.1.1.2 ..... Staffing Plan 6-2
6.1.1.3 ..... Staffing 6-2
6.1.1.4 ..... Employment Criteria and Preference 6-2
6.1.1.5 ..... Merit System of Personnel Administration 6-3
6.1.2 ..... Aging Unit Staffing Requirements 6-3
6.1.2.1 ..... Personnel Authority 6-3
6.1.2.2 ..... Staffing Plan 6-3
6.1.2.3 ..... Staffing 6-3
6.1.2.4 ..... Employment Criteria and Preference 6-4
6.1.2.5 ..... Merit System of Personnel Administration 6-4
6.2 ..... Personnel Policies 6-4
6.2.1 ..... Employee Handbook: Minimum Human Resource Policies 6-5
6.2.1.1 ..... Employee Acknowledgement 6-5
6.2.1.2 ..... Introduction to the Employee Handbook 6-5
6.2.1.3 ..... Equal Opportunity 6-5
6.2.1.4 ..... General Policies 6-5
6.2.1.5 ..... Compensation and Benefits 6-6
6.2.2 ..... Code of Conduct 6-7
6.2.2.1 ..... Conflict of Interest 6-7
6.2.2.2 ..... Nepotism 6-7
6.2.2.3 ..... Drug-Free Workplace 6-8
6.2.2.4 ..... Violence in the Workplace 6-8
6.2.3 ..... Job Descriptions 6-8
6.2.4 ..... Personnel Records 6-10
Figure 6.2.4.1 ..... Record Retention Chart 6-11
6.2.4.2 ..... Minimum Wage Law Records 6-12
6.2.4.3 ..... Other Records for Agency Use 6-12
6.3 ..... Labor Laws 6-12
6.4 ..... Overview of the Major Federal Labor Laws 6-13
6.4.1 ..... Requirements Applicable to Most Employers 6-13
6.4.1.1 ..... Employee Benefit Plans 6-13
6.4.1.1.1 ..... Employee Retirement Income Security Act (ERISA) 6-13
6.4.1.1.2 ..... Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) 6-13
6.4.1.1.3 ..... Health Insurance Portability and Accountability Act of 1996 (HIPAA) 6-14
6.4.1.2 ..... Safety and Health Requirements 6-14
6.4.1.2.1 ..... Occupational Safety and Health Act (OSH Act) 6-14
6.4.1.3 ..... Wage, Hour and Other Workplace Standards 6-15
6.4.1.3.1 ..... Fair Labor Standards Act (FLSA) 6-15
6.4.1.3.2 ..... Immigration and Nationality Act (INA) 6-15
6.4.1.3.3 ..... Family and Medical Leave Act 6-15

Table of Contents

rev 6-30-2011

6.4.1.3.4 ..... Uniformed Services Employment and Reemployment Act 6-15
6.4.1.3.5 ..... Employee Polygraph Protection Act (EPPA) 6-15
6.4.1.3.6 ..... Consumer Credit Protection Act 6-16
6.4.1.3.7 ..... Labor-Management Reporting and Disclosure Act (LMRDA) 6-16
6.4.2 ..... Requirements Applicable to Employers Because of the Receipt of Government Contracts, Grants or Financial Assistance 6-16
6.4.2.1 ..... Non-Discrimination and Affirmative Action 6-16
6.4.2.2 ..... Wage, Hour and Fringe Benefit Standards 6-16
6.5 ..... Overview of the Major State Labor Laws 6-16
6.5.1 ..... Civil Rights Laws 6-16
6.5.1.1 ..... Fair Employment 6-16
6.5.1.2 ..... Family or Medical Leave 6-17
6.5.1.3 ..... Retaliation Protections: Public Employee Safety and Health 6-17
6.5.1.4 ..... Retaliation Protections: Employee Right to Know 6-17
6.5.1.5 ..... Retaliation Protections: Elderly Abuse Retaliation 6-17
6.5.1.6 ..... Health Care Worker Retaliation 6-17
6.5.2 ..... Labor Standards Laws 6-18
6.5.2.1 ..... Prevailing Wage Rates and Hours of Labor for Local Government Unit Public Works Projects 6-18
6.5.2.2 ..... Prevailing Wage Rates and Hours of Labor for State Public Works Projects 6-18
6.5.2.3 ..... Hours of Work and Overtime 6-18
6.5.2.4 ..... Records Open to Employee 6-18
6.5.2.5 ..... One Day of Rest in Seven 6-18
6.5.2.6 ..... Minimum Wage 6-18
6.5.2.7 ..... Wage Payment and Collection 6-19
6.5.2.8 ..... Cessation of Health-Care Benefits 6-19
6.6 ..... The Hatch Act 6-19
6.6.1 ..... Generally Permitted Political Activities 6-19
6.6.2 ..... Generally Prohibited Political Activities 6-20
6.7 ..... Federal Laws Prohibiting Job Discrimination: Federal Equal Employment Opportunity Laws 6-20
6.7.1 ..... Federal Job Discrimination Laws 6-20
6.7.1.1 ..... Title VII of the Civil Rights Act of 1964 (Title VII) 6-20
6.7.1.2 ..... Equal Pay Act of 1963 (EPA) 6-21
6.7.1.3 ..... Title I and Title V of the Americans with Disabilities Act of 1990 (ADA) 6-21
6.7.1.4 ..... Sections 501 and 505 of the Rehabilitation Act of 1973 6-21
6.7.1.5 ..... Civil Rights Act of 1991 6-21
6.7.2 ..... Discriminatory Practices Prohibited by Law 6-21
6.7.3 ..... Other Practices Discriminatory Under These Laws 6-22
6.7.3.1 ..... Title VII 6-22
6.7.3.2 ..... Immigration Reform and Control Act (IRCA) 6-22
6.7.3.3 ..... Religious Accommodation 6-22
6.7.3.4 ..... Sex Discrimination 6-22
6.7.3.4.1 ..... Sexual Harassment 6-22
6.7.3.4.2 ..... Pregnancy-Based Discrimination 6-22
6.8 ..... Age Discrimination in Employment Act (ADEA) 6-22
6.9 ..... Equal Pay Act (EPA) 6-23
6.10 ..... Title I and Title V of the Americans with Disabilities Act (ADA) 6-23
6.10.1 ..... Individual with a Disability 6-23
6.10.2 ..... Qualified Individual with a Disability 6-23
6.10.3 ..... Reasonable Accommodation 6-23
6.10.4 ..... Undue Hardship 6-24

6.10.5 ..... Prohibited Inquiries and Examinations 6-24
6.10.6 ..... Drug and Alcohol Use 6-24
6.11 ..... Employers and Other Entities Covered by Law 6-24
6.12 ..... What Agency Handles a Charge also Covered by State or Local Law? 6-25
6.13 ..... Civil Rights Compliance/Affirmative Action Requirements for Counties and Provider Agencies 6-25
6.14 ..... Equal Opportunity and Affirmative Action in Employment Regarding Counties and Provider Agencies 6-26

Chapter 7. Service Delivery Operations 7-1

7.1 ..... Citizen Involvement 7-1
7.1.1 ..... Planning and Oversight 7-1
7.1.2 ..... Feedback from Older People 7-2
7.1.2.1 ..... Why Involve People? 7-2
7.1.2.2 ..... How to Engage with People: Key Points 7-3
7.1.2.3 ..... Specific Ways to Involve Older People 7-4
7.1.2.3.1 ..... Public Meetings or Forums 7-4
7.1.2.3.2 ..... Surveys 7-4
7.1.2.3.3 ..... Advisory Committees or Groups 7-5
7.1.2.3.4 ..... Peer Interviews 7-5
7.1.2.3.5 ..... Focused Group Discussions 7-5
7.2 ..... Targeting, Not Means-Testing 7-6
7.3 ..... Data Collection and Reporting 7-7
7.4 ..... Privacy and Confidentiality Rights 7-7
7.5 ..... Contributions and Cost Sharing 7-7
7.6 ..... Equal Opportunity in Service Delivery and Employment 7-8
7.6.1 ..... Equal Opportunity in Service Delivery 7-9
7.6.1.1 ..... Policy Statement and Notification 7-10
7.6.1.2 ..... Designation of Equal Opportunity Coordinator, Service Delivery 7-10
7.6.1.3 ..... Discrimination Complaint/Grievance Process 7-10
7.6.1.4 ..... Self-Evaluation of Service Delivery 7-13
7.6.2 ..... Equal Opportunity in Employment 7-13
7.6.2.1 ..... Policy Statement and Notification 7-14
7.6.2.2 ..... Designation of Equal Opportunity Coordinator, Employment 7-14
7.6.2.3 ..... Discrimination Complaint/Grievance Process 7-14
7.6.2.4 ..... Self-Evaluation of Employment Policies and Practices 7-16
7.7 ..... Contractors and Subcontractors Civil Rights Compliance Action Plan for Meeting Equal Opportunity Requirements in Service Delivery and Employment 7-17
7.7.1 ..... Equal Opportunity Policy 7-17
7.7.2 ..... Policy Statement and Notification 7-18
7.7.3 ..... Designation of Equal Opportunity Coordinator 7-19
7.7.4 ..... Access to Services 7-20
7.7.5 ..... Discrimination Complaint/Grievance Procedure 7-21
7.7.6 ..... Self-Evaluation 7-22
7.7.7 ..... Workforce Analysis 7-23
7.7.8 ..... Client Service Population Analysis 7-24

Table of Contents

rev 6-30-2011

Chapter 8. Nutrition Program Operations 8-1

8.1 ..... Introduction 8-1
8.1.1 ..... Purpose of the Nutrition Program 8-1
8.1.2 ..... Objectives of the Program 8-1
8.1.3 ..... History of Program 8-1
8.2 ..... Nutrition Program 8-2
8.2.1 ..... Nutrition Program Director 8-2
8.2.2 ..... Nutrition Program Dining Center Managers 8-3
8.2.3 ..... Nutrition Program Nutritionist 8-3
8.2.3.1 ..... Certified Dietitian 8-4
8.2.3.2 ..... Registered Dietitian 8-5
8.2.3.3 ..... Registered Dietetic Technician 8-5
8.2.3.4 ..... Comparable Education / Experience and Authorization 8-5
8.2.4 ..... Students Working in the Program 8-5
8.2.5 ..... Other Required Staff Capacity 8-5
8.2.6 ..... Volunteers 8-5
8.2.7 ..... Nutrition Advisory Council 8-6
8.2.7.1 ..... Council Roles and Responsibilities 8-6
8.2.7.2 ..... Membership and Structure 8-6
8.2.7.3 ..... Meetings 8-6
8.2.7.4 ..... By-Laws 8-7
8.3 ..... Funding Sources 8-7
8.3.1 ..... Funding Source: Federal Title III-C-1 and State Funds 8-7
8.3.2 ..... Use of Title III-B and III-C-2 Funds 8-7
8.3.3 ..... Funding Source: Nutrition Services Incentive Program (NSIP) 8-7
8.3.3.1 ..... OAA Law and Federal Regulations Requirements for NSIP funds: 8-8
8.3.3.2 ..... NSIP Meal Count: Eligible Meals 8-8
8.3.4 ..... Funding Source: USDA Food Stamps/FoodShare Wisconsin 8-9
8.3.5 ..... Funding Source: Community-Based Long-Term Care Programs 8-10
8.3.6 ..... Funding Source: Local Funds 8-10
8.3.7 ..... Funding Source: Voluntary Contributions 8-10
8.3.7.1 ..... Contribution Signs and Brochures 8-11
8.3.7.2 ..... Non-Differentiation 8-12
8.3.7.3 ..... Gift Certificates 8-12
8.3.7.4 ..... Contributions as Program Income 8-12
8.3.7.5 ..... Management of Contributions by Staff 8-12
8.3.7.6 ..... Meal Ticket Systems 8-13
8.4 ..... Nutrition Program Administration 8-13
8.4.1 ..... Senior Dining (Congregate) Meals Level of Service 8-13
8.4.2 ..... Home-Delivered Meals: Level of Service 8-14
8.4.3 ..... Nutrition Screening 8-14
8.4.4 ..... Nutrition Education 8-15
8.4.5 ..... Nutrition Counseling and Other Nutrition Interventions 8-16
8.4.6 ..... Nutrition-Related Supportive Services 8-16
8.4.6.1 ..... Other Nutrition Services 8-16
8.4.7 ..... Eligibility for Services 8-16
8.4.7.1 ..... Eligibility for Senior Dining (Congregate) Meals 8-16
8.4.7.1.1 ..... Residents of Group Living Homes 8-17
8.4.7.2 ..... Eligibility for Home-Delivered Meals (HDM's) 8-17
8.4.7.2.1 ..... Home-Delivered Meals: Eligibility Assessment and Reassessment 8-18
8.4.7.2.2 ..... Criteria for Home-Delivered-Meal Eligibility Assessment 8-19
8.4.7.3 ..... Community-Based Long-Term Care Programs 8-19

Table of Contents

rev 6-30-2011

8.4.7.4 ..... Under-Age-60 Volunteer 8-20
8.4.7.5 ..... Under-Age-60 Staff Meals 8-20
8.4.7.6 ..... Eligibility for Non-Elderly Disabled Persons Living Alone 8-20
8.4.7.7 ..... Eligibility for Informal Caregivers 8-21
8.4.7.8 ..... Eligibility for All Others 8-21
Figure 8.4.7.9 ..... Participant Eligibility At A Glance 8-22
8.4.8 ..... Waiting Lists 8-23
8.4.9 ..... High-Risk Individuals Needing Additional Meals 8-23
8.4.10 ..... Grievance/Complaint Procedure 8-23
8.4.11 ..... Staff/Volunteer Training 8-24
8.4.12 ..... Records, Reports, Distribution of Information, and Confidentiality 8-24
8.4.12.1 ..... Participant Confidentiality 8-25
8.4.13 ..... Participant Satisfaction 8-25
8.4.14 ..... Liability Insurance 8-25
8.4.15 ..... Cost Containment Measures 8-25
8.4.15.1 ..... Food Purchase and Storage 8-25
8.4.15.2 ..... Food Service and Preparation 8-26
8.4.15.3 ..... Equipment and Supplies 8-26
8.4.15.4 ..... Sanitation and Security 8-26
8.4.15.5 ..... Labor and Administration 8-26
8.4.16 ..... Meal Cost Analysis 8-27
8.4.16.1 ..... Total Meal Cost Calculation 8-27
8.4.17 ..... Contracts For Meal Service 8-28
8.4.18 ..... Individual Meal Providers 8-29
8.4.19 ..... Emergency Preparedness 8-29
8.4.20 ..... Disaster Plans 8-30
8.4.21 ..... Special Food Containers and Utensils 8-30
8.4.22 ..... Holding Food 8-30
8.4.22.1 ..... Food Temperatures 8-31
8.4.23 ..... Reducing Food Waste: Second Helpings and Leftovers 8-32
8.4.24 ..... Taking Food Home 8-32
8.4.25 ..... Carryout Meals 8-33
8.4.26 ..... Special Meals 8-33
8.4.26.1 ..... Modified Meals 8-34
8.4.26.1.1 ..... Texture-Modified Meals 8-34
8.4.26.1.2 ..... Other Modified Meals 8-34
8.4.26.2 ..... Therapeutic Meals 8-34
8.4.26.3 ..... Liquid Nutritional Supplements 8-35
8.4.26.4 ..... Frozen Meals 8-36
8.4.26.5 ..... Breakfast and Brunch Meals 8-37
8.4.26.6 ..... Sack Lunch or Breakfast Meals 8-37
8.4.26.7 ..... Ethnic or Religious Meals 8-37
8.4.26.8 ..... Emergency Meals 8-37
8.4.27 ..... Administration of the Senior Dining (Congregate) Nutrition Program 8-38
8.4.27.1 ..... Location of Dining Centers 8-38
8.4.27.2 ..... New or Relocated Dining Centers 8-38
8.4.27.3 ..... Temporary Closure of Dining Centers 8-39
8.4.27.4 ..... Dining Center Closure or Days of Service Change 8-39
8.4.27.5 ..... Prayer at Dining Centers 8-40
8.4.27.6 ..... Dining Center Facility and Equipment 8-40
8.4.27.7 ..... Meal Reservation and Participant Registration Systems 8-40
8.4.27.8 ..... Dining Centers in Senior Centers 8-40
8.4.27.9 ..... Dining Centers in Restaurants 8-41

Table of Contents

rev 6-30-2011

8.4.27.10 ..... Voucher Programs 8-41
8.4.27.11 ..... Dining Center Facility Agreement 8-41
8.4.28 ..... Administration of the Home-Delivered-Meal Program 8-42
8.4.28.1 ..... Home-Delivered-Meal Instructions 8-42
8.4.28.2 ..... Home-Delivered-Meal Temperatures 8-42
8.5 ..... Food Service 8-42
8.5.1 ..... Nutrition Standards 8-42
8.5.2 ..... Dietary Guidelines for Americans 8-43
8.5.3 ..... MyPyramid Food Guidance System 8-43
8.5.4 ..... Dietary Reference Intakes (DRI's) 8-43
8.5.5 ..... Nutrient Standards 8-44
Figure 8.5.5.1 ..... Minimum Nutrient Standards Required for Nutrition Program Meals 8-46
8.5.6 ..... Nutrient Analysis of Menus 8-46
8.5.6.1 ..... Menu Analysis Documentation 8-47
8.5.7 ..... Meal Pattern, Meal Components, Minimum Servings Per Meal and Serving Size 8-47
Figure 8.5.7.1 ..... Meal Pattern When One Meal Per Day Is Served 8-49
8.5.8 ..... Meal Components 8-50
8.5.8.1 ..... Bread, Grain or Cereal 8-50
8.5.8.2 ..... Vegetables and/or Fruit 8-50
8.5.8.3 ..... Milk or Acceptable Substitute 8-52
8.5.8.4 ..... Meat or Meat Alternate 8-53
8.5.8.5 ..... Margarine, Oil or Butter 8-54
8.5.8.6 ..... Dessert (Fruit Encouraged) 8-54
8.5.9 ..... Meal Service and Portion Sizes 8-55
8.5.10 ..... Menu Development 8-55
8.5.10.1 ..... Who Plans Your Menus? 8-55
8.5.10.2 ..... Menu Planning for Acceptance and Enjoyment of the Food 8-56
8.5.10.3 ..... Menu Planning Guidelines 8-57
8.5.10.4 ..... What Does Your Menu Say? 8-57
8.5.10.5 ..... Functional Foods 8-58
8.5.11 ..... Food Procurement 8-58
8.5.12 ..... Use of Donated or Discounted Food 8-58
8.5.13 ..... Central and On-Site Kitchens 8-59
8.6 ..... Food Safety and Sanitation: The Wisconsin Food Code 8-59
8.6.1 ..... Wisconsin Food Code and the Elderly Nutrition Program 8-60
8.6.2 ..... Obtain Copies of the Wisconsin Food Code 8-60
8.6.3 ..... Required Director and Staff Training for Food Safety and Sanitation Training 8-60
8.6.3.1 ..... Nutrition Director 8-60
8.6.3.2 ..... Staff Who Purchase, Prepare and Cook Food 8-61
8.6.3.3 ..... Staff Who Only Hold Food, Serve Food and Clean 8-62
8.6.3.4 ..... New Staff Orientation 8-63
8.6.4 ..... Approved Food Safety and Sanitation (FSS) Training and Exams 8-63
8.6.5 ..... State of Wisconsin Food Manager Certification 8-63
8.6.6 ..... Senior Dining: Serving Safe Food (SS Food) Certification 8-64
8.6.7 ..... Animals 8-64
8.6.8 ..... Hazard Analysis Critical Control Point 8-64
8.6.9 ..... Wisconsin Food Code Highlights 8-65
8.6.9.1 ..... Temperatures 8-65
8.6.9.2 ..... Demonstration of Knowledge 8-66
8.6.9.3 ..... Employee Health 8-66
8.6.9.4 ..... Date Marking 8-66

8.6.9.5 ..... Time as a Public Health Control 8-67
8.6.9.6 ..... Bare-Hand Prohibition 8-67
8.6.9.7 ..... Hand Washing before Gloving 8-67
8.6.9.8 ..... Ready-to-Eat Foods 8-67
8.6.9.9 ..... Enhancing Security and Reducing Contamination 8-67
8.6.9.10 ..... Hands-Free Faucets 8-67
8.7 ..... Coordination with Wisconsin State Department of Public Instruction Elderly Nutrition Improvement Program 8-68
8.7.1 ..... Department of Public Instruction Joint Agreement 8-68
8.7.1.1 ..... Chapter 115 Laws of Wisconsin (1973): Elderly Nutrition Improvement Program 8-68
8.7.1.2 ..... Title III Older Americans Act/State: Elderly Nutrition Program 8-68
8.7.1.3 ..... Joint Agreement 8-68

Chapter 9. Elderly Benefit Specialist Program 9-1

9.1 ..... Legal Authority 9-1
9.1.1 ..... Federal Law 9-1
9.1.1.1 ..... Funding of Legal Assistance 9-1
9.1.1.2 ..... Definition of Legal Assistance 9-1
9.1.1.3 ..... Assurances 9-1
9.1.1.4 ..... Confidentiality of Legal Services 9-2
9.1.2 ..... Federal Regulations 9-2
9.1.2.1 ..... Standards for Legal-Services Providers 9-2
9.1.2.2 ..... Standards for Confidentiality and Disclosure of Information 9-3
9.1.3 ..... State Law 9-3
9.1.3.1 ..... Duties of the Elderly Benefit Specialist 9-3
9.2 ..... Program History 9-4
9.3 ..... Program Purpose 9-4
9.4 ..... Targeting Resources 9-5
9.5 ..... Establishing Priority Issue Areas 9-5
9.5.1 ..... Health Insurance and Access 9-6
9.5.2 ..... Income Support 9-6
9.5.3 ..... Community-Based Services 9-7
9.5.4 ..... Housing / Utilities 9-7
9.5.5 ..... Consumer 9-7
9.5.6 ..... Other 9-7
9.6 ..... Techniques for Reaching Targeted Groups and Addressing Priority Issues 9-8
9.6.1 ..... Accessibility 9-8
9.6.2 ..... Outreach 9-9
9.6.3 ..... Community Education 9-9
9.7 ..... Responsibilities of the Bureau of Aging and Disability Resources 9-9
9.8 ..... Responsibilities of Area Agencies on Aging 9-10
9.8.1 ..... Contract with a Legal-Assistance Provider 9-10
9.8.2 ..... Contract for Elderly Benefit Specialist Services 9-11
9.8.3 ..... Program Planning and Coordination 9-12
9.8.4 ..... Program Monitoring and Problem-Solving 9-12
9.8.5 ..... Program Integrity 9-13
9.9 ..... Responsibilities of Legal-Assistance Providers 9-13
9.9.1 ..... Program Operation 9-14

Table of Contents

rev 6-30-2011

9.9.2 ..... Staffing and Training 9-16
9.9.3 ..... Planning and Coordination 9-16
9.9.4 ..... Monitoring and Quality Assurance 9-17
9.9.5 ..... Program Integrity 9-17
9.10 ..... Responsibilities of County Aging Units 9-18
9.10.1 ..... County Program Operation, Staffing and Training 9-18
9.10.2 ..... Planning and Coordination 9-20
9.10.3 ..... Monitoring and Quality Assurance 9-21
9.10.4 ..... Program Integrity 9-22
9.11 ..... Responsibilities of Elderly Benefit Specialists 9-23
9.11.1 ..... Elderly Benefit Specialist Role Defined 9-23
9.11.2 ..... Program Operation 9-24
9.11.3 ..... Staffing and Training 9-27
9.11.4 ..... Planning and Coordination 9-27
9.11.5 ..... Monitoring and Reporting 9-28
9.11.6 ..... Program Integrity: Confidentiality 9-28
9.11.6.1 ..... Basis 9-28
9.11.6.2 ..... General Standard of Confidentiality 9-29
9.11.6.3 ..... Exceptions to the Standard of Confidentiality 9-29
9.11.6.3.1 ..... Communication with Supervising Attorney 9-29
9.11.6.3.2 ..... Disclosure to Persons Necessary to Provide Services to Clients 9-29
9.11.6.3.3 ..... Disclosure Implicit in the Representation 9-30
9.11.6.3.4 ..... Disclosures with Specific Permission from the Client 9-30
9.11.6.3.5 ..... Criminal Activity 9-30
9.11.6.4 ..... Standard of Confidentiality as Applied to Aging Units 9-30
9.11.6.5 ..... Standard of Confidentiality as Applied to Reporting of Elder Abuse 9-31
9.11.6.6 ..... Standard of Confidentiality as Applied to Clients Who Violate Benefit-Program Rules 9-31
9.11.7 ..... Program Integrity: Avoiding Conflicts of Interest 9-31
9.11.7.1 ..... Background 9-31
9.11.7.2 ..... Policy 9-32
9.11.7.3 ..... Categories of Competing Interests 9-32
9.11.8 ..... Program Integrity: Elderly Benefit Specialist Role in Elder-Abuse Situations 9-33
9.11.9 ..... Program Integrity: Other Issues 9-34
9.12 ..... Coordination Between the Elderly Benefit Specialist Program and the Board on Aging and Long Term Care's (BOALTC's) Long-Term Care Ombudsman Program 9-35
9.12.1 ..... Responsibilities of the Ombudsman Program and the Elderly Benefit Specialist Program in Nursing-Home Settings 9-35
9.12.2 ..... Responsibilities of the Ombudsman Program and the Elderly Benefit Specialist Program in the Community Options Program and/or Home and Community-Based Long-Term Care Medicaid Waiver Programs 9-36
9.12.3 ..... Coordination of Referrals 9-36
9.13 ..... Coordination of the Elderly Benefit Specialist Program with BOALTC's Medigap Helpline 9-36
9.13.1 ..... Roles and Responsibilities of the Medigap Helpline 9-37
9.13.2 ..... Roles and Responsibilities of the Elderly Benefit Specialist Program in Relation to the Medigap Hotline 9-38
9.14 ..... Advocacy and Lobbying 9-38
9.14.1 ..... Permitted Activities 9-39

9.14.2 ..... Prohibited Activities 9-40
9.14.3 ..... Other Considerations 9-40

Chapter 10. Information and Assistance 10-1

10.1 ..... Legislation 10-1
10.1.1 ..... 1991 Wisconsin Act 235 10-1
10.1.2 ..... Older Americans Act 10-1
10.2 ..... Wisconsin Aging Network: Minimum Requirements for the Provision of Information and Assistance Services 10-2
10.3 ..... Location and Facility 10-2
10.4 ..... Staff 10-3
10.5 ..... Training 10-3
10.6 ..... Classification System (Taxonomy) 10-3
10.7 ..... Resource File/Database 10-4
10.8 ..... Issue Identification 10-4
10.9 ..... Information Provision 10-5
10.10 ..... Referral and Assistance Provision 10-5
10.11 ..... Follow-up 10-5
10.12 ..... Outreach 10-6
10.13 ..... Advocacy 10-6
10.14 ..... Access Standards 10-6
10.15 ..... Public Information 10-6
10.16 ..... Funding 10-7
10.17 ..... Data Collection and Record-Keeping 10-7
10.18 ..... Confidentiality 10-8

Chapter 11. National Family Caregiver Support Program (NFCSP) 11-1

11.1 ..... Purpose and Legislation 11-1
11.2 ..... Definitions 11-2
11.3 ..... Minimum Service Requirements 11-4
11.4 ..... Coordination of Services 11-5
11.5 ..... Maintenance-of-Effort: Non-Supplanting 11-5
11.6 ..... Restrictions on Use of Funding 11-6
11.7 ..... Distribution of Funds 11-6
11.8 ..... Waiver 11-7
11.9 ..... Outcome Measures / Reporting Requirements 11-7
11.10 ..... Required Match 11-7
11.11 ..... Cost Share / Program Income 11-7
11.12 ..... Staff Training and Development 11-7
11.13 ..... Plan Requirements 11-7
11.14 ..... Tribal Aging Units 11-8

Chapter 12. Fiscal Management 12-1

12.1 ..... Fiscal Management Terminology 12-1

Table of Contents

rev 6-30-2011

12.1.1 ..... Grants 12-1
12.1.2 ..... Contracts 12-1
12.2 ..... Award of Funds 12-1
12.2.1 ..... Grant Agreements and Notification of Award 12-1
12.2.2 ..... Acceptance of Grant Agreements/Contracts 12-2
12.2.3 ..... Amendments to Awards 12-2
12.2.4 ..... Duration of Funding 12-2
12.2.4.1 ..... State Grant Agreements 12-2
12.2.4.2 ..... Area Agency and Aging Unit Grant Agreements/Contracts 12-3
12.2.5 ..... Transfer of Funds 12-3
12.2.6 ..... Redistribution of Funds 12-3
12.3 ..... General Policies on the Obligation and Expenditure of Federal and State Funds under an Area or Aging Unit Plan 12-3
12.3.1 ..... Contract Management Procedure 12-3
12.3.2 ..... Prepayment and Reimbursement Procedures 12-4
12.3.2.1 ..... Process for Prepayments and Reimbursement 12-4
12.3.2.1.1 ..... Community Aids Reporting System (CARS) 12-4
Figure 12.3.2.1.2 ..... CARS Payment Pattern with Prepayments 12-8
12.3.2.1.3 ..... Department of Health Services Prepayments and Reimbursements to Area Agencies 12-9
12.3.2.1.4 ..... Area Agency Prepayments and Reimbursements to Aging Units 12-9
12.3.2.1.5 ..... Area Agency Prepayments and Reimbursements to Special Project Recipients and Aging Unit Prepayments and Reimbursements to Contract Recipients 12-9
12.3.2.1.6 ..... Prepayments for Additional Funding 12-9
12.3.2.2 ..... Reimbursement Policies 12-10
12.3.2.2.1 ..... General Procedures 12-10
12.3.2.2.2 ..... Deviated Payments 12-10
12.3.2.2.3 ..... NSIP Reimbursements 12-10
12.3.3 ..... Obligation of Funds 12-10
12.3.4 ..... Process of Closing out a Grant Agreement/Contract 12-11
12.3.4.1 ..... Outstanding Obligations 12-11
12.3.4.1.1 ..... Providers 12-11
12.3.4.1.2 ..... Aging Units 12-11
12.3.4.1.3 ..... Area Agencies 12-12
12.3.4.2 ..... Final Reports 12-12
12.3.4.3 ..... Other Procedures 12-12
12.3.4.3.1 ..... Payment of Allowable Costs Following Closeout Period 12-12
12.3.4.3.2 ..... Funds Remaining in Excess of Expenditures 12-12
12.3.5 ..... Forward Funding 12-13
12.3.6 ..... Carryover 12-13
12.3.6.1 ..... General 12-13
12.3.6.2 ..... Causes of Carryover 12-13
12.3.6.2.1 ..... Actual Expenditures in Administrative Budget Categories Are Less Than Originally Estimated 12-13
12.3.6.2.2 ..... Funds Budgeted for the Support of Social Services that are Not Obligated by the End of the Plan Year 12-14
12.3.6.2.3 ..... Obligated Funds that are Not Actually Expended Before the End of the Contract Period 12-14
12.3.6.3 ..... Determination of Carryover 12-14
12.3.6.3.1 ..... Basis for Determination 12-14
12.3.6.3.2 ..... Skip-Year Carryover 12-14
12.3.6.3.3 ..... Amount of Carryover 12-15
12.3.6.3.4 ..... Notification of Carryover Amount 12-16
12.3.7 ..... Non-Supplanting Requirements 12-16
12.3.8 ..... Taxes 12-17

Table of Contents

rev 6-30-2011

12.3.9 ..... Allowable Cost Policies 12-17
12.3.10 ..... Circular No. A-87 12-17
12.3.11 ..... Circular No. A-122 12-18
12.3.12 ..... Cost Allocation 12-18
12.3.12.1 ..... Direct Costs 12-18
12.3.12.2 ..... Allocated Costs 12-18
12.3.12.3 ..... Indirect Costs 12-18
12.3.12.4 ..... County Agencies 12-19
12.3.12.5 ..... Tribal Governments 12-19
12.3.12.6 ..... Other Agencies 12-20
12.4 ..... Matching Share Requirements 12-20
12.4.1 ..... Types of Matching Share Resources 12-20
12.4.1.1 ..... Cash Match 12-21
12.4.1.2 ..... In-Kind Match 12-21
12.4.2 ..... Acceptable Match 12-21
12.4.3 ..... Match as Related to Other Programs 12-21
12.4.4 ..... In-Kind Match 12-22
12.4.4.1 ..... In-Kind Match Guidelines 12-22
12.4.4.2 ..... Valuation of Donated Goods or Voluntary Services 12-22
12.4.5 ..... Matching Share Formula 12-22
12.4.5.1 ..... Match Requirements for Older Americans Act Funds (Title III-B, Title III-C-1/State/Indian Gaming, Title III-C-2/State/Indian Gaming, Title III-D) 12-23
12.4.5.2 ..... Match Requirements for Title III-E National Family Caregiver Support Program and Area Agency Administration Funds 12-24
12.4.5.3 ..... Match Requirements for State Funds (Elderly Benefit Specialist Program, Senior Community Services Program and State Supplemental Funds for ACTION-Designated Volunteer Agencies) 12-24
12.4.6 ..... Records of Match 12-24
12.4.7 ..... Timing of Match 12-25
12.4.8 ..... Failure to Obtain Match 12-25
12.5 ..... Program and Interest Income 12-25
12.5.1 ..... Program Income 12-25
12.5.1.1 ..... Definition 12-25
12.5.1.2 ..... Use of Program Income 12-26
12.5.1.3 ..... Time Period for Spending Program Income 12-27
12.5.1.4 ..... Requirements Governing Contributions for Older Americans Act-Funded Services 12-27
12.5.1.5 ..... Policies on Contributions 12-27
12.5.1.5.1 ..... Discretion of the Recipient 12-27
12.5.1.5.2 ..... Suggested Contribution Schedule 12-27
12.5.1.5.3 ..... Non-Differentiation 12-28
12.5.1.5.4 ..... Area Agency and Aging Unit Responsibilities for Contributions 12-28
12.5.2 ..... Interest Income 12-28
12.6 ..... Fiscal Management Procedures 12-28
12.6.1 ..... General 12-28
12.6.2 ..... Standards for Financial Management Systems 12-28
12.6.2.1 ..... Fund Categories 12-29
12.6.2.2 ..... Fund Subcategories 12-29
12.6.2.2.1 ..... Title III-B (Supportive Services and Senior Centers), Section 321 of Older Americans Act 12-29
12.6.2.2.2 ..... Title III-C (Nutrition Services), Sections 331 and 336 of Older Americans Act 12-30
12.6.2.2.3 ..... Title III-D (Preventive Health), Section 361 of Older Americans Act 12-30

Table of Contents

rev 6-30-2011

12.6.2.2.4 ..... Title III-E (National Family Caregiver Support Program), Section 371 of Older Americans Act 12-30
12.6.2.3 ..... Financial Records 12-31
12.6.2.4 ..... Internal Control 12-31
12.6.2.5 ..... Comparison of Budgets to Expenditures 12-31
12.6.2.6 ..... Time Between Receipt and Reimbursement 12-32
12.6.2.7 ..... Allowable and Allocable Costs 12-32
12.6.2.8 ..... Source Documentation 12-32
12.6.2.9 ..... Audits 12-32
12.6.3 ..... Accounting and Fiscal Practices 12-32
12.6.3.1 ..... Account Structure 12-33
12.6.3.2 ..... Double-Entry Bookkeeping 12-33
12.6.3.3 ..... Modified Accrual Basis of Accounting 12-33
12.6.3.3.1 ..... Cash Versus Accrual Accounting 12-33
12.6.3.3.2 ..... Payment of Outstanding Accounts 12-34
12.6.3.4 ..... Internal Control 12-34
12.6.3.4.1 ..... Operating Controls 12-34
12.6.3.4.2 ..... Accounting Controls 12-35
12.6.3.4.3 ..... Compliance Controls 12-35
12.6.3.5 ..... Unearned Income 12-35
12.6.3.6 ..... Depreciation 12-36
12.6.3.6.1 ..... Equipment and Other Capital Expenditures 12-36
12.6.3.6.2 ..... Equipment and Other Capital Expenditures Exempt from Depreciation Requirements 12-36
12.6.3.7 ..... Investments 12-37
12.7 ..... Records and Reporting 12-37
12.7.1 ..... Time Frame for the Retention of Records 12-37
12.7.1.1 ..... Three-Year Retention of Records 12-37
12.7.1.2 ..... Extended Retention of Records 12-38
12.7.1.2.1 ..... Audits, Litigations, and Other Actions 12-38
12.7.1.2.2 ..... Property 12-38
12.7.1.2.3 ..... Payroll 12-38
12.7.1.2.4 ..... Title III Records 12-38
12.7.1.2.5 ..... Written Authorization 12-39
12.7.1.3 ..... Records to Be Retained 12-39
12.7.2 ..... Access to Records 12-39
12.7.2.1 ..... Access 12-39
12.7.2.2 ..... Public Access and Confidentiality 12-39
12.7.3 ..... Care of Records 12-40
12.7.4 ..... Fiscal and Program Reporting 12-40
12.7.4.1 ..... General 12-40
12.7.4.2 ..... Reporting Responsibility 12-40
12.7.4.3 ..... Procedures Governing Late Reports 12-40
12.7.4.4 ..... Report Amendments and Corrections 12-41
12.7.4.5 ..... Fiscal and Program Report Review by the Awarding Agency 12-41
12.8 ..... Financial Audits 12-41
12.8.1 ..... General 12-41
12.8.2 ..... Audit Costs 12-42
12.8.3 ..... Policies and Procedures on Distribution, Resolution, and Clearance of Audit Reports 12-42
12.8.3.1 ..... Purpose of Audit Report Policy 12-42
12.8.3.2 ..... Audit Report Policy 12-42
12.8.3.2.1 ..... Report Clearance 12-42
12.8.3.2.2 ..... Report Content 12-42
12.8.3.2.3 ..... Distribution of Reports 12-43
12.8.3.3 ..... Resolution of Audit Reports 12-43

Table of Contents

rev 6-30-2011

12.8.3.4 ..... Timetable and Content for Responses to an Audit Report 12-44
12.8.3.4.1 ..... Timetable 12-44
12.8.3.4.2 ..... Audit Report Response Content 12-44
12.8.3.5 ..... Response Review 12-45
12.8.3.6 ..... Appeals of Audit Report Recommendations 12-45
12.9 ..... Property Management 12-45
12.10 ..... Reference Material 12-45
Figure 12.11 ... AAA County and Tribal Aging Unit Fiscal Assessment on Compliance with the Older Americans Act 12-47
Figure 12.12 ... Audit Review Checklist 12-53
12.13 ..... Internal Control Practices 12-57
12.13.1 ..... Segregation of Duties 12-58
12.13.2 ..... Authorization Thresholds 12-58
12.13.3 ..... Control of Cash Receipts 12-58
12.13.4 ..... Expenditure Check 12-58
12.13.5 ..... Imprest Petty Cash Fund 12-59
12.13.6 ..... Timely Transactions 12-60
12.13.7 ..... Bank Reconciliation 12-60
12.13.8 ..... Serially-Numbered Documents 12-60
12.13.9 ..... Bonding 12-60
12.13.10 ..... Payroll Controls 12-60
12.13.11 ..... Balance Accounts 12-60
12.13.12 ..... Inventory Record 12-61
12.13.13 ..... Audits 12-61
12.13.14 ..... Computers 12-61
12.13.15 ..... Other References 12-61
12.14 ..... Wisconsin Aging Financial Reports 12-61
12.14.1 ..... What Is New 12-61
12.14.2 ..... Forms 12-62
12.14.3 ..... Acronyms and Abbreviations 12-62
Figure 12.14.4 ..... Report Summary Grid 12-63
12.14.5 ..... Format 12-64
12.14.6 ..... General Instructions for Forms SS100, CM110, HD120, PH130, NFCSP140, SCS150, EBS160, EA165, SCSEP170, and ALZ190 12-64
12.14.7 ..... Instructions for Forms SS100, CM110, HD120, PH130, NFCSP140, SCS150, EBS160, EA165, SCSEP170, and ALZ190 12-65
12.14.7.1 ..... Column Headings 12-65
12.14.7.2 ..... Row Headings 12-65
12.14.8 ..... Instructions for Forms FR180A and FAR180B 12-68
12.14.8.1 ..... Form FR180A 12-68
12.14.8.2 ..... Form FAR180B 12-68
12.14.8.2.1 ..... Expenditures 12-68
12.14.8.2.2 ..... Total Title III Expenditures 12-68
12.14.8.2.3 ..... Program Income Expenditures 12-68
12.14.8.2.4 ..... Total Non-Title III Expenditures 12-69
12.14.9 ..... Nutrition Services Incentive Program (NSIP) Funding 12-69
Figure 12.14.10 ..... Title III-B Expenditures (Form SS100) 12-71
Figure 12.14.11 ..... NSIP Expenditures (Form NSIP105) 12-72
Figure 12.14.12 ..... Title III-C1 Expenditures (Form CM110) 12-73
Figure 12.14.13 ..... Title III-C2 Expenditures (Form HD120) 12-74
Figure 12.14.14 ..... Title III-D Expenditures (Form PH130) 12-75
Figure 12.14.15 ..... Title III-E Expenditures (Form NFCSP140) 12-76

Figure 12.14.16 ..... SCS Expenditures (Form SCS150) 12-77
Figure 12.14.17 ..... State EBS Expenditures (Form EBS160) 12-78
Figure 12.14.18 ..... State EA Expenditures (Form EA165) 12-79
Figure 12.14.19 ..... SCSEP Expenditures (Form SCSEP170) 12-80
Figure 12.14.20 ..... F&C Expenditures (Form ALZH190) 12-81
Figure 12.14.21 ..... Fiscal Semiannual Report (Form FR180A) 12-82
Figure 12.14.22 ..... Fiscal Annual Report (Form FAR180B) 12-83
Figure 12.14.23 ..... Aging Expenditure Report: Community Aids Reporting System (Form 80600D) 12-84
Figure 12.14.24 ..... Certification of Claim 12-85

Chapter 13. Contract Administration 13-1

13.1 ..... Contract Compliance 13-1
13.2 ..... Contracts for the Provision of Social Services 13-1
13.2.1 ..... General Overview of Contracting 13-1
13.2.1.1 ..... Purpose of Contracting 13-1
13.2.1.2 ..... General Requirements and Responsibilities Regarding Contracts 13-2
13.2.1.3 ..... Relationship of Contracts to the Area or Aging Unit Plan 13-2
13.2.2 ..... Contract Award Procedures 13-2
13.2.2.1 ..... Starting Point: The Area and Aging Unit Plan 13-2
13.2.2.2 ..... Service Proposals 13-2
13.2.2.3 ..... Written Award Procedures 13-2
13.2.2.4 ..... Eligibility of Contract Recipients 13-3
13.2.2.4.1 ..... General 13-3
13.2.2.4.2 ..... Incorporation 13-3
13.2.2.4.3 ..... Capacity and Compliance 13-3
13.2.2.5 ..... Contracting with Small and Minority Firms, Women's Business Enterprises, and Labor Surplus Area Firms 13-3
13.2.2.6 ..... Contract Cost and Price Analysis 13-4
13.2.2.7 ..... Contracting with a Profit-Making Organization 13-4
13.3 ..... Procurement 13-4
13.3.1 ..... General Procurement Responsibilities 13-4
13.3.2 ..... Federal Procurement Standards 13-5
13.3.3 ..... Open Competition 13-5
13.3.4 ..... Methods of Procurement 13-6
13.3.4.1 ..... Small-Purchase Procedures 13-6
13.3.4.1.1 ..... General 13-6
13.3.4.1.2 ..... Procedures Governing Small Purchases 13-6
13.3.4.2 ..... Competitive Sealed Bids (Formal Advertising) 13-7
13.3.4.2.1 ..... Necessary Conditions for Sealed Bidding 13-7
13.3.4.2.2 ..... Requirements Governing Sealed Bidding 13-8
13.3.4.3 ..... Competitive Proposals: Request for Proposals (RFP) 13-8
13.3.4.4 ..... Non-Competitive Proposals (Sole Source) 13-8
13.3.5 ..... Written Contracts 13-9
13.4 ..... Code of Conduct 13-9
13.5 ..... Contract Review Policies 13-10
13.5.1 ..... Contract-Review Responsibility of Area Agency and Aging Unit 13-10
13.5.2 ..... Contract Review by the Awarding Agency 13-10
13.5.2.1 ..... Pre-Award Review by Awarding Agency 13-10
13.5.2.1.1 ..... Pre-Award Review Requirements 13-10
13.5.2.1.2 ..... Exemptions and Self-Certification 13-11
13.5.2.2 ..... Monitoring 13-11
13.6 ..... Single-Year and Multi-Year Contracts 13-12

13.6.1 ..... Single-Year Contracts 13-12
13.6.2 ..... Multi-Year Contracts 13-12
13.7 ..... Contract Elements 13-13
13.7.1 ..... General Contract Elements 13-13
13.7.2 ..... Standard Assurances and Provisions 13-14
13.8 ..... Payment of Funds to Contractors 13-14
13.8.1 ..... General Standards 13-14
13.8.2 ..... Methods of Payment 13-15
13.8.3 ..... Allowable Costs 13-15
13.9 ..... Revision, Suspension and Termination of Contracts 13-15
13.9.1 ..... Funding Contingency 13-15
13.9.2 ..... Revisions and Amendments of Contracts 13-15
13.9.3 ..... Suspension or Termination of Contracts 13-16
13.9.3.1 ..... General 13-16
13.9.3.2 ..... Circumstances Warranting Suspension or Termination of Contracts and Courses of Action 13-16
13.9.3.3 ..... Effects of Suspension and Termination 13-16
13.9.3.4 ..... Procedures for Suspension or Termination of Contracts 13-17
13.9.3.5 ..... Termination for Convenience 13-17
13.9.3.6 ..... Provider Appeals of Area Agency or Aging Unit Decisions 13-17
13.9.3.6.1 ..... Request for Appeal Hearing 13-17
13.9.3.6.2 ..... Appeal Hearing Schedule 13-17
13.9.3.6.3 ..... Hearing Procedures 13-18
13.10 ..... Reporting Requirements for Contract Recipients 13-18
13.10.1 ..... General Reporting Standards and Criteria 13-18
13.10.2 ..... Record-Keeping 13-18
13.11 ..... Monitoring and Assessment of Contractors 13-19
13.11.1 ..... Monitoring of Contractors 13-19
13.11.2 ..... Formal Assessment of Contractors 13-19
13.11.2.1 ..... General 13-19
13.11.2.2 ..... Procedure for Assessment of Contractors 13-19
13.12 ..... Technical Assistance and Training for Providers 13-19

Chapter 14. NAPIS Report 14-1

14.1 ..... Introduction 14-1
14.2 ..... Report Period 14-1
14.3 ..... Report Deadline 14-1
14.4 ..... SAMS 14-1
14.5 ..... Overview of the NAPIS Report 14-2
14.5.1 ..... NAPIS Report, Section I: Elderly Clients and Caregivers 14-2
14.5.2 ..... NAPIS Report, Section II: Utilization and Expenditure Profiles 14-2
14.5.3 ..... NAPIS Report, Section III: Network Profiles 14-2
14.6 ..... Definitions 14-2
14.6.1 ..... Characteristics of Elderly Clients 14-3
14.6.1.1 ..... Race/Ethnicity 14-3
14.6.1.2 ..... Impairment Status 14-4
14.6.1.3 ..... Poverty 14-4
14.6.1.4 ..... Living Alone 14-4
14.6.2 ..... Standardized Names, Definitions and Service Units 14-4
14.6.3 ..... Other Terms and Definitions 14-7

Table of Contents

rev 6-30-2011

Appendix A Wisconsin Senior Employment Program (WISE) - (Title V) A-1

A.1 ..... Goal A-2
A.2 ..... Eligibility Requirements A-2
A.3 ..... What Is Offered? A-3
A.4 ..... Individual Assessment Requirement A-3
A.5 ..... Retention A-3
A.6 ..... Allocation of Slots A-3
A.7 ..... State Contracted Sponsoring Agencies A-4
Figure A.7.1 ... Title V Slots for Wisconsin A-5
A.8 ..... National Grantees A-6
A.9 ..... What Is New? A-6
A.10 ..... Frequently Asked Questions A-6
A.10.1 ..... What Is a Host Agency? A-6
A.10.2 ..... What Is a Community Service Assignment? A-7
A.10.3 ..... How Long Do Community Service Assignments Last? A-7

Appendix B National Senior Service Corps Programs B-1

B.1 ..... Retired and Senior Volunteer Program (RSVP) B-1
B.1.1 ..... Eligibility B-2
B.1.2 ..... Benefits B-2
B.1.3 ..... Projects in Wisconsin B-2
B.2 ..... Foster Grandparent Program (FGP) B-3
B.2.1 ..... Eligibility B-3
B.2.2 ..... Benefits B-3
B.2.3 ..... Projects in Wisconsin B-4
B.3 ..... Senior Companion Program (SCP) B-4
B.3.1 ..... Eligibility B-4
B.3.2 ..... Benefits B-5
B.3.3 ..... Projects in Wisconsin B-5

Appendix C Support for Persons with Alzheimer's Disease and Their Caregivers C-1

Appendix D Wisconsin's Elder-Abuse Law D-1

Appendix E Planning Tools for the Aging Network E-1

E.1 ..... Planning and the Aging Difference E-1
E.2 ..... Purpose of this Appendix E-1
E.3 ..... Keep Your Perspective During Planning E-1
E.4 ..... A Model Planning Process E-2
Figure E.4.1 ..... Standard Planning Process E-3
E.4.2 ..... Where Are We Now? E-4
E.4.3 ..... Where Do We Want to Be? E-4
E.4.4 ..... How Will We Get There? E-4

Table of Contents

rev 6-30-2011

E.4.5 ..... Management of Critical Issues E-5
E.4.6 ..... How Do We Measure Our Progress? E-5
Figure E.4.7 ..... Discussion Guide about Strategic Planning for the Commission on Aging E-6
E.5 ..... Planning Steps E-7
E.5.1 ..... Get Organized to Plan: Work Plan for Process E-7
E.5.1.1 ..... Purpose of this Step E-7
E.5.1.2 ..... Possible Desired Outcomes E-7
E.5.2 ..... Identify Recent Accomplishments and Desired Improvements E-7
E.5.2.1 ..... Purpose of this Step E-7
E.5.2.2 ..... Possible Desired Outcomes E-8
Figure E.5.2.3 ..... Accomplishments, Successes, and Areas for Improvement E-9
E.5.3 ..... Clarifying Agency Mandates E-10
E.5.3.1 ..... Purpose of this Step E-10
E.5.3.2 ..... Possible Desired Outcomes E-10
Figure E.5.3.3 ..... Current List of Agency Mandates E-11
E.5.4 ..... Identifying the Needs and Demands of Constituents E-12
E.5.4.1 ..... Purpose of Step E-12
E.5.4.2 ..... Possible Desired Outcomes E-12
Figure E.5.4.3 ..... Analysis of Constituents E-13
E.5.5 ..... Mission and Purpose E-14
E.5.5.1 ..... Purpose of this Step E-14
E.5.5.2 ..... Possible Desired Outcomes E-14
Figure E.5.5.3 ..... Mission Audit E-15
E.5.6. ..... Assessing the Operating Environment Internally and Externally E-16
E.5.6.1 ..... Purpose of this Step E-16
E.5.6.1.1 ..... Internal Assessment: Strengths and Weaknesses E-16
E.5.6.1.2 ..... External Assessment: Opportunities and Threats E-16
Figure E.5.6.1.3 ..... Internal Strengths E-18
Figure E.5.6.1.4 ..... Internal Weaknesses E-19
Figure E.5.6.1.5 ..... External Opportunities E-20
Figure E.5.6.1.6 ..... External Threats E-21
E.5.6.2 ..... Possible Desired Outcomes E-22
E.5.7 ..... Identification of Core Activities E-22
E.5.7.1 ..... Purpose of this Step E-22
E.5.7.2 ..... Possible Desired Outcomes E-22
E.5.8 ..... Identifying Critical Issues E-22
E.5.8.1 ..... Purpose of this Step E-22
E.5.8.1.1 ..... Ranking Issues in Order of Importance E-23
Figure E.5.8.1.2 ..... Identification and Description of Critical Issues E-24
E.5.8.1.3 ..... Visualizing Success E-25
E.5.8.1.4 ..... Strategic Formulation E-25
E.5.8.1.5 ..... Goal Development E-25
E.5.8.1.6 ..... Analyzing Options E-25
E.5.8.2 ..... Possible Desired Outcomes E-26
Figure E.5.8.3 ..... Identifying Potential Options E-27
E.5.9 ..... The Strategic Plan E-28
E.5.9.1 ..... Purpose of this Step E-28
Figure E.5.9.2 ..... Objectives to Support the Goal E-30
E.5.9.3 ..... Completing Strategy Development E-31
E.5.9.4 ..... Developing the Aging Plan E-31
E.5.10 ..... Getting More Specific: Action-Planning E-32
E.5.10.1 ..... Purpose of this Step E-32
E.5.10.2 ..... Developing Action Plans (or Work Plans) E-33
Figure E.5.10.3 ..... Sample Format for Action Plan E-35

E.6 ..... Performance Measurement E-36
Figure E.6.1 ..... Performance Measurement E-37
E.7 ..... Introduction to Performance Management E-38
E.8 ..... Types of Performance Measures E-38
Figure E.8.1 ..... Types of Performance Indicators E-39
E.8.2 ..... Input Measures E-40
E.8.3 ..... Output Measures E-40
E.8.4 ..... Efficiency Measures E-40
E.8.5 ..... Quality Measures E-40
E.8.6 ..... Productivity Measures E-41
E.8.7 ..... Outcome Measures E-41
E.9 ..... Major Steps in Measuring Performance E-41
Figure E.9.1 ..... Define, Measure and Report Results E-43
E.9.2 ..... Getting Started E-44
E.9.3 ..... Decide with Which Programs to Begin E-44
E.9.4 ..... Identify the Outcomes to Measure E-44
E.9.5 ..... Identify Outcome Measures E-44
E.9.6 ..... Collect the Information E-45
E.10 ..... Uses for performance information E-45
E.11 ..... The Fear of Planning E-46
E.12 ..... Planning and the Aging Difference E-46

Appendix F DHS Allowable Cost Policy Manual F-1

Appendix G OMB Circular A-87: Cost Principals for State, Local and Indian Tribal Government G-1

Appendix H OMB Circular A-122: Cost Principals For Non-Profit Organizations H-1

Appendix I Establishing and Maintaining a System of Internal Controls I-1

I.1 ..... The Control Environment I-1
I.1.1 ..... Management's Philosophy and Operating Style I-1
I.1.2 ..... The Agency's Organizational Structure I-1
I.1.3 ..... Activities of the Governing Entity I-1
I.1.4 ..... Assigning Authority and Responsibility I-2
I.1.5 ..... Control Methods for Monitoring Performance I-2
I.1.6 ..... Personnel Policies and Practices I-2
I.1.7 ..... Sensitivity to External Influences I-2
I.2 ..... The Accounting System I-3
I.3 ..... Control Procedures I-3
I.4 ..... Compensating Controls for Small Agencies I-4

Appendix J Minimum Standards of the National Association of Legal Assistants..... J-1

Appendix K Nutrition Program Operations..... K-1

K.1 .....Nutrition Check Screening Tool..... K-1
K.2 .....Waiver Request - Non-Elderly Participation..... K-2
K.3 .....Index of The Wisconsin Food Code..... K-4
K.4 .....Menu Approval Documentation..... K-6
K.5 .....New or Relocated Dining Center K-7
K.6 .....Considering a New Dining Center K-8
K.7 .....Dining Center Closure or Days of Service Change..... K-11

Chapter 1. Overview of the Aging Network

1.1 What is the Aging Network?

The diverse mix of organizations that work on behalf of older people is known as "the aging network."

The focus of the aging network is expressed in the declaration of objectives for the federal Older Americans Act, which provides its framework and mission:

"The Congress hereby finds and declares that, in keeping with the traditional American concept of the inherent dignity of the individual in our democratic society, the older people of our Nation are entitled to, and it is the joint and several duty and responsibility of the governments of the United States, of the several States and their political subdivisions, and of Indian tribes to assist our older people to secure equal opportunity to the full and free enjoyment of the following objectives:

(1) An adequate income in retirement in accordance with the American standard of living.
(2) The best possible physical and mental health which science can make available and without regard to economic status.
(3) Obtaining and maintaining suitable housing, independently selected, designed and located with reference to special needs and available at costs which older citizens can afford.
(4) Full restoration services for those who require institutional care, and a comprehensive array of community-based, long term care services adequate to appropriately sustain older people in their communities and in their homes, including support to family members and other persons providing voluntary care to older individuals needing long term care services.
(5) Opportunity for employment with no discriminatory personnel practices because of age.
(6) Retirement in health, honor, dignity - after years of contribution to the economy.
(7) Participating in and contributing to meaningful activity within the widest range of civic, cultural, education and training and recreational opportunities.
(8) Efficient community services, including access to low-cost transportation, which provide a choice in supported living arrangements and social assistance in a coordinated manner and which are readily available when needed, with emphasis on maintaining a continuum of care for vulnerable older individuals.
(9) Immediate benefit from proven research knowledge which can sustain and improve health and happiness.
(10) Freedom, independence, and the free exercise of individual initiative in planning and managing their own lives, full participation in the planning and operation of community-based services and programs provided for their benefit, and protection against abuse, neglect, and exploitation." [i]

1.2 Structure of the Aging Network

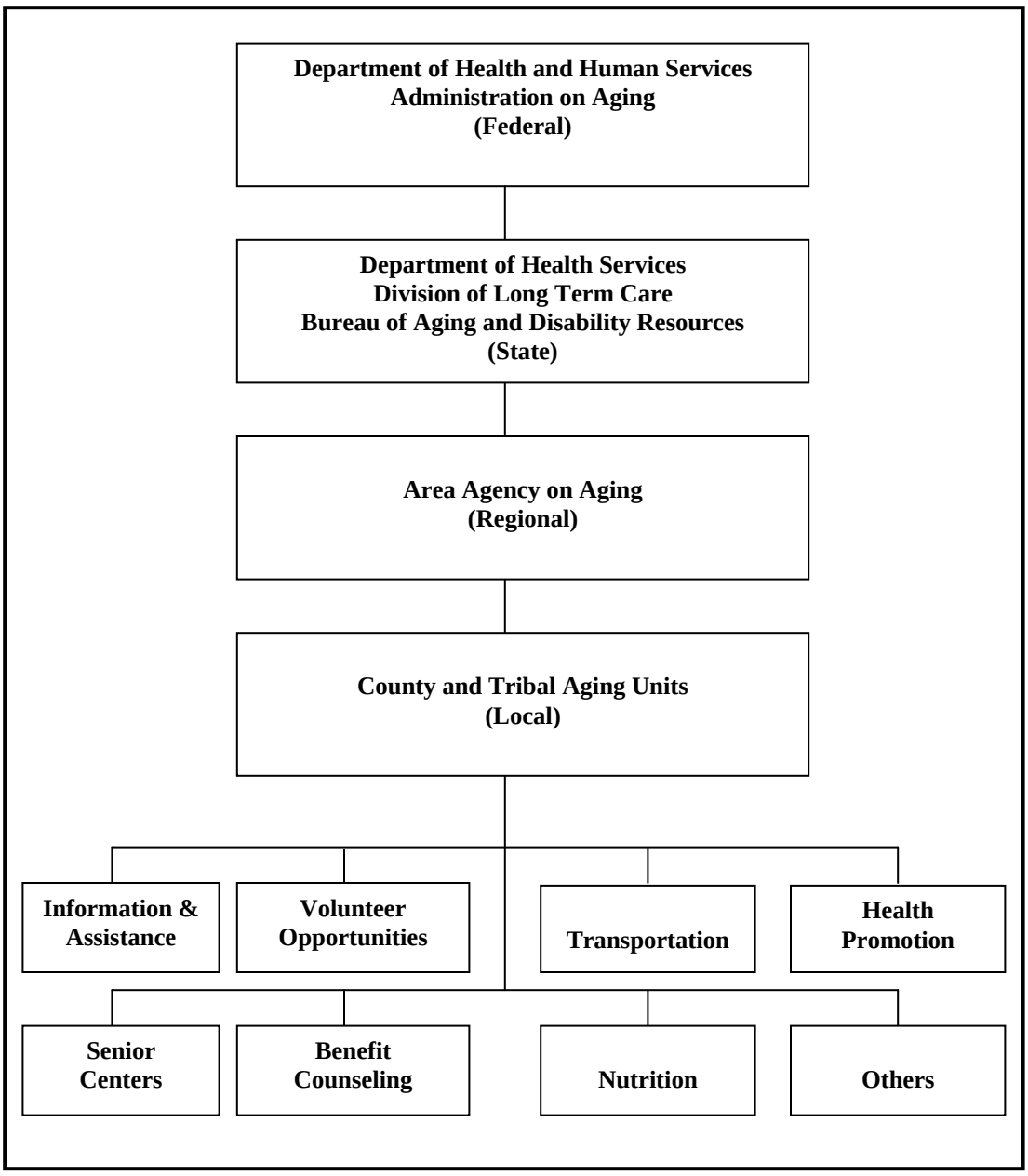
The administrative hierarchy of the "formal" aging network includes the U.S. Administration on Aging at the federal level, the Wisconsin Bureau of Aging and Disability Resources at the state level, three area agencies on aging at the regional level and 82 county and tribal aging units at the local level.

The broader "informal" aging network includes statewide aging organizations like the Coalition of Wisconsin Aging Groups. It includes the local affiliates of national organizations such as the American Association of Retired Persons (AARP). The aging network also extends to other statewide and local public and private service providers, councils on aging, social service departments, multipurpose senior centers and advocacy groups. These highly visible local organizations translate state and federal monies into tangible community-based services for older individuals.

Each part of the network operates from a unique perspective with different expectations which directly or indirectly impact the lives of older persons, but all work together with the common interest of improving the quality of life for older individuals.

This manual of policies and procedures is for those organizations covered under the "formal" aging network, which receives state and federal funding either directly through contract with the Wisconsin Department of Health Services, Bureau of Aging and Disability Resources or by subcontract with a contract agency.

Figure 1.3 The Aging Network



1.4 The Administration on Aging

The Administration on Aging (AoA) is the federal agency responsible for programs authorized under the Older Americans Act of 1965. AoA serves as an advocate for older persons at the national level, advises Congress and federal agencies on the characteristics and needs of older people, and develops programs designed to promote

the welfare of older individuals. AoA provides advice, funding and assistance to achieve community-based systems of comprehensive social services for older people.

1.5 The Bureau of Aging and Disability Resources

Established as part of the Older Americans Act of 1965, state units on aging are agencies of state governments designated as the focal point for matters relating to the needs of older people within the state. The Bureau of Aging and Disability Resources, in the Division of Long Term Care, in the Wisconsin Department of Health Services is Wisconsin's designated unit responsible for planning, coordinating, funding and evaluating programs for older persons authorized by both federal and state governments.

The focus of the Bureau of Aging and Disability Resources is to improve the quality of life for older residents of Wisconsin by advocating on their behalf, and by promoting the development of a comprehensive and coordinated system of social and health services.

The Code of Federal Regulations describes the federally mandated mission of the Bureau of Aging and Disability Resources:

"...the State Agency on Aging shall be the leader relative to all aging issues on behalf of all older people in the State. This means that the State Agency shall carry out a wide range of functions related to advocacy, planning, coordination, interagency linkages, information sharing, brokering, monitoring and evaluation, designed to lead to the development of comprehensive and coordinated community based systems in, or serving communities throughout the State." [ii]

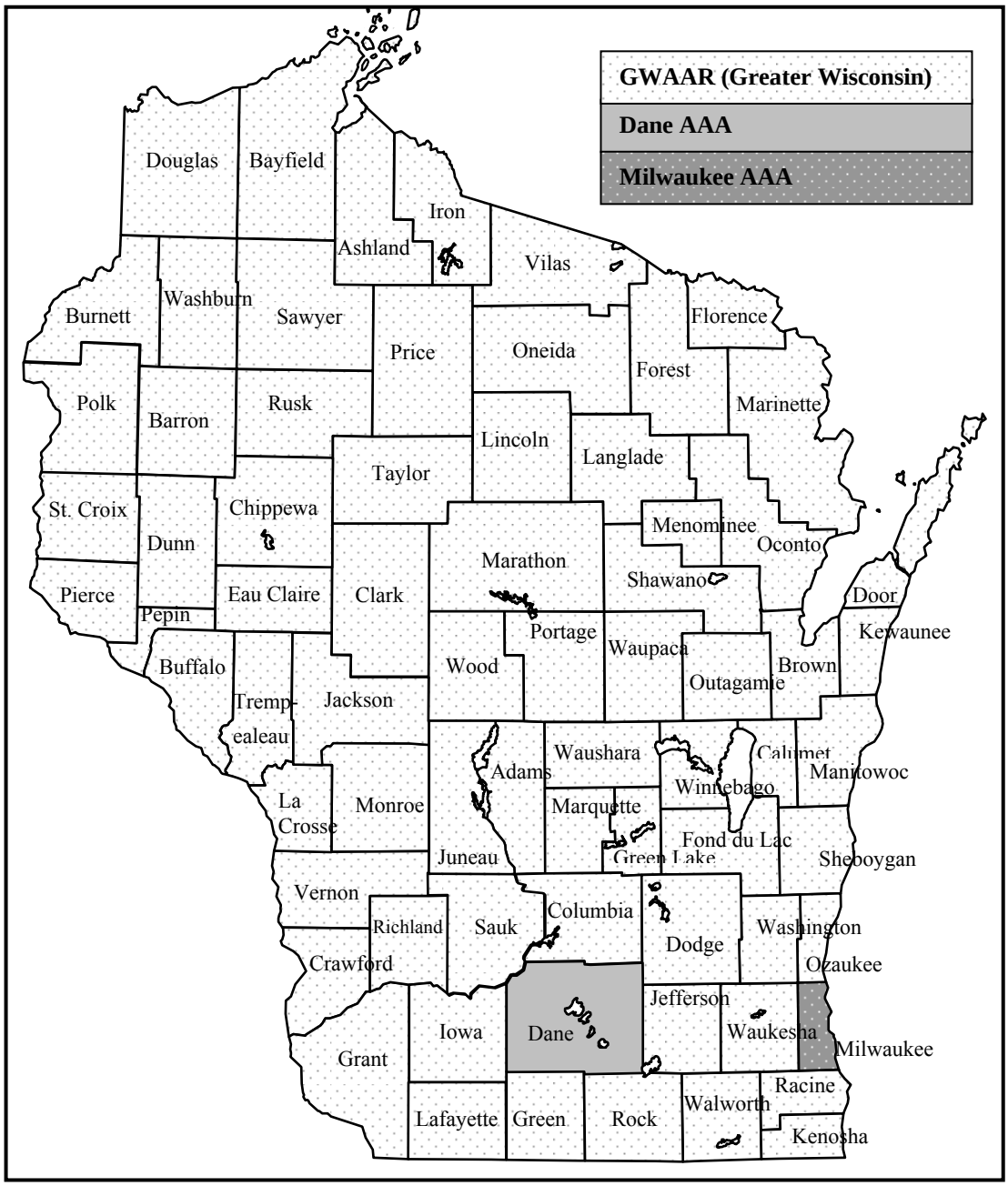
1.6 Area Agencies on Aging

Area agencies on aging (AAA's) were established by the 1973 amendments to the Older Americans Act. They are public or non-profit organizations or units of local government designated by the state and responsible for a specific geographic area known as a planning and service area (PSA). Area agencies on aging advocate on behalf of older people within their planning and service area and develop community-based plans for services to meet their needs. Area agencies on aging also administer federal, state, local and private funds through contracts with local service providers. In Wisconsin there are three area agencies on aging, each designed to oversee a specified planning and service area. The single multi-county area agency plays the role of contract monitor and provider of technical assistance to the county and tribal aging units in the PSA.

The Code of Federal Regulations specifies the mission of the area agencies on aging:
"...the area agency on aging shall be the leader relative to all aging issues in the planning and service area. This means that the area agency on aging shall proactively carry out, under the leadership and direction of the State Agency, a wide range of

functions related to advocacy, planning, coordination, inter-agency linkages, information sharing, brokering, monitoring and evaluation, designed to lead to the development or enhancement of comprehensive and coordinated community based systems in, or serving each community in the planning and service area." [iii]

Figure 1.7 Area Agency on Aging Planning and Service Areas



1.8 Aging Units

County and tribal aging units represent the Wisconsin tradition of localized decision-making for human services. County and tribal aging units, designated by county boards or tribal councils, are the policy planning and community organizing agencies for aging activities. The Wisconsin Elders Act, which became law in 1992, established the aging unit as the focal point for aging-related activities at the local level.

The Wisconsin Elders Act, 1991 Wisconsin Act 235, established the role of aging units in state statute:

> *"Work to ensure that all older individuals, regardless of income, have access to information, services and opportunities available through the county or tribal aging unit and have the opportunity to contribute to the cost of services and that the services and resources of the county or tribal aging unit are designed to reach those in greatest social and economic need."* [iv]

1.9 Other Organizations

The aging network also extends to other statewide and local public and private service providers such as councils on aging, volunteer organizations, multipurpose senior centers, and advocacy groups. These highly visible local organizations translate state and federal monies into tangible community-based services for older individuals. A partial listing of these organizations follows:

- Board on Aging and Long Term Care (BOALTC)
- Coalition of Wisconsin Aging Groups (CWAG)
- Senior Centers
- Aging and Disability Resource Centers (ADRC's)
- Retired and Senior Volunteer Program (RSVP) projects
- Senior Companion Program projects
- Interfaith Programs for the Elderly
- Senior Employment Programs
- Foster Grandparents
- Elderly Nutrition Programs and Home-Delivered Meals
- American Association of Retired Persons

1.10 The Aging Difference

The aging network is fundamentally different in character and orientation from traditional service networks. The focus of the aging network is to ensure that service providers meet the needs of the older population in a sensitive and competent manner. This is done through systemic and individual advocacy. This difference has been called the "aging difference."

The aging difference has a number of distinguishing characteristics. These include the following items:

- **The aging network belongs to and is governed by older people.** As the next chapter will illustrate, older people fill major roles in governing the aging network and in determining how the network operates.
- **The aging network empowers older people.** A key understanding within the aging network is that older people are capable of standing up for their own interests, and that the network is obligated to assist older people in helping themselves.
- **The aging network focuses on change.** The Older Americans Act requires the aging network to advocate for societal and systemic changes on behalf of older people.

The aging network is a network of and for older people. It is not primarily a service network. It is a network whose major roles are to empower and enable older people. The network must also work to ensure that existing service systems are responsive and accessible to the elderly.

---

[i] Older Americans Act

[ii] Code of Federal Regulations

[iii] Code of Federal Regulations

[iv] Wisconsin Elders Act (§ 46.82 Wisconsin Statutes)

Chapter 2. Organizational Requirements for Area Agencies on Aging

2.1 Planning and Service Areas

The Older Americans Act requires that the Bureau of Aging and Disability Resources divide the state into planning and service areas (PSA's) and designate an area agency on aging (AAA) for each planning and service area. **Figure 1.7** of this manual depicts the current planning and service areas in Wisconsin.

The Older Americans Act requires the state to consider a number of factors in deciding the nature of the planning and service areas. These include the following:

(1) geographical distribution of older individuals in the state
(2) incidence of the need for supportive services, nutrition services, multipurpose senior centers, and legal assistance
(3) distribution of older individuals who have greatest economic need (with particular attention to low-income minority individuals) residing in such areas
(4) distribution of older individuals residing in rural areas
(5) distribution of older individuals who have greatest social need (with particular attention to low-income minority individuals) residing in such areas
(6) distribution of older individuals who are Indians residing in such areas
(7) distribution of resources available to provide such services or centers
(8) boundaries of existing areas within the state which were drawn for the planning or administration of supportive services programs
(9) location of units of general purpose local government within the state, and any other relevant factors

A planning and service area shall have a minimum population of at least 100,000 persons. [v]

2.2 Organizational Options

The Older Americans Act permits the following organizational options for area agencies on aging:

(1) an established office of aging which is operating within a planning and service area, or
(2) any office or agency of a unit of general purpose local government, which is designated to function only for the purpose of serving as an area agency on aging by the chief elected official of such unit, or

(3) any office or agency designated by the appropriate chief elected officials of any combination of units of general purpose local government to act only on behalf of such combination for such purpose, or
(4) any public or non-profit private agency in a planning and service area, or any separate organizational unit within such agency, which is under the supervision or direction for this purpose of the Bureau of Aging and Disability Resources and which can and will engage only in the planning or provision of a broad range of supportive services or nutrition services within such planning and service area.

The key point to keep in mind is the area agency on aging must be solely focused on serving as an area agency on aging, regardless of its location.

2.3 Becoming an Area Agency on Aging

Any organization may petition the Bureau of Aging and Disability Resources for designation as an area agency on aging. Prospective area agencies on aging shall provide assurances, determined adequate by the Bureau of Aging and Disability Resources (BADR), that the proposed area agency has the structure and ability to meet all requirements for area agencies on aging mandated by the Older Americans Act.

2.4 Appeal Process for Area Agency on Aging Designation

If an organization applies to become an area agency on aging, and if the Bureau of Aging and Disability Resources (BADR) denies that application, the applicant may appeal the decision. The procedures governing the appeal process will follow the standard BADR hearing process (Section **2.5** of this chapter).

An applicant for designation as an area agency on aging, whose application has been denied, and who has been provided a hearing by BADR, may appeal the denial to the Administration on Aging within 30 days following the receipt of a state hearing decision.

2.5 Standard Bureau of Aging and Disability Resources Hearing Process

(1) The organization shall file a written request for a hearing with BADR within 30 days following the applicant's receipt of notice of the initial decision by BADR.
(2) BADR shall schedule a hearing within 30 days following the receipt of a request for a hearing and shall issue the hearing decision within 60 days of the date of the hearing.
(3) The organization shall receive timely written notice of the reasons for the initial decision by BADR and the information on which the initial decision was based.
(4) The organization shall have an opportunity to review any pertinent information on which the initial decision was based.

(5) The organization shall have an opportunity to appear in person before an impartial decision-maker to refute the basis for the initial decision. The decision-maker must be agreed to by both parties.
(6) The organization shall have the opportunity to be represented by counsel or other representative.
(7) As part of the hearing process, the organization shall have the opportunity to present witnesses, evidence, and to cross-examine witnesses.
(8) The organization will receive a written decision by the impartial decision-maker setting forth the basis for the decision.
(9) BADR and the organization may terminate the formal hearing process at any time if BADR and the organization negotiate a written agreement which resolves the issue(s) that led to the hearing.

2.6 De-Designation of an Area Agency on Aging

The Bureau of Aging and Disability Resources may revoke an area agency designation for **any** of the following reasons:

(1) An area agency on aging does not meet the requirements for area agencies on aging listed in federal law and regulation.
(2) An area plan or amendment to an area plan is not approved.
(3) An area agency is out of compliance with any provision of federal law or regulations, state law or the policies and procedures required by the Bureau of Aging and Disability Resources.
(4) Activities of an area agency are inconsistent with the statutory mission prescribed in the Older Americans Act, or in conflict with the requirement of the Older Americans Act that it function only as an area agency on aging.
(5) An area agency on aging is voluntarily dissolved.
(6) The Bureau of Aging and Disability Resources restructures planning and service areas.

The Bureau of Aging and Disability Resources will provide an area agency on aging with written notification of the proposed de-designation and the grounds for de-designation.

2.6.1 Appeal Process for De-Designation

If an area agency on aging wishes to appeal the decision to de-designate, the agency shall follow the standard BADR hearing process (Section **2.5** of this chapter).

2.7 Dissolution of an Area Agency on Aging

Chapter 181 of the Wisconsin Statutes indicates the process whereby an incorporated area agency on aging may be voluntarily dissolved by vote of its board of directors.

The formal vote by the board of directors on the dissolution shall include the following steps:

(1) The board of directors shall publicize a special meeting called for the purpose of dissolution and contain or be accompanied by a summary of the plan of dissolution.
(2) Notice of the meeting shall be given to all directors at least 25 days prior to the date of the meeting.
(3) Dissolution must be approved by a majority of the directors in office at the time of the meeting.
(4) The plan of dissolution shall include provision for the payment of all liabilities of the corporation and the disposition of area agency on aging property and funds.
(5) The plan shall also provide for the disposition of all assets purchased with federal funds in accordance with the policies set forth in this manual.

2.8 Area Agency on Aging Operational Policies and Procedures

The area agency on aging board establishes operational polices and procedures which govern the activities of the agency and the organizations that receive funds from the agency. Policies adopted by the area agency board shall be consistent with all applicable federal and state laws, regulations and policies.

Each area agency shall develop and maintain a manual which incorporates all agency policies and procedures. In no case may any policy of an area agency on aging be less restrictive than federal or state policy.

It can be difficult to maintain an up-to-date manual of policies and procedures if corrections, additions and deletions are not made regularly or according to a set schedule. Changes to a manual should have the date of the change noted on the relevant pages.

Many agencies review their by-laws, policies and procedures at their annual meeting. This helps ensure that emerging issues are addressed promptly. A regular review also helps keep board members current on the agency's policies and procedures.

2.9 Area Agency on Aging Board of Directors

2.9.1 Overview of the Role of a Board Member

The board of directors of the area agency on aging is the agency's policy-making body. The board has final responsibility for the control and direction of all agency resources and activities. The board is also responsible for hiring and overseeing the agency's executive director.

The term "board of directors" is typically used by private, not-for-profit area agencies on aging. For public area agencies on aging, the functions of the board of directors may be held by an oversight board, commission or committee. For ease of reference, the terms "board" and "board of directors" will be used to refer to the policy-making bodies of public and private not-for-profit area agencies on aging.

Central to the concept of the "aging difference" is the key role that older people play in the management and governance of the organizations in the aging network. The area agency board of directors sets the policies by which the area agency operates in order to best serve the interests of the older people in the planning and service area.

2.9.2 Sample Board Job Description

Area agency boards are encouraged to adopt a job description for their membership. The job description should include the major duties expected of board members. Following are some examples of items which could be included:

- Determine the organization's mission and purposes.
- Select the executive staff through an appropriate process.
- Provide ongoing support and guidance for the executive; review his/her performance.
- Ensure effective organizational planning.
- Ensure adequate resources.
- Manage resources effectively. (The buck stops with them, ultimately.)
- Determine and monitor the organization's programs and services.
- Enhance the organization's public image.
- Serve as a court of appeal.
- Assess its own performance.
- board membership and tenure [vi]

2.9.3 Membership and Tenure

The membership of the board of directors is composed of at least one person representing each aging unit in the PSA. Aging units may select an alternate delegate to act in the absence of the permanent board member.

Members of the board of directors shall serve for terms of three years, so arranged that as nearly as practicable, the terms of one-third of the members shall expire each year, and no member may serve more than two consecutive three-year terms. Vacancies shall be filled in the same manner as the original appointments. A member of the board of directors may be removed from office for cause by a two-thirds vote of the board of directors on due notice in writing and hearing of the charges against the member.

2.9.4 By-Laws for the Board

The board of directors of an incorporated area agency on aging shall develop by-laws which contain, at a minimum, all of the following provisions:

(1) investment of the management of the corporation in the board
(2) specification of the number of board members, criteria for board membership, tenure and provisions for filling vacancies
(3) identification of the date of the annual meeting, frequency of regular meetings (which shall be at least quarterly), procedures for calling special meetings and the manner of meeting notices in accordance with the open meetings law
(4) specification of voting procedures, definition of a quorum and a parliamentary authority to govern board meetings
(5) policies governing the compensation of board members
(6) identification of officers, including their titles, duties, manner of election, tenure, method for filling vacancies and provisions for removal
(7) specifications for the membership and responsibilities of the agency's advisory council
(8) financial operating procedures, including authorization to make contracts, issue checks and drafts, maintain bank deposits and accept gifts
(9) specification of the corporation's fiscal year
(10) identification of standing committees
(11) specification of the relationship of the board to the executive director and subordinate staff
(12) commitment of the corporation to maintain complete and accessible books, records, membership lists and meeting minutes
(13) bonding of employees
(14) assurance of errors and omissions insurance coverage for staff and board
(15) assurance of a code of ethics, including how the board handles conflicts of interest
(16) procedures for amending the by-laws

2.9.5 Open Meetings

All meetings of the area agencies on aging, board and subcommittees of the board, shall be open meetings, in accordance with (§19.81-19.98, Wis. Stats.). Open meetings shall, at a minimum, meet all of the following provisions:

(1) "Meeting" means the convening of members of the board or subcommittees of the board for the purpose of exercising the responsibilities, authority, or power or duties delegated to or vested in the board or committee.
(2) Public notice of a meeting shall be communicated to the public, to those news media who have filed a written request for such notice, and to all news media necessary to give notice to interested persons in the area and to every aging unit in the PSA.

(3) Every public notice of a meeting shall set forth the time, date, place and subject matter of the meeting, including that intended for consideration at any contemplated closed session, in such form as is reasonably likely to apprise members of the public and the news media thereof. The public notice of a meeting may provide for a period of public comment, during which the board may receive information from members of the public.

(4) Public notice of every meeting shall be given at least 24 hours prior to the commencement of such meeting unless for good cause such notice is impossible or impractical, in which case shorter notice may be given, but in no case may the notice be provided less than two hours in advance of the meeting.

The Open Meetings Law requires detailed agendas but in addition, the Older Americans Act and the aging difference emphasize the necessity for involving and empowering older people in the decisions which affect and shape the aging network. To this end, area agencies on aging (AAA's) should ensure that materials relating to meetings of the board, such as agendas and minutes, are sufficiently detailed to provide older people and other interested parties a clear picture of the business and actions of the board.

2.9.6 Closed Meetings

In accordance with (§19.81-19.98, Wis. Stats.) area agencies may conduct official business in closed meetings. Any meeting of an area agency on aging, upon motion duly made and carried, may be convened in closed session under one or more of the exemptions provided in this section. The motion shall be carried by a majority roll call vote in such manner that the vote of each member is ascertained and recorded in the minutes. No motion to convene in closed session may be adopted unless the chief presiding officer announces to those present at the meeting at which such motion is made, the nature of the business to be considered at such closed session, and the specific exemption or exemptions under this subsection by which such closed session is claimed to be authorized. Such announcement shall become part of the record of the meeting. No business may be taken up at any closed session except that which relates to matters contained in the chief presiding officer's announcement of the closed session. A closed session may be held for any of the following purposes:

(1) considering dismissal, demotion, or discipline of any employee of the agency and the taking of formal action on any such matter; provided that the employee is given actual notice of any evidentiary hearing which may be held prior to final action being taken and of any meeting at which final action may be taken. The notice shall contain a statement that the person has the right to demand that the evidentiary hearing or meeting be held in open session.

(2) considering employment, promotion, compensation or performance evaluation data of any employee over which the board has jurisdiction or exercises responsibility

(3) deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business whenever competitive or bargaining reasons require a closed session (e.g., examining sealed bids)
(4) considering financial, medical, social or personal histories or disciplinary data of specific persons, preliminary consideration of specific personnel problems or the investigation of charges against specific persons
(5) conferring with legal counsel who is rendering oral or written advice concerning strategy to be adopted by the board with respect to litigation in which it is involved or is likely to become involved

Minutes must be kept even if a meeting is closed!

2.9.7 Meeting Frequency

The board of directors of the area agency shall meet at least four times per year in full session. The board of directors should meet as often as is necessary to conduct the business of the agency.

2.9.8 Board Compensation

Each area agency on aging shall develop a policy governing the compensation of board members. The compensation policy shall not permit compensation from all sources to exceed the actual expenses incurred by a board member while involved in official area agency on aging business. For example, if an elected official is a member of the board and claims a per diem and/or mileage from his/her county, the area agency on aging shall take that into account when determining if compensation is due. If the compensation from the local agency meets or exceeds the actual expenses, the member is not eligible for additional reimbursement from the area agency.

2.10 Area Agency on Aging Advisory Council

Section 306(a)(6) of the Older Americans Act requires each area agency on aging to establish an advisory council consisting of older individuals (including minority individuals and older individuals residing in rural areas) who are participants or who are eligible to participate in programs under this chapter. Advisory councils shall also include local elected officials, providers of veterans' health care (if appropriate), and the general public. At least 51 percent of the members of the area agency on aging advisory council must be 60 years of age or older.

The Bureau of Aging and Disability Resources requires that membership on the area agency advisory council consist of at least one person from each aging unit in the planning and service area (PSA).

The purpose of the area agency on aging advisory council is to advise the area agency staff and board on all matters relating to the development of the area plan, the administration of the plan, and operations conducted under the plan.

There are many good reasons why an advisory council is useful to the area agency on aging. Some are as follows:

- to expand the basis of support by involving more older people in the business of the agency
- to gain the input and support of key community leaders
- to ensure that decisions have been weighed from as many perspectives as possible

It is important that the board of directors, in concert with the agency staff, carefully think through how to get the maximum value from the advisory council. If an area agency hopes for a functional advisory council then some thought and work are necessary.

Just because an area agency on aging has formed an advisory council does not mean that anyone in the agency wants advice - or will act on it! Take the time to define the role of the advisory council, its relationship to the board of directors, and what it is and is not expected to do. Do not imply power when there is none. Most advisory councils have an impact through influence and persuasion, but do not have voting rights or decision-making authority.

As with any volunteer endeavor, it is useful to clarify expectations with a written description for an advisory council member. Potential advisors need to know what they are being asked to do.

If an area agency on aging has asked people to spend their time on the advisory council, put the council to good use. Schedule meetings when they are needed, but always provide a specific agenda. The goal is to generate as much discussion as possible, but not necessarily to reach consensus. The volunteer advisors represent diverse constituencies, so why would they be expected to agree on everything? In fact, despite majority opinion, the board and staff should listen carefully to the concerns of the minority. Those who dissent on an issue may be expressing the very things the agency needs most to factor into the decision-making process.

It is wasteful to ask advisory volunteers to limit their service to attendance at meetings. Each advisor has a special point of view and important data to share. Consider asking advisor volunteers to help the area agency on aging in two distinct ways: participate in the meetings of the full advisory council, and spend a few hours consulting with the board or staff one-to-one, as needed. When advisors begin to offer input on their own initiative, the agency will be getting the most benefit from these special volunteers. The advisory council is another important link to the aging unit and their constituency and should be encouraged to confer with staff and local commissions.

2.10.1 Meeting Frequency

The advisory council of the area agency shall meet at least four times per year in full session. The advisory council should meet as often as is necessary to conduct the business of the agency. To allow for ride sharing and cost savings, the area agency should try to schedule meetings on the same day as the regularly scheduled board and/or committee meeting.

2.10.2 Open Meetings

Meetings of the area agency on aging advisory council shall be open to the public and follow the same open meetings requirements as the board and subcommittees.

2.10.3 Compensation

Each area agency on aging shall develop a written policy governing the compensation of advisory council members. The compensation policy shall ensure that compensation from all sources does not exceed the actual expenses incurred by a council member while involved in official area agency on aging business. For example, if an elected official is a member of the advisory council and claims a per diem and/or mileage from his/her county, the area agency on aging shall take that into account when determining if compensation is due. If the compensation from the local agency meets or exceeds the actual expenses, the member is not eligible for additional reimbursement from the area agency.

2.11 Code of Ethics

Area agencies on aging shall maintain a written code of ethics. A code of ethics fulfills many purposes within an organization. A code of ethics increases ethical sensitivity and judgment, strengthens support for individuals moral courage, and helps to hone an organization's sense of identity. A code of ethics must reflect the virtues and values of the board.

Although the following list is not exhaustive, here are some questions boards might consider when deciding what should be included in the code:

- Who are the persons or groups of persons affected by the AAA?
- What are the AAA's main areas of action?
- What unethical decisions and actions should be prevented, and how could they be prevented?
- What type of ethical problems are members of the AAA most likely to encounter?
- How can conflicting principles be resolved?

2.12 Conflict of Interest

Conflict of interest is difficult to define, yet many people think they know it when they see it. Most conflicts fall into a gray area where ethics and public perception are more

relevant than statutes or precedents. Conflict of interest arises whenever the personal or professional interests of a board member or staff are potentially at odds with the best interests of the area agency on aging.

Area agencies on aging shall maintain a written standard of conduct which prohibits any employee, officer or board member of the agency from either of the following:

(1) selecting, awarding, or administering contracts in which the individual or any member of his or her immediate family has substantial financial interest
(2) participating in personnel decisions (hiring, firing, compensation) that affect a relative or immediate family member.

Any employee of an agency or organization which receives funds from an area agency on aging may not be a member of that AAA's board of directors.

How can someone determine if they are in a conflict of interest, whether actual, perceived or potential? The key is to determine whether the situation is likely to interfere or appear to interfere with the independent judgment someone is supposed to show in performing their official duties. A good test is the "trust test." Would relevant others (employers, older people, public officials, or the general public) trust a person's judgment if they knew the situation? Trust is at the ethical heart or core of this issue. Conflicts of interest involve the abuse, actual or potential, of the trust people have in public employees and officials. This is why conflicts of interest not only injure particular clients and employers; they also damage the whole aging network by reducing the trust people generally have in the unbiased service of the network on behalf of older people. Remember that perception is as important as reality.

2.13 The Aging Difference

Earlier in this manual the expression "the aging difference" was used. One of the distinguishing features of the aging difference is said to be that the aging network belongs to and is governed by older people. As this chapter has shown, the organizational structures of area agencies require that older people fill major roles in the governance of the agency.

The foundation of a committed, knowledgeable and effective board and council is orientation and education. Board/council orientation is usually intended to prepare new board members for their roles in the area agency on aging. Orientation is also extremely useful for all members to ensure they are operating from the same "script." Board/council orientation should not be limited to new members; it should include the entire membership of both bodies. Orientation is a strong team-building activity that should be conducted once per year, either before a regular board/council meeting or during a retreat – particularly after new board/council members have been seated. A packet of material sent or handed to a board member is not considered sufficient orientation.

[v] Older Americans Act

[vi] From "Ten Basic Responsibilities of Non-Profit Boards," published by the National Center for Non-Profit Boards, Washington, DC 20036. http://www.ncnb.org

Chapter 3. Organizational Requirements for Aging Units

3.1 Aging Unit Overview

Area agencies on aging are a creation of the federal Older Americans Act. AAA's, as they are commonly called, play important advocacy and oversight roles in the aging network.

Aging units are a creation of Wisconsin law. They reflect the Wisconsin tradition of vesting authority for the planning and provision of services with local government. In large measure, aging units are a uniquely Wisconsin manifestation of the aging difference.

- **The aging unit belongs to and is governed by older people.** Older people fill major roles in governing aging units and in determining how the aging unit serves older people in the county or tribe.
- **The aging unit empowers older people.** A key understanding within the aging network is that older people are best qualified to advocate for the needs of their peers. The aging unit is obliged to assist older people in helping themselves.
- **The aging unit focuses on change.** The Older Americans Act *requires* the aging unit to advocate for local and societal changes on behalf of older people.

The aging network is a network of and for older people. It is not primarily a service network. It is a network whose major roles are to empower and enable older people to influence the existing service delivery system. These traits are imbued within the requirements placed on aging units.

3.2 Creation of Aging Unit

The county board of supervisors or the tribal governing body shall establish an aging unit to administer funds and programs under the federal Older Americans Act.

"A county board of supervisors of a county, the county boards of supervisors of two or more contiguous counties or an elected tribal governing body of a federally recognized American Indian tribe or band in this state may choose to administer, at the county or tribal level, programs for older individuals that are funded under 42 USC 3001 to 3057n, 42 USC 5001 and 42 USC 5011. If this is done, the county board or boards of supervisors or tribal governing body shall establish by resolution a county or tribal aging unit to provide the services required under this section."
(§ 46.82 Wis. Stats.) [vii]

"If a county board of supervisors or a tribal governing body chooses, or the county boards of supervisors of two or more contiguous counties choose, not to administer

the programs for older individuals, the department shall direct the area agency on aging that serves the relevant area to contract with a private, non-profit corporation to provide for the county, tribe or counties the services required under this section."
(§ 46.82. Wis. Stats.)

The county board of supervisors or the tribal governing body thus has both of the following two related decisions:

(1) to administer the funds and programs under the Older Americans Act
(2) to establish the required aging unit as a necessary condition in order to receive the funds

3.3 Wisconsin Elders Act

The Wisconsin Elders Act, the title given to Chapter 46.82 of the Wisconsin Statutes, was a landmark piece of legislation for the Wisconsin aging network. The Elders Act is a state-level counterpart of the federal Older Americans Act. It signaled the intent of the State of Wisconsin to empower and serve older people through a locally grounded system of county and tribal aging units.

3.4 Organizational Options

The Wisconsin Elders Act permits three organizational options for aging units:

"Aging unit means an aging unit director and necessary personnel, ***directed by a county or tribal commission on aging*** *and organized as one of the following:*
(1) An agency of county or tribal government with the primary purpose of administering programs or services for older individuals of the county or tribe.
(2) A unit, within a county department under § 46.215, 46.22 or 46.23, with the primary purpose of administering programs or services for older individuals of the county.
(3) A private corporation that is organized under Chapter 181 and that is a non-profit corporation, as defined in § 181.0103(17)."
(§ 46.82 Wis. Stats.)

Put simply, the county or tribe has three organizational options. The aging unit may be a freestanding county or tribal government department. Alternatively, the aging unit may be part of another county or tribal government department. As a third option, the county or tribe may designate a private non-profit corporation to act as the aging unit.

Increasingly, counties have established Aging and Disability Resource Centers (ADRC's). Some of these are single-county ADRC's while others serve multiple counties. The relationship of the aging unit to the ADRC is an important consideration and must be carefully considered by all parties so as to provide the best service and advocacy of older adults in the affected area.

How a county or tribe chooses to organize its aging unit is an important decision. Many factors enter into this decision. The major consideration must be the organizational structure which best allows the aging unit to fulfill its **required** duties.

When a county or tribe is considering changing the organizational structure of its aging unit, substantial efforts should be made to involve older people in the decision-making process. It is important that both commission and advisory council members be involved in these discussions. There are a variety of low-cost or no-cost ways to accomplish this involvement. Commission advisory members should be involved in these activities:

- the use of focus groups organized at various dining centers and senior centers
- public forums hosted by senior groups and organizations
- the use of cable TV community access channels
- forming a broad-based ad hoc advisory group consisting of representatives from senior organizations and current program clientele

Older people form the fastest-growing segment of the population in many communities. The importance of how aging services are structured and delivered will have implications for years to come. Older people must be consulted and involved in the decisions affecting the future of the aging unit.

3.5 Powers and Duties of the Aging Unit

The Wisconsin Elders Act lists the duties of an aging unit:

"In accordance with state statutes, rules promulgated by the department and relevant provisions of Federal Law 42 USC 3001 to 3057n and as directed by the county or tribal commission on aging, an aging unit:

Shall do all of the following:

(1) Work to ensure that all older individuals, regardless of income, have access to information, services and opportunities available through the county or tribal aging unit and have the opportunity to contribute to the cost of services and that the services and resources of the county or tribal aging unit are designed to reach those in greatest social and economic need.

(2) Plan for, receive and administer federal, state and county, city, town or village funds allocated under the state and area plan on aging to the county or tribal aging unit and any gifts, grants or payments received by the county or tribal aging unit, for the purposes for which allocated or made.

(3) Provide a visible and accessible point of contact for individuals to obtain accurate and comprehensive information about public and private resources available in the community which can meet the needs of older individuals.

(4) As specified under § 46.81, provide older individuals with services of benefit specialists or appropriate referrals for assistance.

(5) *Organize and administer congregate programs, which shall include a nutrition program and may include one or more senior centers or adult day-care or respite-care programs, that enable older individuals and their families to secure a variety of services, including nutrition, daytime care, educational or volunteer opportunities, job skills preparation and information on health promotion, consumer affairs and civic participation.*

(6) *Work to secure a countywide or tribal transportation system that makes community programs and opportunities accessible to, and meets the basic needs of, older individuals.*

(7) *Work to ensure that programs and services for older individuals are available to homebound, disabled and non-English speaking persons, and to racial, ethnic and religious minorities.*

(8) *Identify and publicize gaps in services needed by older individuals and provide leadership in developing services and programs, including recruitment and training of volunteers that address those needs.*

(9) *Work cooperatively with other organizations to ensure their services function effectively for older individuals.*

(10) *Actively incorporate and promote the participation of older individuals in the preparation of a county or tribal comprehensive plan for aging resources that identifies needs, goals, activities and county or tribal resources for older individuals.*

(11) *Provide information to the public about the aging experience and about resources for and within the aging population.*

(12) *Assist in representing needs, views and concerns of older individuals in local decision making and assist older individuals in expressing their views to elected officials and providers of services.*

(13) *If designated under § 46.27(3)(b)6., administer the long term support community options program.*

(14) *If the department is so requested by the county board of supervisors, administer the pilot projects for home and community-based long term support services under § 46.271.*

(15) *If designated under § 46.87(3)(c), administer the Alzheimer's disease family and caregiver support program under § 46.87.* (See **Appendix C** of this manual for the administrative code governing this program.)

(16) *If designated under § 46.90(2), administer the elder-abuse reporting system under § 46.90.* (See **Appendix D** of this manual.)

(17) *If designated by the county or in accordance with a contract with the department, operate the specialized transportation assistance program for a county under § 85.21.*

(18) *Advocate on behalf of older individuals to assist in enabling them to meet their basic needs.*

(19) *If an aging unit under sub.(1)(a)1. or 2. and if authorized under § 46.283(1)(a)1., applies to the department to operate a resource center under § 46.283 and, if the department contracts with the county under § 46.283(2), operate the resource center.*

(20) If an aging unit under sub.(1)(a)1. or 2. and if authorized under § 46.284(1)(a)1., applies to the department to operate a care management organization under § 46.284 and, if the department contracts with the county under § 46.284(2), operate the care management organization and, if appropriate, place funds in a risk reserve."
(§ 46.82 Wisconsin Statutes)

All aging units are required to fulfill duties 1-12 and 18 listed above. Items 13-17 and 19-20 above are permissive. Aging units may also perform other general functions necessary to administer services for older individuals.

The required and optional duties of the aging unit strongly suggest that the aging unit is more than an aging services provider. Indeed, the language suggests a community focal point or locus for activities for and on behalf of older people. The statutory language indicates the legislative intent that the aging unit be a catalyst for community change and community organizing to create responsive and effective service systems.

3.6 Commission on Aging

The commission on aging and the aging unit are intertwined. The commission on aging is the appointed or elected citizen oversight body that represents the interests of the public as a whole and older people specifically in the policies and decisions that govern the aging unit. The aging unit is the organizational entity that carries out activities for older people under the policy and planning oversight of the commission on aging.

3.6.1 Powers and Duties

The Wisconsin Elders act outlines the general powers and duties of all aging units.

"A county or tribal commission on aging appointed under sub.(4)(a) shall, in addition to any other powers or duties established by state law, plan and develop administrative and program policies, in accordance with state law and within limits established by the department of health services, if any, for programs in the county or for the tribe or band that are funded by the federal or state government for administration by the aging unit. Policy decisions not reserved by statute for the department of health services may be delegated by the secretary to the county or tribal commission on aging. The county or tribal commission on aging shall direct the aging unit with respect to the powers and duties of the aging unit under sub. (3)."
Wis. Stats. § 46.82, (4)3.(d)

The duties of the commission on aging are quite broad. Interpreted in the context of the overall duties for the aging unit, the commission on aging plans and develops the policies and procedures which govern the operation of the aging unit as it carries out all required and optional responsibilities indicated in the

Wisconsin Elders Act. Further, the commission on aging has oversight responsibilities over the activities of the aging unit.

3.6.2 Composition

The Wisconsin Elders Act specifies the composition of the commission on aging. The composition of the commission on aging varies, depending upon which of the aging unit organizational options the county or tribe has chosen.

"(1) For an aging unit that is described in sub.(1)(a)1. or 2., organized as a committee of the county board of supervisors, composed of supervisors and, beginning January 1, 1993, advised by an advisory committee, appointed by the county board. Older individuals shall constitute at least fifty percent of the membership of the advisory committee and individuals who are elected to any office may not constitute fifty percent or more of the membership of the advisory committee.

(2) For an aging unit that is described in sub.(1)(a)1. or 2., composed of individuals of recognized ability and demonstrated interest in services for older individuals. Older individuals shall constitute at least fifty percent of the membership of this commission and individuals who are elected to any office may not constitute fifty percent or more of the membership of this commission.

(3) For an aging unit that is described in sub.(1)(a)3., the board of directors of the private, non-profit corporation. Older individuals shall constitute at least fifty percent of the membership of this commission and individuals who are elected to any office may not constitute fifty percent or more of the membership of this commission."

(§ 46.82 Wis. Stats.)

Alternatives #1 and #2 are available to an aging unit organized as a freestanding county or tribal department, or as part of another county or tribal department. If an aging unit is a private, non-profit corporation, the commission on aging board of directors shall be as described in #3 above.

Where the aging unit consists of two or more counties or tribes, each county or tribe must appoint a commission on aging composed of individuals of recognized ability and demonstrated interest in services for older individuals. Older individuals shall constitute at least 50 percent of the membership of these commissions. Individuals who are elected to any office may not constitute 50 percent or more of the membership of this commission.

3.6.3 Term Limits

The Wisconsin Elders Act places limits on the terms of office for members of commissions on aging. This ensures that the aging network continues to develop new leadership and benefits from new ideas.

"Members of a county or tribal commission on aging shall serve for terms of 3 years, so arranged that, as nearly as practicable, the terms of one–third of the members shall expire each year, and no member may serve more than 2 consecutive 3-year terms. Vacancies shall be filled in the same manner as the original appointments. A county or tribal commission on aging member appointed under par.(a)1. may be removed from office for cause by a two–thirds vote of each county board of supervisors or tribal governing body participating in the appointment, on due notice in writing and hearing of the charges against the member."
(§ 46.82 Wis. Stats.)

Note: County supervisors may not be appointed past their two-year elected terms. Therefore, to comply with state statutes, county supervisors may serve no more than three consecutive two-year terms.

Many members of a commission on aging find their experiences very rewarding. This is sometimes evidenced by a reluctance to leave office once they have reached the term limits specified by the Wisconsin Elders Act. Because these individuals have a wealth of experience, aging units may consider the establishment of emeritus advisory bodies to provide advice, consultation and feedback to the commission on aging. The use of current and former commission on aging members to assist in the establishment of local senior statesmen programs is a further option. Finally, former commission members should also be considered for membership on special work groups, ad hoc committees or task forces.

3.6.4 Compensation

Each aging unit shall develop a policy governing the compensation of commission on aging members. The compensation from all sources shall not exceed the actual expenses incurred by a commission on aging member while involved in official aging unit business.

3.7 Aging Unit Staff

The Wisconsin Elders Act **requires** that *"A full–time aging unit director shall be appointed on the basis of recognized and demonstrated interest in and knowledge of problems of older individuals, with due regard to training, experience, executive and administrative ability and general qualification and fitness for the performance of his or her duties."* (§ 46.82 Wis. Stats.)

The expression "full-time" shall be interpreted to mean whatever the county, tribe, or private non-profit corporation defines as full-time for other employees with similar levels of responsibility. The term "aging unit director" is used in the singular sense. This directly implies that an individual holds the position of aging unit director. Splitting the required duties of the aging unit director across multiple personnel is thus **not permitted**.

Where the aging unit operates within the context of a larger, multi-purpose entity such as an ADRC, the aging unit must have a "full-time" director as required by the Wisconsin Elders Act.

The Wisconsin Elders Act describes the **primary** purpose of the aging unit as administering programs of services for older individuals of the county or tribe. There is no suggestion that the aging unit might or should engage in any activities unrelated to older individuals. However, because the listing of duties and responsibilities for the aging units includes programs (transportation, for example) whose primary, but not exclusive clientele are older people the operation of such programs is permissible.

The assignment of programs or duties whose clientele are primarily not older people is clearly outside the intent of the Wisconsin Elders Act that the aging unit has a full-time director and is not permitted. Furthermore, where an aging unit operates programs whose clientele includes non-elderly people, the aging unit shall demonstrate that sufficient staff and supervision are available to meet the agency's required functions under the law.

3.8 Open Meetings

All meetings of the aging unit shall be open meetings in facilities which are readily accessible and large enough to accommodate the public, in accordance with (§ 19.81-19.98, Wis. Stats.). Open meetings shall, at a minimum, meet all of the following provisions:

(1) "Meeting" means the convening of members of the board (or designated subcommittees) for the purpose of exercising the responsibilities, authority, power or duties delegated to or vested in the commission on aging.
(2) Public notice of a meeting of the commission on aging shall be communicated to the public, to those news media who have filed a written request for such notice, and to all news media necessary to give notice to interested persons in the area.
(3) Every public notice of a meeting of the commission on aging shall set forth the time, date, place and subject matter of the meeting, including that intended for consideration at any contemplated closed session, in such form as is reasonably likely to apprise members of the public and the news media thereof. The public notice of a meeting of the commission on aging may provide for a period of public comment, during which the commission on aging may receive information from members of the public.
(4) Public notice of every meeting of the commission on aging shall be given at least 24 hours prior to the commencement of such meeting unless for good cause such notice is impossible or impractical, in which case shorter notice may be given, but in no case may the notice be provided less than two hours in advance of the meeting.

Both the Older Americans Act and the aging difference emphasize the necessity for involving and empowering older people in the decisions which affect and shape the aging network. To this end, aging units are advised that materials relating to meetings of the board, such as agendas and minutes, are sufficiently detailed to provide older people and other interested parties a clear picture of the business and actions of the board.

3.9 Closed Meetings

In accordance with the Open Meetings Law (§ 19.81-19.98, Wis. Stats.), aging units may conduct official business in closed meetings. Any meeting of an aging unit, upon motion duly made and carried, may be convened in closed session under one or more of the exemptions provided in this section. The motion shall be carried by a majority roll call vote in such manner that the vote of each member is ascertained and recorded in the minutes.

No motion to convene in closed session may be adopted unless the chief presiding officer announces to those present at the meeting at which such motion is made, the nature of the business to be considered at such closed session, and the specific exemption or exemptions under this subsection by which such closed session is claimed to be authorized. Such announcement shall become part of the record of the meeting. No business may be taken up at any closed session except that which relates to matters contained in the chief presiding officer's announcement of the closed session. A closed session may be held for any of the following purposes:

(1) considering dismissal, demotion, or discipline of any employee of the agency and the taking of formal action on any such matter; provided that the employee is given actual notice of any evidentiary hearing which may be held prior to final action being taken and of any meeting at which final action may be taken. The notice shall contain a statement that the person has the right to demand that the evidentiary hearing or meeting be held in open session.
(2) considering employment, promotion, compensation or performance evaluation data of any employee over which the commission on aging has jurisdiction or exercises responsibility
(3) deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session (e.g., examining sealed bids)
(4) considering financial, medical, social or personal histories or disciplinary data of specific persons, preliminary consideration of specific personnel problems or the investigation of charges against specific persons
(5) conferring with legal counsel who is rendering oral or written advice concerning strategy to be adopted by the commission on aging with respect to litigation in which it is or is likely to become involved

Minutes must be kept even if a meeting is closed!

3.10 Code of Ethics

Aging units shall maintain a written code of ethics. A code of ethics fulfills many purposes within an organization. A code of ethics increases ethical sensitivity and judgment, strengthens support for individual moral courage, and helps to hone an organization's sense of identity. A code of ethics shall reflect the virtues and values of the board. The aging unit does not need to develop a separate code of ethics if it is covered by the overall county or tribal policy. Aging units which choose to use the county policy shall distribute it to both staff and commission on aging members.

Section 19.59, Wis. Stats., creates a code of ethics for local government officials. The statute also authorizes a county, city, village, or town to create its own code of ethics in addition to the state code. Some key definitions applicable to § 19.59 are found in § 19.42, Wis. Stats. Other statutes that apply to local officials include § 946.11, 946.12, and 946.13, Wis. Stats., pertaining to misconduct in public office and private interests in official actions.

Section 19.59, Wis. Stats., applies to all political subdivisions and special purpose districts of the state, as well as municipalities and corporations of the political subdivisions and special purpose districts. Within those local units of government, the statute covers elected officials; individuals appointed to a position for a specified term; individuals who serve in a position at the pleasure of the local government's governing body or executive; county administrators; and city or village managers.

In general, the ethics code contains two kinds of restrictions. The first restricts an official from personally profiting from holding public office, apart from the receipt of salary and expenses to which the official is entitled. The second restricts an official from participating in decisions in which the official has a personal financial interest.

More specifically:

- A local public official may not accept items or services of substantial value for private benefit, or for the benefit of the official's immediate family or associated organizations, if offered because of public position.
- A local public official may not accept (and no one may offer or give) anything of value which could reasonably be expected to influence the official's vote, official actions or judgment.
- A local public official may not accept (and no one may offer or give) anything of value which could reasonably be considered a reward for any official action or inaction.

Although the following list is not exhaustive, here are some questions boards might consider when deciding what should be included in the code:

- Who are the persons or groups of persons affected by the aging unit?
- What are the aging unit's main areas of action?
- What unethical decisions and actions should be prevented, and how could they be prevented?

- What type of ethical problems are members of the aging unit most likely to encounter?
- How can conflicting principles be resolved?

Note: All commission and advisory council members are considered public officials when serving on the designated boards and subcommittees.

3.11 Conflict of Interest

Conflict of interest is difficult to define, yet many people think they know it when they see it. Most conflicts fall into a gray area where ethics and public perception are more relevant than statutes or precedents. Conflict of interest arises whenever the personal or professional interests of a commission on aging member or staff are potentially at odds with the best interests of the aging unit.

In general, conflict-of-interest policies shall require both of the following:

- A local public official may not take official action substantially affecting a matter in which the official, the official's immediate family or associated organization has a substantial financial interest.
- A local public official may not use office or position to produce a substantial benefit for official, family or associated organization.

Aging units shall maintain a written standard of conduct that includes a prohibition against any employee, officer, or agent of the agency participating in the selection, award, negotiating, bidding or entering into a contract in which they, or any member of their immediate family has substantial financial interest. This prohibition includes employment of or compensation for any relative or immediate family.

A county or tribe may have a general county or tribal conflict-of-interest policy covering elected officials and employees. The aging unit does not need to develop a separate conflict-of-interest policy if it is covered by the overall county or tribal policy; however, citizen board members shall understand that they are to abide by the county plan and are considered "public officials" while serving in their official capacity as a board or advisory council member.

Any employee of an agency or organization that receives funds from an aging unit may not be a member of that commission on aging.

How can a person determine if he or she is in a conflict-of-interest situation, whether real or apparent? The key is to determine whether the situation is likely to interfere or appear to interfere with the independent judgment a person is supposed to show in performing his or her official duties. A good test is the "trust test." Would relevant others (employers, older people, public officials, or the general public) trust a person's judgment if they knew the situation? Trust is at the ethical heart or core of this issue. Conflicts of interest involve the abuse, actual or potential, of the trust people have in boards and employees which administer public funds. This is why conflicts of interest

not only injure particular clients and employers; they also damage the whole aging network by reducing the trust people generally have in the unbiased service of the network on behalf of older people. Remember that perception is as important as reality.

3.12 Non-Compliance with Wisconsin Elders Act

If a county or tribe is not in compliance with the requirements of the Wisconsin Elders Act, the area agency on aging will notify the aging unit of the deficiencies and violations, the steps necessary to comply, and the timetable for compliance. If the county or tribe continues to remain out of compliance with the requirements of the Wisconsin Elders Act, the Bureau of Aging and Disability Resources shall direct the area agency on aging that serves the relevant area to contract with a private, non-profit corporation to provide for the county or tribe the services required under the Wisconsin Elders Act. The area agency on aging will provide the county or tribe with written notification of the proposed action and the grounds for the action.

3.12.1 How to Appeal Non-Compliance with Wisconsin Elders Act

If a county or tribe wishes to appeal the decision on non-compliance, the county or tribe shall follow the standard BADR hearing process (Section **2.5** of this manual).

3.13 The Aging Difference

Note the continuing theme in this manual surrounding the term "the aging difference." The term implies that the aging network has unique characteristics from other social and human service systems. This chapter has examined the requirements for county and tribal aging units. Aging units are a creation of the Wisconsin Elders Act, which in turn codifies another aspect of the aging difference: a commitment to provide older people access through local government to the decisions and programs which affect their lives.

Considerations about where aging units fit in local government occasionally focus on imagined efficiencies. Certainly conducting an efficient operation is very important. However, the major point to consider is the effectiveness of the aging unit at representing older people in their government. When counties or tribes are considering altering the place of the aging unit in local government, they are strongly advised to conduct the deliberation in a very public fashion, and must involve older people and their organizations at every level.

[vii] Wisconsin Statutes, Sec 46.82

Chapter 4. Area Agency on Aging Plans

4.1 Purpose of the Area Agency on Aging Plan

A primary function of the area agencies on aging (AAA's) is to work for the development of comprehensive and coordinated systems for the delivery of social and other needed services. In Wisconsin, the locus of services is typically at the tribal and county level. Unlike many states, regional service organizations and systems are quite rare in Wisconsin. As a consequence, the Wisconsin aging network emphasized a focus on county/tribal-based aging plans about 20 years ago. The role of the area agencies, and their plans, centers on supporting and assisting the efforts of county and tribal aging units in their system development efforts.

4.2 The Area Agency Plan and the Older Americans Act

The Older Americans Act (OAA) places a great deal of emphasis on the area plan. In large measure, the requirements set for the area plans define the role of the area agencies on aging. Indeed, the OAA sets forth very specific requirements on what must be addressed in area plans.

Section 306 (42 U.S.C. 3026) Area Plans:
"(a) Each area agency on aging designated under section 305(a)(2)(A) shall, in order to be approved by the State agency, prepare and develop an area plan for a planning and service area for a two-, three-, or four-year period determined by the State agency, with such annual adjustments as may be necessary. Each such plan shall be based upon a uniform format for area plans within the State prepared in accordance with section 307(a)(1). Each such plan shall-

(1) provide, through a comprehensive and coordinated system, for supportive services, nutrition services, and, where appropriate, for the establishment, maintenance, or construction of multipurpose senior centers, within the planning and service area covered by the plan, including determining the extent of need for supportive services, nutrition services, and multipurpose senior centers in such area (taking into consideration, among other things, the number of older individuals with low incomes residing in such area, the number of older individuals who have greatest economic need (with particular attention to low-income minority individuals and older individuals residing in rural areas) residing in such area, the number of older individuals who have greatest social need (with particular attention to low-income minority individuals and older individuals residing in rural areas) residing in such area, and the number of older individuals who are Indians residing in such area, and the efforts of voluntary organizations in the community), evaluating the effectiveness of the use of resources in meeting such need, and entering into agreements with providers of supportive services, nutrition services, or multipurpose senior

centers in such area, for the provision of such services or centers to meet such need;

(2) provide assurances that an adequate proportion, as required under section 307(a)(2), of the amount allotted for part B to the planning and service area will be expended for the delivery of each of the following categories of services -
- *(A) services associated with access to services (transportation, outreach, information and assistance, and case management services);*
- *(B) in-home services, including supportive services for families of older individuals who are victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction; and*
- *(C) legal assistance; and assurances that the area agency on aging will report annually to the State agency in detail the amount of funds expended for each such category during the fiscal year most recently concluded;*

(3) (A) designate, where feasible, a focal point for comprehensive service delivery in each community, giving special consideration to designating multipurpose senior centers (including multipurpose senior centers operated by organizations referred to in paragraph (6)(c) as such focal point; and
- *(B) specify, in grants, contracts, and agreements implementing the plan, the identity of each focal point so designated;*

(4) (A) (i) provide assurances that the area agency on aging will set specific objectives for providing services to older individuals with greatest economic need and older individuals with greatest social need, include specific objectives for providing services to low-income minority individuals and older individuals residing in rural areas, and include proposed methods of carrying out the preference in the area plan;
- *(ii) provide assurances that the area agency on aging will include in each agreement made with a provider of any service under this title, a requirement that such provider will -*
  - *(I) specify how the provider intends to satisfy the service needs of low-income minority individuals and older individuals residing in rural areas in the area served by the provider;*
  - *(II) to the maximum extent feasible, provide services to low-income minority individuals and older individuals residing in rural areas in accordance with their need for such services; and*
  - *(III) meet specific objectives established by the area agency on aging, for providing services to low-income minority individuals and older individuals residing in rural areas within the planning and service area; and*
- *(iii) with respect to the fiscal year preceding the fiscal year for which such plan is prepared -*

(I) identify the number of low-income minority older individuals and older individuals residing in rural areas in the planning and service area;

(II) describe the methods used to satisfy the service needs of such minority older individuals; and

(III) provide information on the extent to which the area agency on aging met the objectives described in clause (i);

(B) provide assurances that the area agency on aging will use outreach efforts that will -

(i) identify individuals eligible for assistance under this Act, with special emphasis on-

(I) older individuals residing in rural areas;

(II) older individuals with greatest economic need (with particular attention to low-income minority individuals and older individuals residing in rural areas);

(III) older individuals with greatest social need (with particular attention to low-income minority individuals and older individuals residing in rural areas);

(IV) older individuals with severe disabilities;

(V) older individuals with limited English-speaking ability; and

(VI) older individuals with Alzheimer's disease or related disorders with neurological and organic brain dysfunction (and the caretakers of such individuals); and

(ii) inform the older individuals referred to in subclauses (I) through (VI) of clause (i), and the caretakers of such individuals, of the availability of such assistance; and

(C) contain an assurance that the area agency on aging will ensure that each activity undertaken by the agency, including planning, advocacy, and systems development, will include a focus on the needs of low-income minority older individuals and older individuals residing in rural areas;

(5) provide assurances that the area agency on aging will coordinate planning, identification, assessment of needs, and provision of services for older individuals with disabilities, with particular attention to individuals with severe disabilities, with agencies that develop or provide services for individuals with disabilities;

(6) provide that the area agency on aging will-

(A) take into account in connection with matters of general policy arising in the development and administration of the area plan, the views of recipients of services under such plan;

(B) serve as the advocate and focal point for older individuals within the community by (in cooperation with agencies, organizations, and individuals participating in activities under the plan) monitoring, evaluating, and commenting upon all policies, programs, hearings, levies, and community actions which will affect older individuals;

(C) (i) where possible, enter into arrangements with organizations providing day care services for children, assistance to older individuals caring for relatives who are children, and respite for families, so as to provide opportunities for older individuals to aid or assist on a voluntary basis in the delivery of such services to children, adults, and families; and

(ii) if possible regarding the provision of services under this title, enter into arrangements and coordinate with organizations that have a proven record of providing services to older individuals, that-

(I) were officially designated as community action agencies or community action programs under section 210 of the Economic Opportunity Act of 1964 (42 U.S.C. 2790) for fiscal year 1981, and did not lose the designation as a result of failure to comply with such Act; or

(II) came into existence during fiscal year 1982 as direct successors in interest to such community action agencies or community action programs; and that meet the requirements under section 675(c)(3) of the Community Services Block Grant Act (42 U.S.C. 9904(c)(3));

(D) establish an advisory council consisting of older individuals (including minority individuals and older individuals residing in rural areas) who are participants or who are eligible to participate in programs assisted under this Act, representatives of older individuals, local elected officials, providers of veterans' health care (if appropriate), and the general public, to advise continuously the area agency on aging on all matters relating to the development of the area plan, the administration of the plan and operations conducted under the plan;

(E) establish effective and efficient procedures for coordination of-

(i) entities conducting programs that receive assistance under this Act within the planning and service area served by the agency; and

(ii entities conducting other Federal programs for older individuals at the local level, with particular emphasis on entities conducting programs described in section 203(b), within the area;

(F) coordinate any mental health services provided with funds expended by the area agency on aging for part B with the mental health services provided by community health centers and by other public agencies and non-profit private organizations; and

(G) if there is a significant population of older individuals who are Indians in the planning and service area of the area agency on aging, the area agency on aging shall conduct outreach activities to identify such individuals in such area and shall inform such individuals of the availability of assistance under this Act;

(7) provide that the area agency on aging will facilitate the coordination of community-based, long term care services designed to enable older individuals to remain in their homes, by means including-

(A) development of case management services as a component of the long term care services, consistent with the requirements of paragraph (8);
(B) involvement of long term care providers in the coordination of such services; and,
(C) increasing community awareness of and involvement in addressing the needs of residents of long term care facilities;

(8) provide that case management services provided under this title through the area agency on aging will-
(A) not duplicate case management services provided through other Federal and State programs;
(B) be coordinated with services described in subparagraph (A); and,
(C) be provided by a public agency or a non-profit private agency that-
(i) gives each older individual seeking services under this title a list of agencies that provide similar services within the jurisdiction of the area agency on aging;
(ii) gives each individual described in clause (i) a statement specifying that the individual has a right to make an independent choice of service providers and documents receipt by such individual of such statement;
(iii) has case managers acting as agents for the individuals receiving the services and not as promoters for the agency providing such services; or
(iv) is located in a rural area and obtains a waiver of the requirements described in clauses (i) through (iii);

(9) provide assurances that the area agency on aging, in carrying out the State Long Term Care Ombudsman program under section 307(a)(9), will expend not less than the total amount of funds appropriated under this Act and expended by the agency in fiscal year 2000 in carrying out such a program under this title;

(10) provide a grievance procedure for older individuals who are dissatisfied with or denied services under this title;

(11) provide information and assurances concerning services to older individuals who are Native Americans (referred to in this paragraph as 'older Native Americans'), including-
(A) information concerning whether there is a significant population of older Native Americans in the planning and service area and if so, an assurance that the area agency on aging will pursue activities, including outreach, to increase access of those older Native Americans to programs and benefits provided under this title;
(B) an assurance that the area agency on aging will, to the maximum extent practicable, coordinate the services the agency provides under this title with services provided under title VI; and,

(C) an assurance that the area agency on aging will make services under the area plan available, to the same extent as such services are available to older individuals within the planning and service area, to older Native Americans; and

(12) provide that the area agency on aging will establish procedures for coordination of services with entities conducting other Federal or federally assisted programs for older individuals at the local level, with particular emphasis on entities conducting programs described in section 203(b) within the planning and service area.

(13) provide assurances that the area agency on aging will-

(A) maintain the integrity and public purpose of services provided, and service providers, under this title in all contractual and commercial relationships;

(B) disclose to the Assistant Secretary and the State agency-

(i) the identity of each non-governmental entity with which such agency has a contract or commercial relationship relating to providing any service to older individuals; and

(ii) the nature of such contract or such relationship;

(C) demonstrate that a loss or diminution in the quantity or quality of the services provided, or to be provided, under this title by such agency has not resulted and will not result from such contract or such relationship;

(D) demonstrate that the quantity or quality of the services to be provided under this title by such agency will be enhanced as a result of such contract or such relationship; and

(E) on the request of the Assistant Secretary or the State, for the purpose of monitoring compliance with this Act (including conducting an audit), disclose all sources and expenditures of funds such agency receives or expends to provide services to older individuals;

(14) provide assurances that funds received under this title will not be used to pay any part of a cost (including an administrative cost) incurred by the area agency on aging to carry out a contract or commercial relationship that is not carried out to implement this title;

(15) provide assurances that preference in receiving services under this title will not be given by the area agency on aging to particular older individuals as a result of a contract or commercial relationship that is not carried out to implement this title."

4.3 Role of the State Unit on Aging Related to Area Agency on Aging Plans

The Older Americans Act requires that the state agency on aging, which in Wisconsin is the Bureau of Aging and Disability Resources (BADR), develop a uniform format

for the area agency's aging plans. The state agency is further charged with ensuring that area aging plans meet all requirements from the Older Americans Act (see above).

Beyond issues of formatting and regulatory compliance, the Older Americans Act gives the state broad responsibilities for planning and advocacy activities for older persons. The Older Americans Act indicates that the state unit on aging shall:

> *"be primarily responsible for the planning, policy development, administration, coordination, priority setting, and evaluation of all State activities related to the objectives of this Act; and,*
>
> *serve as an effective and visible advocate for older individuals by reviewing and commenting upon all State plans, budgets, and policies which affect older individuals and providing technical assistance to any agency, organization, association, or individual representing the needs of older individuals;"*

With this broad and encompassing mandate BADR, in partnership with the AAA's and the county and tribal aging units, develops planning requirements and processes to address statewide efforts and priorities on behalf of older persons.

4.4 Planning Requirements and Techniques

Specific content areas, formats, and timetables will change over time. Those requirements will be addressed in the instructions for the area plans.

All area agency plans shall address all of the following general requirements:

- Indicate the participation of older people in the development of the plan.
- Show evidence of participation and approval by the board and advisory council.
- Address all required content areas.
- Indicate a significant focus on meeting the needs of aging units.
- Follow the prescribed format.

4.4.1 Participation of Older People

At their most basic level, area aging plans represent what the AAA proposes to do for and with older people in order to make life better for older people in the planning and service area (PSA). For these plans to have any legitimacy, the area agency shall involve older people in the development of the plan.

There are a number of techniques area agencies might use to involve older people in the development of the area plans, such as the following:

- Use the aging units: The membership of the county and tribal aging oversight bodies and advisory groups represent a wealth of experience on the needs of older people. Further, because of their responsibility for the oversight of the aging units, the citizen members of the aging units are in a wonderful

position to advise the area agency on what it needs to do to better serve the aging units, and through them older people.

- Focus groups: A group of people selected for their particular skills, experience, views, or position are asked a series of questions about a topic or issue to gather their opinions. Group interaction is used to obtain detailed information about a particular issue.

Area agency plans shall show evidence that older people were involved to a significant degree in the development of the area plan.

4.4.2 Participation of Board of Directors and Advisory Council

The area agency advisory council and board of directors have significant responsibilities for the area plan. In the case of the board of directors, there is a significant legal and personal liability attached to the plans and actions of the agency. This responsibility requires that the advisory council and board of directors be intimately involved in the development and oversight of the area aging plan.

Evidence of the involvement and approval of the advisory council and board of directors is indicated by the signatures of their respective chairpersons on the area plan document.

It is important that the board of directors and advisory council take ownership of the area plan. The plan is a reflection of what the board and council consider to be the most important things on which the agency should work. Some approaches can increase this sense of involvement.

4.4.2.1 Provide Information but not Decisions

Staff should work with the members of the board and council to identify in advance what type of information is needed to make decisions related to the plan.

There are a number of techniques for involving older people in the planning process. Make this information available to the members of the board and advisory council in a way that allows them to examine the information in the context of the agency's mission.

4.4.2.2 Give a Frank Report on the Previous Plan

For the board and council to understand what may be done in the future, it is useful for them to engage in a critical discussion of what went right and wrong with the previous area plan. The development of a good plan demands a thorough understanding of what the agency has been doing in the past. That understanding can help set priorities and assign staff and other resources.

4.4.2.3 Give the Board and Council Assignments

Board and council members are in a perfect position to actively help in the development of area plans. They can act as leaders at local forums, facilitate focus groups, lead discussions with their local aging units and even write portions of the plan.

Members of the advisory council in particular might be divided into planning committees for specific topic areas (e.g., transportation, nutrition). Assisted by area agency staff, the advisory committees might be charged with outlining issues related to their subject matter and with developing policy options for the board of directors.

4.4.3 Meeting the Needs of Aging Units

Aging units represent the key focal points of advocacy, service system development and service delivery in the Wisconsin aging network. This organizational emphasis is unique to Wisconsin. It is recognition of the key political and service roles played by county and tribal governments in our state.

The importance of aging units to older people must be reflected within the area aging plans. The primary role of the area agencies on aging in Wisconsin is to support the activities and efforts of the county and tribal aging units. While area plans need not be solely a reflection of anticipated activities for and on behalf of aging units, it is vital that area plans reflect a thoughtful and thorough approach to how the agency will work with and on behalf of the aging units within the PSA.

4.4.4 Follow the Prescribed Format and Timetable

The development and submission of the area plan shall follow the procedures, format and timetable prescribed by BADR.

4.5 Public Hearings

Before submitting the area plan to the Bureau of Aging and Disability Resources, (BADR) the Area Agency on Aging (AAA) shall conduct one or more public hearings on the draft plan.

Public hearings shall conform to the following minimum requirements:

4.5.1 Time of Hearing

The public hearing shall be scheduled to allow sufficient time for the AAA to make any modifications or revisions to the plan based on the comments received at the hearing(s).

4.5.2 Public Notice

(1) Public notification about the hearings shall begin at least two weeks prior to the hearing.
(2) The notification process shall include at least two of the following:
- newspapers
- radio announcements
- television announcements
- written notice sent to agencies, organizations and individuals known to have an interest in the plan

(3) Written notices shall be sent to all aging units in the PSA.
(4) Copy of the notice shall be sent to BADR.
(5) Where appropriate, both written and spoken announcements shall be made in languages other than English.
(6) Where possible, multiple notifications should be used.
(7) Notifications shall include the date, time, location, and subject of the hearing. In addition, notification shall indicate the location and hours that the plan is available for examination.

4.5.3 Location and Number of Hearings

Locations chosen for public hearings shall be convenient and accessible to people with disabilities, and large enough to accommodate all who wish to attend. Provision shall be made when it is known that people with hearing or vision impairments or non-English speaking people will attend. Where possible, hearings should be held in several locations within the planning and service area and in conjunction with meetings of aging units.

4.5.4 Opportunity for Comment

Adequate time at the hearing shall be allowed to provide interested parties with an opportunity to comment on the plan. Individuals shall be given an opportunity to submit their comments on the plan in writing.

4.5.5 Summary of Comments

Comments received at public hearings shall be recorded in written or taped form. A written summary of the comments received at public hearings shall be attached to the plan when submitted to BADR. The AAA shall also indicate changes, if any, that were made to the plan as a result of the comments received at public hearings.

4.5.6 Participation of Board of Directors and Advisory Council

Members of the board of directors and advisory council shall be notified about all public hearings on the plan. Agencies are encouraged to use members of the board and council at the public hearings. A written summary of the comments

received at all public hearings shall be given to the members of the board and advisory council prior to their review of the final draft of the plan.

The area plan shall demonstrate that the board of directors of the AAA was actively involved in the development of the area plan and that the plan, as submitted, has been approved by the board of directors. Evidence of this required involvement shall include, but not be limited to, all of the following:

- minutes of board and committee meetings focused on the development of the plan
- review and approval by the board of directors of the draft version of the plan prior to its release for public comment and public hearings
- review and approval by the board of directors of the final draft of the area plan, following a review of the comments received from public hearings, aging units, and the advisory council

The advisory council, as its name implies, advises the AAA board and staff. Specific to the development of the area plan, evidence of the involvement of the advisory council shall, at a minimum, include all of the items listed below:

- minutes of the advisory council and committee meetings focused on the development of the plan
- review and comment by the advisory council on the draft version of the plan prior to its release for public comment and public hearings
- review and approval by the advisory council of the final area plan, following a review of the comments received from public hearings and aging units

4.6 Role of the Aging Units

The nature of the relationship between AAA's and aging units is complex. Area agencies are charged with assisting and supporting aging units in the development of local service systems that respond to the needs of older people. Area agencies have the further task of monitoring the plans and activities of aging units to ensure compliance with applicable federal and state laws, policies and procedures. Most importantly however, aging units and area agencies are partners advocating the interests of older people together. For all these reasons it is imperative that aging units be actively involved in the development of the area plans. Minimal evidence of this involvement shall include both of the following:

(1) minutes of aging units focused on the development of the plan
(2) review and comments by the aging units on the draft version of the area plan

4.7 Procedures for Approval or Disapproval of an Area Plan

Federal regulations authorize the Bureau of Aging and Disability Resources to develop procedures related to the approval or disapproval of an area plan.

4.7.1 Approval of an Area Plan

The Bureau of Aging and Disability Resources will grant approval to an area plan which meets all content and procedural requirements. Approval signifies the Bureau of Aging and Disability Resources' intent to grant Older Americans Act and state aging funds in the amount indicated and for the purposes set forth in the plan.

4.7.2 Conditional Approval of an Area Plan

An area plan which does not meet all content and procedural requirements may be granted conditional approval. Conditional approval signifies the Bureau of Aging and Disability Resources' intent to grant Older Americans Act and state aging funds in the amount indicated and for the purposes set forth in the plan, *if the area agency remedies content or procedural deficiencies in the plan*.

- An area agency whose plan has received conditional approval will receive notification of the conditional approval from BADR.
- The notification of conditional approval will delineate the deficiencies of the area plan requiring corrective action.
- Area plans may receive conditional approval for no more than 90 days, after which the plan will be disapproved.
- BADR may limit the administrative funds available to an area agency operating under a conditionally approved area plan.
- BADR will approve an area plan after the area agency remedies all content and procedural deficiencies.

4.7.3 Disapproval of an Area Plan

An area plan with significant content or procedural deficiencies may be disapproved. Grounds for disapproval include, but are not limited to, the following:

- omission of significant portions of the plan and failure to promptly submit omitted sections
- omission of significant procedural elements in the development and submission of the plan
- clear indications that requested Older Americans Act and state aging funds will not be used for purposes consistent with the intent of the legislation
- significant deviations from or violations of area plan requirements or specifications, and the refusal to take remedial steps
- clear evidence of the agency's inability to implement the proposed plan
- failure of the AAA to meet conditions set forth in a notification of conditional approval

The Bureau of Aging and Disability Resources will notify the area agency that the area plan has been disapproved. The written notification will include the reasons for the disapproval and an outline of the procedures to be followed if the area agency seeks to appeal the disapproval decision.

4.7.3.1 Appeal Process for Plan Disapproval

The Bureau of Aging and Disability Resources will provide an opportunity for an appeal hearing by an area agency whose area plan has been disapproved. The procedures governing the appeal process will follow the standard BADR hearing process (Section 2.5 of this manual).

4.8 Suspension of an Area Plan

BADR may suspend all or parts of an approved area plan whenever it considers such action to be essential. The circumstances leading to the suspension of an area plan include, but are not limited to, the following:

- failure to implement the area plan as approved
- non-compliance with area plan assurances or requirements
- evidence pointing to a real or possible failure to comply with federal or state laws, regulations, or policies

4.8.1 Consequences of a Suspended Plan

The consequence to an area agency on aging operating with a suspended area plan may include, but is not limited to, any of the following:

- During the period of suspension, BADR will not fund those parts of the area plan activities which have been suspended.
- The AAA will be required to return federal and state funds where BADR determines that the suspension will result in substantial unearned balances accruing to those funds on hand with the AAA.
- BADR may assume the responsibility for directly funding the aging units.

4.8.2 Reinstatement of a Suspended Plan

BADR may reinstate suspended area plan activities if it determines that the conditions prompting the suspension have been remedied. The AAA will be notified about reinstatement through the issuance of a notification of a new grant award. The new grant award will contain all of the following:

- the budget period for which the reinstatement will apply
- a reinstatement of funding, not to include costs incurred during the period of suspension
- unearned grant funds available on the effective date of reinstatement
- any special conditions governing the plan

4.8.3 Appeal Process for a Suspended Plan

The Bureau of Aging and Disability Resources will provide an opportunity for an appeal hearing by an area agency whose area plan has been suspended. The procedures governing the appeal process will follow the standard BADR hearing process (Section 2.5 of this manual).

4.9 Termination of an Area Plan

BADR may terminate all or parts of an approved area plan whenever it considers such action to be essential. The circumstances leading to the termination of an area plan include, but are not limited to, the following:

- continuation of a non-remedied suspension for more than 90 days
- violations of area plan assurances or requirements
- evidence pointing to a real or possible failure to comply with federal or state laws, regulations, or policies
- unavailability of state or federal support
- severely inadequate and non-remedied program performance

4.9.1 Consequences of a Terminated Plan

The consequence to an area agency on aging operating with a terminated area plan may include, but is not limited to, any of the following:

- The AAA will be required to return any unearned federal and state funds to BADR.
- BADR will assume the responsibility for the area agency's aging plan and support for the aging units in the planning and service area.
- BADR may move to remove the agency's designation as an AAA.

4.9.2 Reinstatement of a Terminated Plan

BADR may reinstate a terminated area plan if it determines that the conditions prompting the suspension have been remedied. The AAA will be notified about reinstatement through the issuance of a notification of a new grant award. The new grant award will contain all of the following:

- the budget period for which the reinstatement will apply
- a reinstatement of funding, not to include costs incurred during the period of termination
- unearned grant funds available on the effective date of reinstatement
- any special conditions governing the plan

4.9.3 Final Report on a Terminated Plan

The AAA shall submit final financial and programmatic reports upon the termination of the area plan covering all projects affected by the termination. All final reports shall be submitted to BADR within 30 days following the effective date of termination.

All equipment and supplies purchased with federal and state funds shall be disposed in accordance with procedures outlined by BADR. Any funds realized from the sale of such equipment and supplies will result in the adjustment of project costs.

4.9.4 Appeal Process for a Terminated Plan

The Bureau of Aging and Disability Resources will provide an opportunity for an appeal hearing by an area agency whose area plan has been terminated. The procedures governing the appeal process will follow the standard BADR hearing process (Section **2.5** of this manual).

4.10 Mid-Year Plan Amendments

AAA's are required to submit amendments to their area plans whenever significant changes of a financial or programmatic nature are necessary so that the plan accurately reflects the status or activities of the AAA. The prescribed content, procedures and timetable for amended area plans are determined by BADR.

4.10.1 Circumstances Requiring a Mid-Year Plan Amendment

A mid-year area plan amendment is required for circumstances including, but not limited to, the following:

- receipt of new program funds
- proposals to incur any cost which requires prior approval that had not been previously approved
- immediate and significant changes in the programmatic activities of an approved area plan
- immediate and significant changes in the administrative capacity of the area agency

4.11 Annual Plan Amendments

AAA's are required to submit plan amendments for the second and third years of the three-year aging plan. The prescribed content, procedures and timetable for amended area plans are determined by BADR.

4.11.1 Role of the Advisory Council and the Board of Directors

The AAA's advisory council shall review annual amendments to the area plan prior to the review and approval by the board of directors.

The AAA's board of directors shall review and approve annual amendments to the area plan prior to the submission of the plan amendments to BADR.

4.11.2 Approval by BADR

BADR will grant approval to an area plan which meets all area-plan content and procedural requirements. Approval signifies the Bureau of Aging and Disability Resources' intent to grant Older Americans Act and state aging funds in the amount indicated and for the purposes set forth in the plan.

4.11.3 Annual Plan Status Report

A major element in the annual area plan amendment will be the annual plan status report. The purpose of this report will be to give the advisory council, board of directors and the agency staff an opportunity to review progress toward the completion of the major planned activities. The format, content and procedures for the development of the status report will be determined by BADR.

There are many ways to engage citizen advisors in reviewing the progress on plans:

- Scorecards: When an area agency develops its area plan, it sets annual performance targets (outcomes). At the time of the annual review of the plan, the agency and citizen advisors/board members compare actual to planned performance. Aging unit staff can also be invited to assist in this analysis. This helps the agency keep on track. More importantly, it serves as the opportunity to analyze *why* targets were or were not met and to adjust future actions accordingly.
- Ask the aging units: As the key constituent group of the AAA's, the aging units are in a perfect position to advise the AAA's about "mid-course corrections" they feel might be useful in the area plans.

4.12 The Aging Difference

The "aging difference" focuses on changing those systems that affect the lives of older people. Given the complicated nature of these systems, aging agencies shall engage in well-planned efforts to accomplish the necessary changes needed to help older people.

Area agencies play a key role in making the aging difference work. The area plans outline how the AAA's plan to work with the aging units in their planning and service areas to make the aging difference a reality.

The evolution of a system of aging and disability resource centers, many of which include formerly free-standing aging units, presents opportunities and challenges for the area agencies on aging. The relationship has moved beyond Older Americans Act activities to planning and coordinating a broader array of home- and community-based services for older people.

It is impossible to overstate the necessity for partnership between the AAA's and their aging units. By working together through interlocking plans and activities, the aging units can most efficiently focus their advocacy and system development activities while buttressed by support and technical assistance from the AAA's.

Chapter 5. Aging Unit Plans

5.1 Purpose of the Aging Unit Plans

A primary function of the aging unit is to work for the development of a comprehensive and coordinated system for the delivery of social and other needed services. To carry out this role, the aging unit conducts planning focused on how the system of services looks to the individual older person. For that person, an ideal system of services will exist when in response to their needs, at any particular time and over time, an appropriate set of services can be identified, is available, can be obtained and is effective. The systems development strategy incorporates four main elements as follows:

5.1.1 Advocacy

The aging unit is charged with representing the views, concerns and interests of older people. This process strives to preserve the dignity and security of elders, affording as many choices and opportunities as possible. It collects adequate and accurate background facts and statistics about problems and progress, and makes this information available to appropriate people and organizations at the local, state and national levels.

5.1.2 Catalyst for Change

The aging unit is a catalyst for the development of comprehensive and coordinated service systems for older persons by encouraging community leaders, service agencies and aging units to implement needed changes.

5.1.3 Direct Support

The aging unit provides direct financial assistance to support the implementation of needed services. The aging unit works with local organizations in direct service development to best meet the needs of older persons in the area. Building upon the service needs and priorities identified in the aging unit plan, emphasis is placed on strengthening the capability and effectiveness of the existing service delivery system to carry out the programs and services.

5.1.4 Indirect Support

The aging unit provides support for needed changes to community leaders and local organizations through technical assistance, planning, and orchestration of coalition linkages in the community.

5.2 The Aging Unit Plan and the Wisconsin Elders Act

The Wisconsin Elders Act places a great deal of emphasis on the aging unit's planning activities.

5.3 Role of the State Unit on Aging Related to Aging Unit Plans

The Older Americans Act requires that the state agency on aging, which in Wisconsin is the Bureau of Aging and Disability Resources (BADR), develop a uniform format for the AAA plans. To ensure compliance with this uniformity principal, BADR also prescribes the content, format, procedures and timetables for the aging unit plans.

A key component of the aging network is planning. The Older Americans Act requires agencies within the network to engage in thoughtful planning with older people and the communities in which they live. This ensures that services are relevant to the local community and fit with the needs identified during the planning process. A basic principle of the Older Americans Act is to plan ***with*** (not ***for***) the older people in the community.

5.4 Role of the Area Agencies on Aging Related to Aging Unit Plans

The area agencies on aging (AAA's) play a key role relative to the plans of aging units. In addition to their major role of approving/disapproving the plans of aging units, the area agencies provide planning assistance, monitoring and evaluation of aging unit plans.

5.5 Planning Requirements and Techniques

Appendix E of this manual describes tools and processes that aging agencies might use in the development of their plans. In addition, the specific content requirements for the aging unit plan will change. Those content requirements will be addressed in the instructions for the aging unit plans.

All aging unit plans shall address the following general requirements:

- Indicate the participation of older people in the development of the plan.
- Show evidence of participation and approval by the policy-making body and advisory committee (where applicable).
- Address all required content areas.
- Indicate a significant focus on meeting the needs of older people.
- Follow the prescribed format.

5.5.1 Participation of Older People

At their most basic level, aging unit plans represent what the aging unit proposes to do for and with older people in order to make their lives better. For these plans to have any legitimacy, the aging unit shall involve older people in the development of the plan. Aging units are reminded that they are responsible to plan for all older people, including those in alternative living arrangements.

There are a number of techniques that aging units might use to involve older people in the development of the aging unit plans. When developing the plan, remember that efforts should reach into the community and beyond the current aging participants to ensure representation of needs for the entire elderly population.

Aging units are encouraged to use multiple approaches to involve older people in the planning process:

(1) Use the area agencies on aging: The area agencies are an invaluable resource to aging units in the development of aging unit plans. Because of their regional focus, AAA's are in a splendid position to offer suggestions and observations based on the plans of many other aging units. Further, AAA's have the ability to bring aging units together to share ideas and provide training. Finally, because of their monitoring and oversight responsibilities the AAA's are intimately familiar with the circumstances of individual aging units. This familiarity can be extremely beneficial in the formulation of plans.

(2) Attitude survey approach: Information is gathered from a representative sample of older people about issues pertaining to their well-being. Data can be collected by personal interviews, telephone surveys, hand-delivered questionnaires or mail questionnaires. It is important that the sample of people surveyed be representative of the entire community.

(3) Key informant approach: The key informant approach identifies community leaders and decision-makers from throughout the county or tribe who are knowledgeable about older people and service systems and can accurately identify priority needs and concerns. Key informants complete a questionnaire or are interviewed to obtain their impressions of needs.

(4) Community forums: Public meetings are held, during which time participants discuss some of the needs facing older people and what can be done about these priority needs. A wide variety of people are encouraged to attend and express their concerns.

(5) Focus groups: A group of people selected for their particular skills, experience, views, or position are asked a series of questions about a topic

or issue in order to gather their opinions. Group interaction is used to obtain detailed information about a particular issue. This approach requires a trained facilitator and a recorder to elicit and capture the dialogue from the group.

The "common identity" recognizes the need to plan ***with*** (not ***for***) older people. Aging unit plans shall show evidence that older people were involved to a significant degree in the development of the aging unit plan.

5.5.2 Participation of Policy-Making Body and Advisory Committee

Show evidence of participation and approval by the policy-making body and advisory committee: The aging unit advisory committee (and multiple advisory committees in the case of multi-county aging units) and policy-making body have significant responsibilities for the aging unit plan. In the case of the policy-making body, there is a significant legal and personal liability attached to the plans and actions of the agency. This responsibility requires that the advisory committee (where applicable) and the policy-making body be intimately involved in the development and oversight of the aging unit plan.

Evidence of the involvement and approval of the advisory committee (where applicable) and policy-making body is indicated by the signatures of their respective chairpersons on the aging unit plan document. In the case of multi-county aging units, each county's advisory committee must sign off on the plan.

It is important that the policy-making body and advisory committee (where applicable) take ownership of the aging unit plan. The plan is a reflection of what the policy-making body and advisory committee consider to be the most important things on which the agency should work. Some approaches can increase this sense of involvement.

5.5.2.1 Provide Information but not Decisions

Staff should work with the members of the policy-making body and advisory committee to identify in advance what types of information they need to make decisions related to the plan.

5.5.2.2 Give a Frank Report on the Previous Plan

For the policy-making body and advisory committee to understand what may be done in the future, it is useful for them to engage in a critical discussion of what went right and wrong with the previous aging unit plan. The development of a good plan demands a thorough understanding of what the agency has been doing in the past. That understanding can help set priorities and assign staff and other resources.

5.5.2.3 Give the Policy-Making Body and Advisory Committee Assignments

Policy-making body and advisory committee members are in a perfect position to actively help in the development of aging unit plans. They can act as leaders at local forums, facilitate focus groups, lead discussions with their local aging units and even write portions of the plan.

Members of the advisory committee, in particular, might be divided into planning committees for specific topic areas (e.g., transportation, nutrition). Assisted by aging unit staff, the advisory committees might be charged with outlining issues related to their subject matter and developing policy options for the policy-making body.

5.5.3 Meeting the Needs of Older People

Indicate a significant focus on service system development: Aging units represent the key focal points of advocacy, service system development, and service delivery in the Wisconsin aging network. This organizational emphasis is unique to Wisconsin. It is recognition of the key political and service roles played by county and tribal governments in our state.

5.5.4 Follow the Prescribed Format and Timetable

The development and submission of the aging unit plan shall follow the procedures, format and timetable prescribed by BADR.

5.6 Public Hearings

Before submitting the area plan to the AAA, the aging unit shall conduct one or more public hearings on the draft plan.

Public hearings shall conform to the following minimum requirements:

5.6.1 Time of Hearing

The public hearing shall be scheduled to allow sufficient time for the aging unit to make any modifications or revisions to the plan based on the comments received at the hearing(s).

5.6.2 Public Notice

(1) Public notification about the hearings shall begin at least two weeks prior to the hearing.
(2) The notification process shall include at least *two* of the following:
- newspapers
- radio announcements
- television announcements

- written notices sent to agencies, organizations and individuals known to have an interest in the plan

(3) Copies of the notice shall be sent to the AAA.
(4) Where appropriate, both written and spoken announcements shall be made in languages other than English.
(5) Where possible, multiple notifications should be used.
(6) Notifications shall include the date, time, location, and subject of the hearing. In addition, notification shall indicate the location and hours that the plan is available for examination.

5.6.3 Location and Number of Hearings

Locations chosen for public hearings shall be convenient and accessible to people with disabilities, and large enough to accommodate all who wish to attend. Provision shall be made when it is known that people with hearing or visual impairments or non-English speaking people will attend.

Where possible, hearings should be held in several locations within the county/tribal area and in conjunction with meetings of local aging organizations. Consider holding hearings at dining centers and senior centers. In the case of multi-county aging units, there must be a minimum of one public hearing in each county served by the aging unit.

5.6.4 Opportunity for Comment

Adequate time at the hearing shall be allowed to provide interested parties with an opportunity to comment on the plan. Individuals shall be given an opportunity to submit their comments on the plan in writing.

5.6.5 Summary of Comments

Comments received at public hearings shall be recorded in written or taped form. A written summary of the comments received at public hearings shall be attached to the plan when submitted to the AAA. The aging unit shall also indicate changes, if any, which were made to the plan as a result of the comments received at public hearings.

5.6.6 Participation of Policy-Making Body and Advisory Committee

Members of the policy-making body and advisory committee shall be notified about all public hearings on the plan. Agencies are encouraged to use members of the policy-making body and advisory committee at the public hearings. A written summary of the comments received at all public hearings shall be given to the members of the policy-making body and advisory committee prior to their review of the final draft of the plan.

5.7 Role of Advisory Committee

Where an aging unit has both an advisory committee and a policy-making body, a key role of the advisory committee, as its name implies, is to advise the policy-making body. Specific to the development of the aging unit plan, evidence of the involvement of the advisory committee shall, at a minimum, include all of the following:

- minutes of the advisory committee meetings focused on the development of the plan
- review and comment by the advisory committee on the draft version of the plan prior to its release for public comment and public hearings
- review and approval by the advisory committee of the final aging unit plan, following a review of the comments received from public hearings and community organizations

5.8 Procedures for Approval or Disapproval of an Aging Unit Plan

The Bureau of Aging and Disability Resources will develop procedures and standards related to the approval or disapproval of an aging unit plan. Area agencies on aging shall use these procedures and standards in approving or disapproving aging unit plans.

5.8.1 Approval of an Aging Unit Plan

The AAA will grant approval to an aging unit plan that meets content and procedural requirements. Approval signifies the AAA's intent to contract Older Americans Act and state aging funds in the amount indicated and for the purposes set forth in the plan.

5.8.2 Conditional Approval of an Aging Unit Plan

An aging unit plan which does not meet all content and procedural requirements may be granted conditional approval. Conditional approval signifies the AAA's intent to contract Older Americans Act and state aging funds in the amount indicated and for the purposes set forth in the plan, **if the aging unit remedies content or procedural deficiencies in the plan**.

- An aging unit whose plan has received conditional approval will receive written notification of the conditional approval from the AAA.
- The notification of conditional approval will delineate the deficiencies of the aging unit plan requiring corrective action.
- Aging unit plans may receive conditional approval for no more than 90 days, after which the plan will be disapproved.
- The AAA may limit the administrative funds available to an aging unit operating under a conditionally approved aging unit plan.
- The AAA will approve an aging unit plan after the aging unit remedies all content and procedural deficiencies.

5.8.3 Disapproval of an Aging Unit Plan

An aging unit plan with significant content or procedural deficiencies may be disapproved. Grounds for disapproval include, but are not limited to, any of the following:

- omission of significant portions of the plan and failure to promptly submit omitted sections
- omission of significant procedural elements in the development and submission of the plan
- clear indications that requested Older Americans Act and state aging funds will not be used for purposes consistent with the intent of the legislation
- significant deviations from or violations of aging unit-plan requirements or specifications, and the refusal to take remedial steps
- clear evidence of the agency's inability to implement the proposed plan
- failure of the aging unit to meet conditions set forth in a notification of conditional approval

After consultation with BADR, the AAA will notify the aging unit in writing that the plan has been disapproved. The notification will include the reasons for the disapproval and an outline of the procedures to be followed if the aging unit seeks to appeal the disapproval decision.

5.8.3.1 Appeal Process for Plan Disapproval

The AAA will provide an opportunity for an appeal hearing by an aging unit whose plan has been disapproved. The procedures governing the appeal process will follow the standard AAA hearing process (Section **5.9** of this chapter).

If the aging unit is dissatisfied with the decision resulting from the AAA hearing, the aging unit may appeal the decision to BADR using the standard BADR hearing process (Section **2.5** of this manual).

5.9 Standard Area Agency on Aging Hearing Process

(1) The organization shall file a written request for a hearing with the AAA within 30 days following the applicant's receipt of notice of the initial decision.

(2) The AAA shall schedule a hearing within 30 days following the receipt of a request for a hearing and shall issue the hearing decision within 60 days of the date of the hearing.

(3) The organization shall receive timely written notice of the reasons for the initial decision by the AAA and the information on which the initial decision was based.

(4) The organization shall have an opportunity to review any pertinent information on which the initial decision was based.

(5) The organization shall have an opportunity to appear in person before an impartial decision-maker in order to refute the basis for the initial decision. The decision-maker must be agreed to by both parties.
(6) The organization shall have the opportunity to be represented by counsel or other representative.
(7) As part of the hearing process, the organization shall have the opportunity to present witnesses and evidence and to cross-examine witnesses.
(8) The organization will receive a written decision by the impartial decision-maker setting forth the basis for the decision.
(9) The AAA and the organization may terminate the formal hearing process at any time if the AAA and the organization negotiate a written agreement which resolves the issue(s) that led to the hearing.

5.10 Suspension of an Aging Unit Plan

The AAA may suspend all or parts of an approved aging unit plan whenever it considers such action to be essential. The circumstances leading to the suspension of an aging unit plan include, but are not limited to, the following:

- failure to implement the aging unit plan as approved
- non-compliance with aging unit plan assurances or requirements
- evidence pointing to a real or possible failure to comply with federal or state laws, regulations or policies

5.10.1 Consequences of a Suspended Plan

The consequence to an aging unit operating with a suspended aging unit plan may include, but is not limited to, any of the following:

- During the period of suspension, the AAA will not fund those parts of the aging unit plan activities that have been suspended.
- The aging unit will be required to return federal and state funds where the AAA determines that the suspension will result in substantial unearned balances accruing to those funds on hand with the aging unit.
- The AAA may assume the responsibility for directly operating services.

5.10.2 Reinstatement of a Suspended Plan

The AAA may reinstate suspended aging unit plan activities if it determines that the conditions prompting the suspension have been remedied. The aging unit will be notified about reinstatement through the issuance of a notification of a new contract. The new contract will contain all of the following:

- the budget period for which the reinstatement will apply
- a reinstatement of funding not to include costs incurred during the period of suspension
- unearned contract funds available on the effective date of reinstatement
- any special conditions governing the plan

5.10.3 Appeal Process for a Suspended Plan

The AAA will provide an opportunity for an appeal hearing by an aging unit whose aging unit plan has been suspended. The procedures governing the appeal process will follow the standard AAA hearing process (Section **5.9** of this chapter). If the aging unit is dissatisfied with the decision resulting from the AAA hearing, the aging unit may appeal the decision to BADR using the standard BADR hearing process (Section **2.5** of this manual).

5.11 Termination of an Aging Unit Plan

The AAA may terminate all or parts of an approved aging unit plan whenever it considers such action to be essential. The circumstances leading to the termination of an aging unit plan include, but are not limited to, the following:

- continuation of a non-remedied suspension for more than 90 days
- violations of aging unit plan assurances or requirements
- evidence pointing to a real or possible failure to comply with federal or state laws, regulations or policies
- unavailability of state or federal support
- severely inadequate and non-remedied program performance

5.11.1 Consequences of a Terminated Plan

The consequences to an aging unit operating with a terminated aging unit plan may include, but is not limited to, the following:

- The aging unit will be required to return any unearned federal and state funds to the AAA.
- The AAA will assume the responsibility for the aging unit's aging plan.

5.11.2 Reinstatement of a Terminated Plan

The AAA may reinstate a terminated aging unit plan if it determines that the conditions prompting the termination have been remedied. The aging unit will be notified about reinstatement through the issuance of a notification of a new contract. The new contract will contain all of the following:

- the budget period for which the reinstatement will apply
- a reinstatement of funding, not to include costs incurred during the period of termination
- unearned contract funds available on the effective date of reinstatement
- any special conditions governing the plan

5.11.3 Final Report on a Terminated Plan

The aging unit shall submit final financial and programmatic reports upon the termination of the aging unit plan covering all projects affected by the termination. All final reports shall be submitted to the AAA within 30 days following the effective date of termination.

All equipment and supplies purchased with federal and state funds shall be disposed of in accordance with procedures outlined by BADR. Any funds realized from the sale of such equipment and supplies will result in the adjustment of project costs.

5.11.4 Appeal Process for a Terminated Plan

The AAA will provide an opportunity for an appeal hearing by an aging unit whose plan has been suspended. The procedures governing the appeal process will follow the standard AAA hearing process (Section **5.9** of this chapter). If the aging unit is dissatisfied with the decision resulting from the AAA hearing, the aging unit may appeal the decision to BADR using the standard BADR hearing process (Section **2.5** of this manual).

5.12 Mid-Year Plan Amendments

Aging units are required to submit amendments to their aging unit plans whenever significant changes of a programmatic or financial nature are necessary so that the plan accurately reflects the status or activities of the aging unit. The prescribed content, procedures and timetable for amending aging unit plans are determined by BADR.

5.12.1 Circumstances Requiring a Mid-Year Plan Amendment

A mid-year aging unit plan amendment is required for circumstances including, but not limited to, the following:

- receipt of new program funds
- proposals to incur any cost which requires prior approval that had not been previously approved
- immediate and significant changes in the programmatic activities of an approved aging unit plan
- immediate and significant changes in the administrative capacity of the aging unit
- significant changes to the organizational structure of the aging unit

5.13 Annual Plan Amendments

Aging units are required to submit plan amendments for the second and third years of the three-year aging plan. The prescribed content, procedures and timetable for amended aging unit plans are determined by BADR.

5.13.1 Role of the Advisory Committee and the Policy-Making Body

Where an aging unit has both a policy-making body and an advisory committee, the advisory committee shall review annual amendments to the aging unit plan prior to the review and approval by the policy-making body.

The aging unit's policy-making body shall review and approve annual amendments to the aging unit plan prior to the submission of the plan amendments to AAA. A draft plan may be submitted prior to approval. In the case of multi-county aging units, the advisory committee for each county served by the aging unit must review the annual plan amendments.

5.13.2 Approval by the Area Agency on Aging

The AAA will grant approval to an aging unit plan that meets all aging unit-plan content and procedural requirements. Approval signifies the AAA's intent to contract Older Americans Act and state aging funds in the amount indicated and for the purposes set forth in the plan.

5.13.3 Annual Plan Status Report

A major element in the annual aging unit plan amendment will be the annual plan status report. The purpose of this report will be to give the advisory committee, policy-making body and the agency staff an opportunity to review progress toward the completion of the major planned activities. The format, content and procedures for the development of the status report will be determined by BADR.

There are many ways to engage citizen advisors in reviewing the progress on plans:

- Scorecards: When an aging unit develops its aging unit plan it sets annual performance targets (outcomes). At the time for the annual review of the plan the agency and citizen advisors/policy-making body members compare actual to planned performance. Aging unit staff can also be invited to assist in this analysis. This helps the agency keep on track. More importantly, it serves as the opportunity to analyze *why* targets were or were not met, and to adjust future actions accordingly.
- Ask the area agency on aging: One of the major jobs of AAA's is to assess the progress of aging units on their plans. This information should be made available to the members of the policy-making body and advisory committee as they review the progress on the aging unit's plan.

5.14 The Aging Difference

The "aging difference," also known as the "common identity," focuses on changing those systems that affect the lives of older people. To accomplish this aim, aging agencies shall engage in well-planned efforts to accomplish the necessary changes needed to help older people.

The evolution of a system of aging and disability resource centers (ADRC's), many of which include formerly free-standing aging units, presents opportunities and challenges for the aging network. The task has moved beyond Older Americans Act

activities to planning and coordinating a broader array of home and community-based services for older people. The basic principles of the "common identity" translate well to the mission and vision of the ADRC.

The plans of aging units should not be merely applications for funding. At their very best, the plans of aging units embody the values of the aging difference, with strong emphases on participatory planning and advocacy. It remains the task of citizen decision-makers, advisors, and aging unit staff to develop plans that incorporate these values.

Chapter 6. Personnel

Citizen decision-makers and advisors reflect the consumer focus that characterizes the "aging difference." In the Wisconsin aging network, older people set the direction and policies for the advocacy efforts and programs that AAA's and aging units undertake.

It is equally true that the personnel hired by the agencies in the aging network play a vital role in the operation of the network. Operating under the direction of citizen boards and committees, the personnel that staff the agencies in the Wisconsin aging network are responsible for the day-to-day operations of the aging network.

Good personnel practices and policies help in clarifying expectations between employers and employees. This is equally true for the Wisconsin aging network. This chapter presents a brief summary of some of the major personnel-related information and requirements for area agencies on aging and aging units.

Volunteers and employees are essential elements of an aging agency's ability to achieve its mission. Volunteers are a vital resource in governance, administrative, and service capacities. Good aging-personnel policies are fair, establish clear expectations and provide for meaningful and effective performance evaluation for both paid employees and volunteers.

Employees and volunteers should be committed to the mission of the organization; and competently, efficiently and professionally perform the duties they agreed to assume. The employees and volunteers of the organization should broadly reflect the diversity of their organization's constituency.

6.1 Staffing Requirements

6.1.1 Area Agency on Aging Staffing Requirements

Federal regulations governing the Older Americans Act make the area agency on aging (AAA) responsible for providing adequate and qualified staff to perform all functions required of the AAA.

6.1.1.1 Personnel Authority

The area agency on aging board of directors has the authority for the adoption of personnel policies and for the hiring, firing and compensation of employees. This authority may be delegated to the executive director for subordinate staff. For area agencies on aging that are a part of county government, the county personnel policies and procedures shall be followed.

6.1.1.2 Staffing Plan

The area agency on aging shall include a staffing plan as part of the agency's three-year aging plan. Changes to the staffing plan shall be reflected in annual amendments to the three-year plans. The format for the staffing plan will be prescribed by the Bureau of Aging and Disability Resources (BADR).

6.1.1.3 Staffing

The Bureau of Aging and Disability Resources recommends that the minimim staff requirements for an area agency on aging include all of the following:

- one full-time executive director
- two full-time professional staff members
- one full-time bookkeeper/accountant
- one full-time secretary

Although this list addresses the minimum staffing requirements, an AAA will be expected to sufficiently staff the organization to meet the needs of its constituency. A single-county AAA's constituency is the elderly population in its planning and service area (PSA). A multi-county AAA's constituents are its aging units; the number of these units defines their needs. The recommended staffing levels are based on full-time equivalencies such that a given position may be filled by two or more part-time employees.

Consultants may be retained to assist the area agency on aging to carry out specialized activities but may not be used for routine responsibilities of the agency. The use of special consultants shall be authorized by the board of directors and identified in the aging plan and budget.

If an area agency on aging employs any staff for the purpose of providing direct services, the agency shall request a waiver from BADR through the area plan. The Older Americans Act sets specific criteria in order for an area agency on aging to provide direct services.

6.1.1.4 Employment Criteria and Preference

Area agency on aging staff shall be hired, compensated and promoted on the basis of their qualifications and performance. Personnel decisions shall also be guided by all of the following statutory requirements and policy criteria:

- Title VI of the Civil Rights Act of 1964 and other federal and state laws, regulations, and policies
- The Americans with Disabilities Act (ADA) of 1990
- Rehabilitation Act of 1973

- Subject to the requirements of merit employment systems of state and local governments, preference shall be given to individuals aged 60 or older for any staff positions in area agencies on aging for which such individuals apply.
- the agency's approved affirmative action plan

6.1.1.5 Merit System of Personnel Administration

Federal regulations require that when a unit of general-purpose local government has been designated as an area agency on aging, employees of the area agency on aging shall be included in the local merit system of personnel administration.

6.1.2 Aging Unit Staffing Requirements

State law makes the aging unit responsible for providing adequate and qualified staff to perform all functions required of the aging unit.

6.1.2.1 Personnel Authority

The county board of supervisors or the tribal council has the authority for the adoption of personnel policies and for the hiring, firing, and compensation of employees of the aging unit. In the case of private non-profit aging units this authority rests with the board of directors.

For aging units which are a part of county government, the county personnel policies and procedures shall be followed.

6.1.2.2 Staffing Plan

The aging unit shall include a staffing plan as part of the agency's three-year aging plan. Changes to the staffing plan shall be reflected in annual amendments to the three-year plans. The format for the staffing plan will be prescribed by BADR and will be issued as part of the three-year plan's instructions.

6.1.2.3 Staffing

The Wisconsin Elders Act requires that an aging unit have "an aging unit director and necessary personnel." The intent of this provision is to ensure that the aging unit has a professional staff whose focus is with the programs and duties related to older people as listed in the act.

By referring to the aging unit director in the singular sense, the act clearly indicates that the aging unit director is an individual. Furthermore, the language describing the qualifications and appointment of the aging unit director does not suggest that the responsibility of this position can be dispersed among a variety of individuals. Having a number of people perform various functions does not constitute having a full-time director.

The term "full-time" shall have the same meaning determined by the county for all other full-time personnel.

Consultants may be retained to assist the aging unit to carry out specialized activities, but may not be used for routine responsibilities of the agency. The use of special consultants shall be authorized by the policy-making body and identified in the aging plan and budget.

6.1.2.4 Employment Criteria and Preference

Aging unit staff shall be hired, compensated and promoted on the basis of their qualifications and performance. The following statutory requirements and policy criteria shall also guide personnel decisions:

- Title VI of the Civil Rights Act of 1994 and other federal and state laws, regulations and policies
- The Americans with Disabilities Act (ADA) of 1990
- Rehabilitation Act of 1973
- Subject to the requirements of merit-employment systems of state and local governments, preference shall be given to individuals aged 60 or older for any staff positions in area agencies on aging for which such individuals apply.
- the agency's approved affirmative action plan

6.1.2.5 Merit System of Personnel Administration

Employees of public county or tribal aging units which operate within the structure of county or tribal government shall be included in the local merit system of personnel administration.

6.2 Personnel Policies

Each area agency on aging and aging unit not operating within the context of a governmental unit's personnel policies is required to develop and maintain written personnel policies.

An organization's personnel policies define what the agency can expect from its employees and what the employees can expect from the agency. The policies should be written within the first year of hiring staff and will help the organization maintain positive employee relations because they can prevent conflicts arising from misunderstandings.

The board of directors or the policy-making body, often through its personnel committee, is responsible for developing written personnel policies. The executive director and staff members can contribute to the development of satisfactory policies. The board of directors should formally accept the personnel policies and review them on a regular basis to incorporate new legal requirements and organizational needs. It is

recommended that legal counsel review policies to ensure they are in compliance with labor laws. Every employee should receive a copy of the policies.

If an area agency or aging unit is attached to a unit of county or tribal government, the aging agency will typically operate under the personnel policies and practices of the county or tribe.

6.2.1 Employee Handbook: Minimum Human Resource Policies

Although many aging agencies do not wish to take the time to write out their personnel policies, it is best to do so to make certain they are on record. Putting the personnel policies in writing is essential in this day and age of lawsuits. Among the items to include in the personnel policy statement or employee handbook are, at a minimum, the following:

6.2.1.1 Employee Acknowledgement

It is the employee's responsibility to read and understand the agency's policies.

6.2.1.2 Introduction to the Employee Handbook

The introduction welcomes the employee to the agency and describes the organization, its mission, values and beliefs.

6.2.1.3 Equal Opportunity

Incorporate a statement on equal employment opportunity into the introduction or address this as a separate statement to employees.

6.2.1.4 General Policies

(1) Personal Information: requirements for personnel records and proof of identity
(2) Attendance: outlines expectations for employee attendance
(3) Use of Agency Property: addresses use of agency property including PC's, copy machines, telephones, supplies, etc.
(4) Confidentiality: Some organizations require that employees sign a confidentiality statement as a condition of employment. Others only require one if the employee is privy to confidential information.
(5) Dress Code: If there are special dress requirements or expectations for appearance, it may be necessary to include a dress code policy.
(6) Safety and Accident Rules: The employer is responsible for providing a safe work environment. Employees also need to know their responsibility to work safely.
(7) Anti-Substance Abuse: Most employers take the problem of drug and alcohol abuse seriously as they can result in problems in the workplace.

(8) Sexual Harassment: This is a complex and sensitive subject; however, recent litigation puts this policy on the "must-have" list. If the aging unit is not part of a larger organization (e.g., county/tribal government), it is advisable to consult with a personnel expert to ensure that the policies meet the most current standards.
(9) Smoking: Some local governments have passed laws which govern the issue of smoking; more and more buildings have rules for their occupants. Consider all of these factors in determining a smoking policy.
(10) Performance Reviews: Outline what the employees can expect in the way of performance reviews.
(11) Employment Categories: Does the agency have full-time and part-time workers, exempt and non-exempt categories? If so, it is a good idea to describe these in the handbook.

6.2.1.5 Compensation and Benefits

(1) Payroll: It is easy to outline the payroll procedures and this helps new employees get acquainted with the practices.
(2) Work Hours and Reporting: If the agency has specific work hours or allows flexible working hours, those policies should be explained.
(3) Holidays: A list of paid holidays approved by board or governmental unit
(4) Vacation: Vacation scheduling can be a problem for small agencies with few employees. If the agency needs employees to schedule in advance, be sure to let them know the requirements via the vacation policy.
(5) Sick Leave: Most agencies provide some form of sick leave, but be sure to define the carryover rules.
(6) Family and Medical Leave: If FML applies to the agency, the agency may need professional help to review or write any policy dealing with time away from work.
(7) Maternity Leave
(8) Funeral Leave
(9) Jury Duty
(10) Military Service
(11) Group Insurance Benefits: Make a summary reference to the insurance benefits and eligibility; then refer the employee to the detail in a separate benefits handout.
(12) Short Term Disability: If the agency has a short-term disability benefit, it should be mentioned in the handbook; but because the rules are complicated refer employees to the detailed document.
(13) Continuation of Medical/COBRA: If the agency has 20 or more employees, the law requires in most circumstances that the agency provide continuation of health/medical benefits to employees who leave the agency.

(14) Worker's Compensation: Generally, employers are required to have worker's compensation insurance.
(15) Retirement Plans: Outline any features of retirement or savings plans in the policy handbook.
(16) Employee Assistance Program: Confidential programs designed to help employees before their problems impact their work and personal lives

6.2.2 Code of Conduct

Federal regulations governing grants which aid state and local governments (OMB Circular A-102), and private non-profit organizations (OMB Circular A-110), require that grantees maintain a written code of conduct which governs the performance of their officers, employees, or agents engaged in the award and administration of contracts supported by federal funds.

This requirement covers area agencies on aging and aging units which are separate organizational units of other private or public entities. However, the requirement may be met by the adoption of a code of conduct covering the entire organization of which the AAA or aging unit is a part. If the larger organization does not have a code of conduct in place, the AAA or aging unit shall develop its own.

The code of conduct shall include material concerning:

6.2.2.1 Conflict of Interest

No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the area agency on aging or aging unit shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to sub-agreements. However, agencies may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees or agents of the agency.

6.2.2.2 Nepotism

It is improper for a person to be hired by an area agency or aging unit because they are a relative of a public official. A problem arises when an individual in a policy-making or administrative position is involved, directly or indirectly, in the hiring, promotion, or supervision of a relative.

No member of an area agency on aging or aging unit may use his or her position to bring about the area agency on aging or aging unit's employment of the member's spouse or dependent relative. Further, a member of an area agency on aging or aging unit may neither (1) hire or promote as an employee of the area agency on aging or aging unit, nor (2) advocate the area agency on aging or aging unit's employment or promotion of, nor (3) exercise jurisdiction, supervision or direction over; a person to whom he or she is related as a parent, grandparent, child, grandchild, brother, sister, parent-in-law, grandparent-in-law, brother-in-law, sister-in-law, uncle, aunt, niece, nephew, or spouse.

6.2.2.3 Drug-Free Workplace

Under the Federal Drug-Free Workplace Act of 1988, employees convicted of a criminal drug-related charge shall notify their immediate supervisor of such conviction no later than five (5) days following the conviction if the violation occurred at the workplace. Failure to report as required may result in disciplinary action.

An employee convicted of a criminal drug-related violation occurring in the workplace will be subject to discipline and may be required to participate in a rehabilitation program in compliance with the act. The agency is required to report all such convictions to the federal government.

6.2.2.4 Violence in the Workplace

Workplace violence is any direct, conditional or implied threat, intentional act or other conduct which reasonably arouses fear, hostility, intimidation or the apprehension of harm in its target or witnesses. This includes any situation which causes a reasonable individual to fear for his or her personal safety, or for the safety of his or her family, friends, coworkers, clients, employer and/or their property.

Each aging agency is encouraged to develop policies and procedures related to violence in the workplace.

6.2.3 Job Descriptions

All personnel, both paid and volunteer, of an area agency on aging or an aging unit shall have a written job description. Job descriptions shall be reviewed regularly so they continue to accurately reflect the expectations for the position. Job descriptions must be approved by the board of directors or the policy-making body. It is also recommended that the agency develop job descriptions for board members. Clearly spelling out expectations for volunteers avoids confusion.

A job description describes the major areas of an employee's job or position. A good job description begins with a careful analysis of the important facts about

the job such as the individual tasks involved, the methods used to complete the tasks, the purpose and responsibilities of the job, the relationship of the job to other jobs and the qualifications needed for the job.

It is important to make a job description practical by keeping it dynamic, functional and current. Do not get stuck with an inflexible job description! A poor job description will keep the agency and the employees from trying anything new and from learning how to perform their jobs more productively.

Many jobs are subject to change due to personal growth, organizational development and/or the evolution of new technologies. Flexible job descriptions will encourage the employees to grow within their positions and learn how to make larger contributions to the company.

When writing a job description, keep in mind that it will serve as a major basis for outlining job training or conducting future job evaluations.

A job description should include all of the following:

(1) the job title
(2) the job objective or overall purpose statement. This statement is generally a summary designed to orient the reader to the general nature, level, purpose and objective of the job. The summary should describe the broad function and scope of the position and be no longer than three to four sentences.
(3) an item-by-item list of duties or tasks performed, including principal duties, continuing responsibilities and accountability of the position's occupant. The list should contain each and every essential job duty or responsibility that is critical to the successful performance of the job. The list should begin with the most important functional and relational responsibilities and continue down in order of significance. Each duty or responsibility that comprises at least 5 percent of the incumbent's time should be included in the list.
(4) a description of the relationships and roles the occupant of the position holds within the agency, including any supervisory positions, subordinating roles and/or other working relationships
(5) recruiting information, which may be useful when using job descriptions for recruiting situations. This includes the following:
    (A) job specifications, standards and requirements: the minimum qualifications needed to perform the essential functions of the job, such as education, experience, knowledge and skills. Any critical skills and expertise needed for the job should be included.
    (B) job location: where the work will be performed
    (C) a list of equipment to be used in the performance of the job; for example, whether the agency's computers run in an Apple Macintosh or PC/Windows environment

(D) collective bargaining agreements: agreements and terms that relate to job functions, if applicable, such as when the agency's employees are members of a union

(6) the salaried pay range for the position

6.2.4 Personnel Records

A confidential personnel record must be maintained for each employee of an area agency on aging or aging unit. Access to this record must be restricted to authorized individuals and the employee. Personnel records must be maintained for 10 years following the employee's departure from the agency.

The federal government requires that an array of information be kept under different laws. When reviewing the chart for record retention requirements, know which laws affect the agency so that the agency is in compliance.

Figure 6.2.4.1 Record Retention Chart

Information	Retention Requirement	Law *
Employee name and any identifying number used in place of the name used on any work records	4 years from tax due date or payment of tax, whichever is later	Social Security Act
Social Security Number	4 years from tax due date or payment of tax, whichever is later	Social Security Act
Employee home address, including zip code	4 years from tax due date or payment of tax, whichever is later	Social Security Act
Date of birth of all employees	3 years	FLSA, Equal Pay Act
Gender of Employee	3 years	FLSA, Equal Pay Act
Occupation of Employee	3 years	FLSA, Equal Pay Act
Age records	No time period specified	ERISA
Service record to determine whether an employee has worked 1000 hours or has incurred a break in service	No time period specified	ERISA
Marital status record	No time period specified	ERISA
Form I-9	3 years after hire or the date of recruitment or referral (if directed from an employment agency) or, after termination, for one year or 3 years after hiring, whichever is later	Immigration Reform and Control Act of 1986
Complete job application	1 year	Title VII, ADA
Resumes or other forms of employment inquiry	1 year	Title VII, ADA
Other hiring material	1 year	Title VII, ADA
Job orders submitted by an employer to an employment agency	1 year	ADEA
Test papers for a position if the test paper discloses the result of the test	1 year	ADA
Results of any physical examination that is considered by the employer in connection with personnel action	1 year	ADA
Any advertisements relating to job openings	1 year	ADEA
Records of job movement (promotions, demotions, transfers)	1 year	Title VII, ADA, ADEA
Material relating to layoffs	1 year	Title VII, ADA, ADEA
Material relating to termination	1 year	Title VII, ADA
Selection for training or apprenticeship	1 year	Title VII, ADA, ADEA
Requests for physical job accommodation	1 year	ADA

*** Definitions of laws may be found on succeeding pages.**

6.2.4.2 Minimum Wage Law Records

Employers covered by the Wisconsin minimum wage law must keep all of the following records, for a minimum of three years, for each employee:

- name, home address, birth date
- dates employment began and ended
- time of day work began and ended
- total daily and weekly hours worked
- rate of pay for each payroll period
- deducted amount and the reason
- work output if paid other than on a time basis
- the time each meal period began and ended when meal periods are required for employees, or when meal periods are deducted from the work time. This information is not required when the work or the business activity ceases on a regularly scheduled basis.

6.2.4.3 Other Records for Agency Use

Other employment records routinely maintained by employers but not specifically listed in the federal requirements include the following:

- work history
- performance evaluations
- disciplinary records
- personal commendations
- sick days
- vacation days
- benefit enrollments
- beneficiary designations
- payroll withholding statements
- reports of reference checks
- worker compensation information
- medical records

6.3 Labor Laws

Both federal and state laws govern labor practices. These laws vary considerably in their coverage and requirements. Aging agencies may in some cases be subject to either or both federal and state laws governing the same topic. In cases where the laws contain different requirements and the state laws are more stringent, the Wisconsin Department of Workforce Development is required by law to enforce the state regulations.

To obtain more information about any of these federal and state laws, contact the Department of Workforce Development at:

Equal Rights Division
1 S. Pinckney St., Room 320
P.O. Box 8928
Madison, WI 53708
Telephone: (608) 266-6860
TTY: (608) 264-8752

6.4 Overview of the Major Federal Labor Laws

The vast majority of federal labor laws are administered by the United States Department of Labor (DOL). Please note that other federal agencies besides DOL enforce laws and regulations that affect employers. For example, the Equal Opportunity Commission generally enforces statutes designed to ensure non-discrimination in employment. More detail is available from oversight agencies. Employers should contact their respective agencies with specific questions.

6.4.1 Requirements Applicable to Most Employers

6.4.1.1 Employee Benefit Plans

6.4.1.1.1 Employee Retirement Income Security Act (ERISA)

The Employee Retirement Income Security Act (ERISA) governs certain activities of most employers who have pension or welfare benefit plans, and preempts many state laws in this area. The statute also provides an insurance mechanism to protect retirement benefits through a requirement that employers pay annual pension-benefit insurance premiums.

ERISA-covered **pension plans** must meet a wide range of fiduciary, reporting and disclosure requirements. Regulations define such concepts as what constitutes plan assets, what is adequate consideration for the sale of plan assets, and the effects of participants having control over the assets in their plans, among other things. Under ERISA, **welfare benefit plans** also must meet a wide range of fiduciary, reporting, and disclosure requirements.

6.4.1.1.2 Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA)

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) also includes disclosure and notification requirements for

the continuation of health care provisions. These provisions cover group health plans of employers with 20 or more employees on a typical business day in the previous calendar year.

COBRA gives separated participants and beneficiaries an election to maintain, at their own expense, coverage under the employer's health plan for a limited period of time.

6.4.1.1.3 Health Insurance Portability and Accountability Act of 1996 (HIPAA)

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) added several provisions to ERISA which are designed to provide participants and beneficiaries of group health plans with improved portability and renewability of coverage, as well as improved access to insurance, protection against discrimination on the basis of health status, and privacy protection of health information.

6.4.1.2 Safety and Health Requirements

6.4.1.2.1 Occupational Safety and Health Act (OSH Act)

The Occupational Safety and Health Act (OSH Act), which is administered by the Department of Labor's Occupational Safety and Health Administration (OSHA), regulates safety and health conditions in most private industry workplaces (except those regulated under other federal statutes; e.g., the transportation industry). Many private employers are regulated through states operating under OSHA-approved plans.

It is the responsibility of employers to become familiar with job safety and health standards applicable to their establishments, to comply with these standards, and to eliminate hazardous conditions to the extent possible. Compliance may include ensuring that employees have and use personal protective equipment when required for their safety or health. Employees shall comply with all rules and regulations which are applicable to their own actions and practices.

Employers covered by the OSH Act are required to maintain workplaces that are safe and healthful. In doing so, they shall meet certain regulatory requirements. Through regulations, OSHA promulgates safety and health standards and frequently makes distinctions by type of industry.

6.4.1.3 Wage, Hour and Other Workplace Standards

6.4.1.3.1 Fair Labor Standards Act (FLSA)

The Fair Labor Standards Act (FLSA) prescribes minimum-wage and overtime-pay standards as well as record-keeping and child-labor standards for most private and public employment, including work conducted in the home (homework).

Although the FLSA does not place a limit on the total hours which may be worked by an employee who is at least 16 years old, it does require that covered employees, unless otherwise exempt, be paid not less than one and one-half times their regular rates of pay for all hours worked in excess of 40 in a work week.

In addition, the FLSA generally prohibits the performance of certain types of work in an employee's home unless the employer has obtained prior certification from the Department of Labor.

6.4.1.3.2 Immigration and Nationality Act (INA)

Under the Immigration and Nationality Act (INA), foreign workers are allowed to work in the United States. Additionally, under the INA, employers must verify the identity and employment authorization of all employees, including foreign workers.

6.4.1.3.3 Family and Medical Leave Act

The Family and Medical Leave Act requires that employers of 50 or more employees (and all public agencies) provide up to 12 weeks of unpaid, job-protected leave to eligible employees for the birth and care of a child, for placement with the employee of a child for adoption or foster care, or for the serious illness of the employee or a family member.

6.4.1.3.4 Uniformed Services Employment and Reemployment Act

The Uniformed Services Employment and Reemployment Act ensures that those who serve in the armed forces have a right to reemployment with the employer they were with when they went in service, including those called up from the Reserves or National Guard.

6.4.1.3.5 Employee Polygraph Protection Act (EPPA)

The Employee Polygraph Protection Act (EPPA) prohibits most use of lie detectors by employers on their employees.

6.4.1.3.6 Consumer Credit Protection Act

Garnishment of wages by employers is subject to regulation under the Consumer Credit Protection Act.

6.4.1.3.7 Labor-Management Reporting and Disclosure Act (LMRDA)

The Labor-Management Reporting and Disclosure Act (LMRDA), also known as the Landrum-Griffin Act, deals with the relationship between a union and its members. It ensures certain basic standards of democracy and fiscal responsibility in labor organizations.

6.4.2 Requirements Applicable to Employers Because of the Receipt of Government Contracts, Grants or Financial Assistance

6.4.2.1 Non-Discrimination and Affirmative Action

Non-discrimination and affirmative action requirements for federal contractors are set under Executive Order 11246, Section 503 of the Rehabilitation Act, and the Vietnam Era Veteran's Readjustment Assistance Act (38 U.S.C. 4212). These programs prohibit discrimination and require affirmative action with regard to race, gender, ethnicity, religion, disability and veteran status.

6.4.2.2 Wage, Hour and Fringe Benefit Standards

Wage, hour and fringe benefit standards are determined for employees of federal contractors under the Davis-Bacon Act and related acts (for construction); the Contract Work Hours and Safety Standards Act; and the McNamara-O'Hara Service Contract Act (for services). Safety and health standards are also issued under these acts and are applicable to covered contractors, unless they have been superseded by specific standards issued by OSHA.

6.5 Overview of the Major State Labor Laws

6.5.1 Civil Rights Laws

6.5.1.1 Fair Employment

(ss. 111.31 - 111.395, Wis. Stats., Chapter DWD 218)
This prohibits discrimination based on race, creed, color, national origin, ancestry, age, gender, disability, arrest or conviction record, sexual orientation, marital status, and membership in the military reserve. It

prohibits unfair honesty testing and genetic testing. It also prohibits discrimination because of filing or assisting with a Labor Standards complaint or because of use or non-use of lawful products.

6.5.1.2 Family or Medical Leave

(s. 103.10, Wis. Stats., Chapter DWD 225)
For employers of 50 or more, requires the following:

- An employee of either gender is allowed up to six (6) weeks of leave in a 12-month period for the birth or adoption of a child.
- An employee is allowed up to two (2) weeks of leave in a 12-month period for the care of a child, spouse or parent with a serious health condition.
- An employee is allowed up to two (2) weeks of leave in a 12-month period for the employee's own serious health condition.

6.5.1.3 Retaliation Protections: Public Employee Safety and Health

(s. 101.055(8), Wis. Stats.)

- if a public employee, other than a state employee, reports an actual or potential hazard and then is retaliated against by the employer
- if a public employee, other than a state employee, reasonably refuses to perform a task which represents a danger of serious injury or death or exercises any other right related to occupational safety and health and then is retaliated against by the employer

6.5.1.4 Retaliation Protections: Employee Right to Know

(s. 101.595(2), Wis. Stats.)
This states that employees have a right to know what toxic substances might be encountered on the job, and prohibits retaliation against an employee for exercising any rights under s. 101.58-101.599.

6.5.1.5 Retaliation Protections: Elderly Abuse Retaliation

(Chapters 46.90; 16.009 and 50.07)
This prohibits retaliation against any employee, other than a state employee, for reporting the abuse of an elderly person to a state or county agency.

6.5.1.6 Health Care Worker Retaliation

(s. 146.997, Wis. Stats.)
This prohibits retaliation against any health care worker for reporting violations of laws, rules, or quality-of-care standards.

6.5.2 Labor Standards Laws

6.5.2.1 Prevailing Wage Rates and Hours of Labor for Local Government Unit Public Works Projects

(s. 66.293, Wis. Stats.)
This requires the Department of Workforce Development (DWD) to determine the prevailing wage rates for all types of local public works projects and requires DWD to investigate any alleged violation of such wage rates or hours of labor.

6.5.2.2 Prevailing Wage Rates and Hours of Labor for State Public Works Projects

(s. 103.49, Wis. Stats.)
This requires DWD to determine the prevailing wage rates for all types of state public works construction projects except highways and bridges, and requires DWD to investigate any alleged violations of such wage rates or hours of labor.

6.5.2.3 Hours of Work and Overtime

(ss. 103.01-03, Wis. Stats., Chapter DWD 274)
This requires payment of time-and-one-half the regular rate of pay for hours worked in excess of 40 in a given week; it also provides certain exemptions.

6.5.2.4 Records Open to Employee

(s. 103.13, Wis. Stats.)
This provides employees or former employees the right to inspect their own personnel records.

6.5.2.5 One Day of Rest in Seven

(s. 103.85, Wis. Stats., Chapter DWD 275)
This requires employers in factories or mercantile establishments to provide at least one period consisting of 24 consecutive hours of rest within each calendar week. It also allows for the issuance of waivers or modifications to employers when jointly requested by labor and management.

6.5.2.6 Minimum Wage

(ss. 104.01-12, Wis. Stats., Chapter DWD 272)
This sets minimum wage rates; provides for special minimum-wage licenses for rehabilitation facilities, workers with disabilities, and student learners; and defines what comprises "hours worked."

6.5.2.7 Wage Payment and Collection

(ss. 109.01-11, Wis. Stats.)
This requires DWD to process individual wage claims from employees who have not received earned wages; it also establishes when employees shall be paid.

6.5.2.8 Cessation of Health-Care Benefits

(s. 109.075, Wis. Stats.)
This requires that, **for employers of 50 people or more,** 60 days advance written notification must be given when the employer decides to terminate a health-care benefit plan. Notices shall be provided to the employees, retirees and their dependents. The law does not require notification of employees who quit or who are terminated, nor does it require notification when an employer makes changes to an existing plan.

6.6 The Hatch Act

The Hatch Act restricts the political activity of executive branch employees of the federal government. The Hatch Act also applies to the political activity of certain state and local government employees. Covered employees under the act are persons principally employed by state or local executive agencies in connection with programs financed in whole or in part by federal loans or grants. The act does not apply to the political activity of persons employed by educational institutions. Some statutes make Hatch Act provisions applicable to other categories of individuals, e.g., persons employed by private, non-profit organizations that plan, develop and coordinate Head Start and certain other types of federal assistance. Most employers of aging units and AAA's are covered under the Hatch Act.

6.6.1 Generally Permitted Political Activities

In general, the Hatch Act permits the political activities listed below, all of which must occur in non-work settings, and not on work time. Employee *may* do any of the following:

(1) be candidates for public office in non-partisan elections
(2) register and vote as they choose
(3) assist in voter registration drives
(4) express opinions about candidates and issues
(5) contribute money to political organizations
(6) attend political fundraising functions
(7) attend and be active at political rallies and meetings
(8) join and be active members of a political party or club
(9) sign nominating petitions
(10) campaign for or against referendum questions, constitutional amendments, and municipal ordinances
(11) campaign for or against candidates in partisan elections

(12) make campaign speeches for candidates in partisan elections
(13) distribute campaign literature in partisan elections
(14) hold office in political clubs or parties

6.6.2 Generally Prohibited Political Activities

In general, the Hatch Act prohibits the political activities listed below. Employees *may not* do any of the following:

(1) use official authority or influence to interfere with an election
(2) solicit or discourage political activity of anyone with business before their agency
(3) solicit or receive political contributions (may be done in certain limited situations by federal labor or other employee organizations)
(4) be candidates for public office in partisan elections
(5) engage in political activity while:
- on duty
- in a government office
- wearing an official uniform
- using a government vehicle

(6) wear partisan political buttons while on duty

Questions about the Hatch Act should be addressed to:

Hatch Act Unit
U.S. Office of Special Counsel
1730 M Street, N.W., Suite 201
Washington, D.C. 20036-4505
Tel: (800) 85-HATCH, i.e. (800) 854-2824
(202) 653-7143

6.7 Federal Laws Prohibiting Job Discrimination: Federal Equal Employment Opportunity Laws

The U.S. Equal Employment Opportunity Commission (EEOC) enforces all of these laws. The EEOC also provides oversight and coordination of all federal equal employment opportunity regulations, practices and policies.

6.7.1 Federal Job Discrimination Laws

6.7.1.1 Title VII of the Civil Rights Act of 1964 (Title VII)

This prohibits employment discrimination based on race, color, religion, gender, or national origin.

6.7.1.2 Equal Pay Act of 1963 (EPA)

This protects men and women who perform substantially equal work in the same establishment from gender-based wage discrimination; it also protects individuals who are 40 years of age or older.

6.7.1.3 Title I and Title V of the Americans with Disabilities Act of 1990 (ADA)

These prohibit employment discrimination against qualified individuals with disabilities in the private sector, and in state and local governments.

6.7.1.4 Sections 501 and 505 of the Rehabilitation Act of 1973

These prohibit discrimination against qualified individuals with disabilities who work in the federal government.

6.7.1.5 Civil Rights Act of 1991

Among other things, this provides monetary damages in cases of intentional employment discrimination.

6.7.2 Discriminatory Practices Prohibited by Law

Under Title VII, the ADA, and the ADEA, it is illegal to discriminate in any of the following aspects of employment:

(1) hiring and firing
(2) compensation, assignment, or classification of employees
(3) transfer, promotion, layoff, or recall
(4) job advertisements
(5) recruitment
(6) testing
(7) use of company facilities
(8) training and apprenticeship programs
(9) fringe benefits
(10) pay, retirement plans, and disability leave
(11) other terms and conditions of employment
(12) harassment on the basis of race, color, religion, gender, national origin, disability or age
(13) retaliation against an individual for filing a charge of discrimination, participating in an investigation, or opposing discriminatory practices
(14) employment decisions based on stereotypes or assumptions about the abilities, traits, or performance of individuals of a certain gender, race, age, religion, or ethnic group, or individuals with disabilities
(15) denying employment opportunities to a person because of marriage to, or association with, an individual of a particular race, religion, national origin, or an individual with a disability

Title VII also prohibits discrimination based on participation in schools or places of worship associated with a particular racial, ethnic, or religious group.

6.7.3 Other Practices Discriminatory Under These Laws

6.7.3.1 Title VII

Title VII prohibits not only intentional discrimination, but also any practice which has the effect of discriminating against individuals because of their race, color, national origin, religion or gender.

6.7.3.2 Immigration Reform and Control Act (IRCA)

The Immigration Reform and Control Act (IRCA) of 1986 requires employers to ensure that employees hired are legally authorized to work in the U.S. However, an employer who requests employment verification only for individuals of a particular national origin, or individuals who appear to be or sound foreign, may violate both Title VII and IRCA; verification must be obtained from *all* applicants and employees. Employers who impose citizenship requirements or give preferences to U.S. citizens in hiring or employment opportunities also may violate IRCA.

6.7.3.3 Religious Accommodation

An employer is required to reasonably accommodate the religious belief of an employee or prospective employee unless doing so would impose undue hardship.

6.7.3.4 Sex Discrimination

Title VII's broad prohibitions against sex discrimination specifically cover:

6.7.3.4.1 Sexual Harassment

This includes practices ranging from direct requests for sexual favors to workplace conditions which create a hostile environment for persons of either gender. This also includes same-sex harassment.

6.7.3.4.2 Pregnancy-Based Discrimination

Pregnancy, childbirth and related medical conditions shall be treated in the same way as other temporary illnesses or conditions.

6.8 Age Discrimination in Employment Act (ADEA)

The ADEA's broad ban against age discrimination also specifically prohibits all of the following:

- statements or specifications in job notices or advertisements of age preference and limitations. An age limit may only be specified in the rare circumstance where age has been proven to be a bona fide occupational qualification (BFOQ).
- discrimination on the basis of age by apprenticeship programs, including joint labor-management apprenticeship programs
- denial of benefits to older employees. An employer may reduce benefits based on age only if the cost of providing the reduced benefits to older workers is the same as the cost of providing benefits to younger workers.

6.9 Equal Pay Act (EPA)

The EPA prohibits discrimination on the basis of gender in the payment of wages or benefits, where men and women perform work of similar skill, effort, and responsibility for the same employer under similar working conditions.

6.10 Title I and Title V of the Americans with Disabilities Act (ADA)

The ADA prohibits discrimination on the basis of disability in all employment practices. It is necessary to understand several important ADA definitions in order to know who is protected by the law and what constitutes illegal discrimination:

6.10.1 Individual with a Disability

An individual with a disability under the ADA is a person who has a physical or mental impairment that substantially limits one or more major life activities; or who has a record of such impairment; or is regarded as having such impairment. Major life activities are those activities which an average person can perform with little or no difficulty, such as walking, breathing, seeing, hearing, speaking, learning and working.

6.10.2 Qualified Individual with a Disability

A qualified employee or applicant with a disability is someone who satisfies skill, experience, education, and other job-related requirements of the position held or desired, and who, with or without reasonable accommodation can perform the essential functions of that position.

6.10.3 Reasonable Accommodation

Reasonable accommodation may include, but is not limited to, the following:

- making existing facilities used by employees readily accessible to and usable by persons with disabilities
- job restructuring
- modification of work schedules
- providing additional unpaid leave
- reassignment to a vacant position

- acquiring or modifying equipment or devices
- adjusting or modifying examinations, training materials or policies
- providing qualified readers or interpreters

Reasonable accommodation may be necessary to apply for a job, to perform job functions, or to enjoy the benefits and privileges of employment which are enjoyed by people without disabilities. An employer is not required to lower production standards to make an accommodation. An employer generally is not obligated to provide personal use items such as eyeglasses or hearing aids.

6.10.4 Undue Hardship

An employer is required to make a reasonable accommodation to a qualified individual with a disability unless doing so would impose undue hardship on the operation of the employer's business.

"Undue hardship" means an action which requires significant difficulty or expense when considered in relation to factors such as a business' size, financial resources, and the nature and structure of its operation.

6.10.5 Prohibited Inquiries and Examinations

Before making an offer of employment, an employer may not ask job applicants about the existence, nature, or severity of a disability. Applicants may be asked about their ability to perform job functions. A job offer may be conditioned on the results of a medical examination, but only if the examination is required for all entering employees within the same job category. Medical examinations of employees must be job-related and consistent with business necessity.

6.10.6 Drug and Alcohol Use

Employees and applicants currently engaging in the illegal use of drugs are not protected by the ADA when an employer acts on the basis of such use. Tests for illegal use of drugs are not considered medical examinations and, therefore, are not subject to the ADA's restrictions on medical examinations. Employers may hold individuals who are illegally using drugs and individuals with alcoholism to the same standards of performance as other employees.

6.11 Employers and Other Entities Covered by Law

- **Title VII and the ADA** cover all private employers, state and local governments, and educational institutions which employ 15 or more individuals. These laws also cover private and public employment agencies, labor organizations, and joint labor management committees controlling apprenticeship and training.
- The **ADEA** covers all private employers with 20 or more employees, state and local governments (including school districts), employment agencies, and labor organizations.

- The **EPA** covers all employers who are covered by the Federal Wage and Hour Law (the Fair Labor Standards Act). Virtually all employers are subject to the provisions of this act.

6.12 What Agency Handles a Charge also Covered by State or Local Law?

The State of Wisconsin and some localities have anti-discrimination laws, as well as agencies responsible for enforcing those laws. The Equal Employment Opportunity Commission (EEOC) refers to these agencies as "Fair Employment Practices Agencies" (FEPA's). Through the use of "work-sharing agreements," EEOC and the FEPA's avoid duplication of effort while at the same time ensuring that a charging party's rights are protected under both federal and state law.

If a charge is filed with a FEPA and is also covered by federal law, the FEPA "dual files" the charge with EEOC in order to protect federal rights. The charge usually will be retained by the FEPA for handling. If a charge is filed with EEOC and also is covered by state or local law, EEOC "dual files" the charge with the state or local FEPA, but ordinarily retains the charge for handling.

The state contact for information is:

Equal Rights Division
1 S. Pinckney St., Room 320
P.O. Box 8928
Madison, WI 53708
Telephone: (608) 266-6860
TTY: (608) 264-8752

The federal contact for information is:

Milwaukee District Office
Equal Employment Opportunity Commission
310 West Wisconsin Avenue, Suite 800
Milwaukee, WI 53203-2292
Phone: 414-297-1111
TTY: 414-297-1115

6.13 Civil Rights Compliance/Affirmative Action Requirements for Counties and Provider Agencies

It is the policy of the Department of Health Services (DHS) to ensure implementation of federal, state, local and departmental civil rights compliance executive orders, policies, plans, rules and regulations in the provision of human services in Wisconsin. This commitment extends to ensuring civil rights compliance within department services and in-provider services funded through DHS. Service providers include

organizations and individuals which receive funds to deliver services or provide goods. Any agency receiving $10,000 or more in federal funds is also required to comply with equal employment opportunity / affirmative action (EEO/AA) laws, regulations and policies.

6.14 Equal Opportunity and Affirmative Action in Employment Regarding Counties and Provider Agencies

The Department of Health Services (DHS) is committed to providing equal opportunity in employment and taking affirmative action for elimination of past and present effects of discrimination. This commitment and responsibility extends to ensuring that all counties and service providers receiving funds from DHS are in full compliance with all pertinent federal and state equal employment opportunity and civil rights laws and regulations.

Equal employment opportunity covers all terms, conditions or privileges of employment including, but not limited to, hiring, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, support services, rates of pay or other forms of compensation and selection for training. Individuals are protected from discrimination in employment based on age, race, religion, color, gender, national origin or ancestry, handicap, physical condition, developmental disability [as defined in s. 51.01(5), Wis. Stats.], arrest or conviction record (in keeping with s. 111.32, Wis. Stats.), sexual orientation, marital status, or political affiliation (s. 230.18, Wis. Stats.).

DHS and each county and service provider shall make reasonable accommodation for the known physical or mental limitations of an otherwise qualified applicant or employee with a disability unless DHS or the service provider can demonstrate that the accommodation would impose undue hardship on the operation of its program. A reasonable accommodation is a logical adjustment made to a job and/or the work environment, which adjustment enables a qualified person with a disability to perform the duties of that position.

In accordance with its responsibilities under s. 16.765, Wis. Stats., DHS requires annual affirmative-action plans from all contractors with 10 or more employees and with contracts of $10,000 or more. These affirmative action plans address the under-utilization of racial/ethnic minorities, women, and persons with disabilities in the contractor's workforce. The plans also set specific measurable goals to ensure equal opportunities.

More information on affirmative action and civil rights can be found in **Chapter 7** of this manual.

Chapter 7. Service Delivery Operations

The development and operation of services, from nutrition to information and assistance, is an important function of the aging network in Wisconsin. Each year the Wisconsin aging network serves over 100,000 older people.

Within the aging network, as contrasted to traditional service networks, services are seen as a means to an end rather than the principal focus of the network. It is a network whose major roles are to empower and enable older people and to ensure that existing service systems are responsive and accessible to the elderly. From that perspective, services are typically seen as gap-filling or enabling rather than as an end in themselves.

The rules, regulations and laws that govern service delivery in the Wisconsin aging network reinforce this essential "aging difference."

7.1 Citizen Involvement

Although many government programs require the participation of representatives of the population to be served, the involvement of older people in the services provided by the aging network is integral to the development and operation of those services.

There are a number of techniques one might use to involve older people in the development of the aging unit plans.

7.1.1 Planning and Oversight

The services which the aging unit operates directly or under contract shall be identified within the aging unit plan.

The aging unit advisory committee (where applicable) and policy-making bodies have significant responsibilities for the aging unit plan. In the case of the policy-making body, there is a significant legal and personal liability attached to the plans and actions of the agency. This responsibility requires that the advisory committee (where applicable) and policy-making body be intimately involved in the development and oversight of the aging unit plan.

Responsibility for the services operated directly by or under contract to the aging unit continues during the operation of the services. The policy-making body, and where applicable the advisory committee, are strongly urged to regularly review the operations of all services.

Aging units are urged to consider including a performance-measurement system as a routine element in their efforts to monitor and evaluate the services they operate or fund. A good performance-measurement system helps an agency

(program, service, section, etc.) better understand how it is doing and helps improve its performance. The value of a measurement system depends on the usefulness of its information. Effective systems support management and policy decisions in addition to serving as an accountability tool. See Section **E.6** (**Appendix E**) of this manual for more information on performance measurement.

7.1.2 Feedback from Older People

7.1.2.1 Why Involve People?

Community involvement becomes the catalyst which helps organizations reexamine their purpose, cultures, systems, and mechanisms, thus improving their functioning at all levels and on all issues. Involving service users has advantages, both to the organization and to the individuals who use the services they provide. Advantages of user involvement include all of the following:

(1) Involvement is the law and the most basic element of the Older Americans Act.
(2) It rebuilds trust and confidence in a service as being open, accountable and shaped by public views.
(3) It develops local ownership of and commitment to health and social services.
(4) It increases local understanding of change as well as confidence in the way changes were planned.
(5) A shared agenda promotes constructive working relationships.
(6) Decisions are more likely to be viewed positively by those who have had a stake in them.
(7) Harnessing public views can help drive up standards and lead to a more responsive service.
(8) Involvement ensures that the voices of users, as experts in defining their own wishes and needs, are heard; this increases sensitivity, effectiveness and appropriateness of services.
(9) It identifies areas where standards are not being met and provides positive feedback where staff is performing well.
(10) Better information leads to more appropriate use of services, which maximizes benefits to the greatest number of people.
(11) Involvement generates new ideas.
(12) It provides insight for staff into how participants and their families experience services.
(13) It protects individuals' rights and increases their control over their lives.
(14) It is an integral part of a service aiming to promote self-esteem and independence.
(15) *It demonstrates respect.*

7.1.2.2 How to Engage with People: Key Points

Involving people in development of the services they receive or might receive is not rocket science. However, it does not just happen! Some points to keep in mind are as follows:

(1) It is overwhelmingly important to genuinely want to involve people. This comes from a sense of respect for people and a willingness to regard their perspectives as valid and of equal worth. The culture of the organization needs to be one of openness and willingness to change. For staff to feel secure about involving people in planning and decision-making, they need opportunities to work through their concerns.
(2) Everyone has an opinion - ask them! People may not volunteer, but they are usually pleased to be asked directly. There are plenty of opportunities for doing this. Staff is in contact with large numbers of people, and individual invitations can be issued through community, volunteer and user groups.
(3) From the beginning include people in setting the agenda and agreeing on priorities.
(4) Once some trust is established, people will recruit others through their own networks. A statistically representative sample is seldom needed; instead, a fairly typical one is usually acceptable.
(5) The best motivation for people to participate is the feeling that they can improve things for others.
(6) Start small. Success breeds enthusiasm and confidence.
(7) Go out onto people's territory (local venues, existing groups, etc.); do not expect them to come to you.
(8) Be absolutely clear about what is expected of people and what they can expect from the agency.
(9) It is a common misapprehension that if asked what they want, people will ask for the impossible. They do not. Explain any genuine restrictions. People can understand.
(10) Activities providing opportunity for interaction are more enjoyable than formal ones. Make it fun!
(11) Communicate. Give feedback. People need to see the result of their efforts and to see that they have made a difference.
(12) Do not expect anything to happen quickly. Gaining trust and developing good working relationships takes a long time. Community development approaches will be needed to allow people to develop the skills to represent themselves.
(13) User involvement needs resources: money and staff time. Do not underestimate the resources required.

7.1.2.3 Specific Ways to Involve Older People

There are many mechanisms by which aging agencies might involve older consumers in discussions about aging services and other issues. Some approaches follow. Regardless of which approach or approaches are followed, it is important to keep in mind that quality citizen participation takes time, effort and commitment on behalf of the aging agency.

7.1.2.3.1 Public Meetings or Forums

A public meeting is an event which extends an open invitation to members of the public to attend. A forum is a less formal public gathering, usually convened to gain public input on a specific topic. There must be a public agency; there is usually a speaker and there may be a panel of people who will respond to questions from the audience. The meeting may be held to introduce a plan, strategy, or report, or when there is a specific issue of public interest such as a change in service provision. Agencies hold regular, public meetings to conduct business.

Public meetings are often seen as democratic, offering an open invitation to the public to receive information, to comment, to raise issues, to inform decisions and to challenge service providers. However, this approach usually reaches only a small section of the community. Public meetings are inaccessible for many of the people who would use aging services. The public relations element may be lost because of the unsatisfactory nature of the interaction and difficulty in providing feedback on the outcome.

Using only public meetings as the strategy for involving people is never sufficient; other forms of dialogue groups may be more appropriate.

7.1.2.3.2 Surveys

Surveys are a way of gathering information using a questionnaire or interviews. In order to provide reliable information, a survey needs to (1) reach a representative sample of all people in the study group (i.e., the public, users of specific services, residents of a particular area) and (2) obtain a high response rate.

Most people who require services want them to address quite specific needs. Asking specific questions related to quality of life and achievable change, rather than attempting to address a general "satisfaction with services," is a method of identifying and focusing on these needs.

Ongoing quality monitoring, using standards developed with participants, is more productive for gauging perceptions and experience of services than are periodic surveys.

7.1.2.3.3 Advisory Committees or Groups

Advisory committees range from large numbers of people contributing via mail surveys to smaller groups of people who meet to contribute their views. The key feature of a committee is that it continues to exist over a period of time (whereas focus groups meet on only one occasion). Most advisory committees limit the length of time a panel member may serve and replace them after that time. Others refresh the committee by recruiting a certain percentage of new members each year, allowing new opinions to be introduced and new members to be absorbed. The aim is to avoid committee members becoming better informed than the average citizen by virtue of their participation.

Advisory groups can be an effective but resource-intensive way of enabling older people to express their views. Such groups should be welcomed by service providers as an innovative way of engaging with older people. There should be some concern about how representative the advisory group's views are. For an advisory committee to be effective, the agency must be committed to using the advice and/or products developed by the committee.

7.1.2.3.4 Peer Interviews

Peer interviews are conducted by using members of a peer group. Peers are defined here as older persons and/or persons who share characteristics with the interviewee(s). Examples of shared characteristics include age, gender, experience of service use, class, language or ethnic origin.

Peer interviewing has been widely used in work with young people and in user-led service monitoring in mental health. There is potential for use in aging services.

7.1.2.3.5 Focused Group Discussions

The focus group is a small group, ideally no more than 12 people, given a particular topic or issue as the focus of discussion. Focused group discussions may allow participation by those who would only feel comfortable in a group of similar people (e.g., caregivers of persons with dementia).

Discussion groups may also be used to obtain views on a wider range of issues, although they work best if there are a limited number of

topics for the group to address in a single session. Group discussions can engage harder-to-reach groups where other methods might fail to include them.

Both focus and discussion groups could effectively be used by nutrition and transportation advisory councils.

7.2 Targeting, Not Means-Testing

While the Older Americans Act (OAA) directs the aging network to advocate for all people aged 60 and over, it also requires that the network focus or target its efforts on the needs of particular subgroups of older people. These subgroups within the overall elderly population are sometimes referred to as "target groups." There is some misunderstanding about the apparent incongruity between the essential universal focus of the OAA, on one hand, and the demand to give "particular attention" to the needs of certain target groups.

Targeting of effort is an integral part of the planning and advocacy activities of the aging network. When organizations develop advocacy or service plans, an initial step is an assessment of the needs of the older people in the community. Advocacy strategies and services are then developed to meet the needs of the older population. The needs of the older population drive the plans and activities of the aging agency. Because needs are not uniform within the older population, the activities of the aging unit are naturally more focused on some groups (target groups) than on others. This does not imply a lack of caring for the general elderly population; merely a focusing of efforts.

All aging agencies engage in focused or targeted activities. For example, when an aging agency decides to use its limited funds to support respite care, personal care, chore service, or any other service, it is making a decision to target funds to a service which supports a group of older people who need that service. Similarly, when aging agencies advocate for an expansion of means-tested, community-based, long-term care services, those particular advocacy efforts most directly benefit the potential clientele of those services.

Targeting is not excluding older people; rather it is a focusing of limited funds and resources on the needs of older people who are, by some standard, most in need. Federally mandated target groups, which are noted in the Older Americans Act, can be seen as representing the sense of the U.S. Congress on which groups within the nation's older population require particular attention by the aging network. It is the same process that local aging agencies go through in determining their local target groups.

Means testing, in which eligibility for services is determined based on income, is prohibited for all services supported wholly or in part with funds from the Older Americans Act.

7.3 Data Collection and Reporting

The purpose of data collection and subsequent reporting is fairly straightforward. Information is needed for all of the following reasons:

- to demonstrate that funds were spent in accordance with all federal, state and local laws, regulations and policies
- to assist in documenting the need for additional programs and services for older people
- to aid in monitoring ongoing services
- to help make improvements to agency operations and services
- to provide agency decision-makers with the information needed in order to determine if established outcomes are being met

Adequate information is necessary for effective agency operations. Without information, decisions are made in a vacuum.

As a condition of funding, area agencies on aging and aging units are required to comply with all data-collection and reporting requirements of the Bureau of Aging and Disability Resources (BADR).

7.4 Privacy and Confidentiality Rights

Section **7.3** of this chapter emphasizes the need for good information, be it client-related, service-related or financial. The regulations governing the Older Americans Act guarantee that users of aging services have rights pertaining to the information collected about them.

No information about an older person or obtained from an older person by a service provider, aging unit or area agency on aging may be disclosed by that organization in a form which identifies the person, without the informed consent of the person or his or her legal representative, unless the disclosure is required by court order, or for program monitoring by authorized federal, state or local monitoring agencies.

Special confidentiality requirements apply to clients of legal and benefit counseling services. Those requirements are outlined in **Chapter 9** of this manual, which covers the benefit specialist program.

7.5 Contributions and Cost Sharing

Participant contributions play a major role in financing the Wisconsin aging network. Older participants support the services they receive by voluntarily contributing what they can.

For services rendered with funding under the Older Americans Act, the service provider shall do all of the following:

- provide each older person with an opportunity to voluntarily contribute to the cost of the service
- protect the privacy of each older person with respect to his or her contributions
- establish appropriate procedures to safeguard and account for all contributions

Aging agencies shall counterbalance their need for program revenues via client contributions with the potentially negative impact that an overemphasis on contributions might have on program participation. To the extent to which older participants regard their contributions as "fees," there may be a negative impact among participants and potential participants who cannot afford the contributions/fees. This is counterproductive to the purposes of the Older Americans Act.

Each service provider shall use supportive-services contributions and nutrition-services contributions for maintaining or expanding supportive services and nutrition services, respectively.

Each service provider under the Older Americans Act may develop a suggested contribution schedule. In developing a contribution schedule, the provider shall consider the income ranges of older persons in the community and the provider's other sources of income. However, means tests may not be used for any service supported with funds under the Older Americans Act.

A service provider that receives funds under this part may not deny any older person a service because the older person will not or cannot contribute to the cost of the service.

The Older Americans Act *permits* BADR to institute cost sharing for certain services funded under the Older Americans Act. As of the date this manual was written, BADR has not elected to permit cost sharing in services funded under the Older Americans Act.

7.6 Equal Opportunity in Service Delivery and Employment

BADR is committed to ensuring equal opportunity in all programs, services and activities. The remainder of this section describes the requirements of area agencies on aging, aging units, and subcontractors to meet the standards for equal opportunity developed by the Wisconsin Department of Health Services (DHS).

Where an area agency on aging or an aging unit is part of county or tribal government, it is quite likely that the unit of government has already undertaken efforts to comply with the DHS requirements. In such circumstances aging agencies need not engage in additional compliance activities as long as the aging unit can document that the overall efforts meet the standards which follow.

7.6.1 Equal Opportunity in Service Delivery

Title VI of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; Title IX of the Educational Amendments of 1972; the Age Discrimination Act of 1975; and Title II of the Americans with Disabilities Act (ADA) of 1990 have similar requirements for recipients and subrecipients of federal funding which provides program services. Basically, these laws require taking affirmative action to ensure equal opportunity in service delivery and to overcome the continuing effects of prior discrimination against people of color, women, people with disabilities and people associated with people with disabilities.

Affirmative action to ensure equal opportunity is also authorized to overcome the effects of conditions which resulted in limited participation of people in programs based on their race, color, national origin, religion, age, gender or disability. These characteristics are considered protected from discrimination. People of color, women, people over 40, people with disabilities and people associated with people with disabilities are considered to be members of protected groups under the laws.

It is the policy of DHS to ensure the equitable and accessible delivery of health and human services to the older population of the state of Wisconsin. This commitment extends to ensuring that services be administered and provided in compliance with federal, state and local civil rights legislation, executive orders, rules and regulations.

Equal opportunity requires that no otherwise qualified person, based on protected status, shall be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity that receives or benefits from assistance through BADR. Under civil rights laws, executive orders, and rules and regulations, protected status includes age, race, color, disability, association with a person with a disability, gender, creed or religious conviction, national origin and ancestry.

The Wisconsin Department of Health Services is committed to ensuring equal opportunity in all programs, services or activities. This includes, but is not limited to, program eligibility, treatment by staff, communication of program information, access to facilities and/or programs and activities, assignment of clients to staff within a program, outreach, intake and admissions, assignment to facilities or referrals to other services, assessment/diagnosis/evaluation and treatment, disciplinary actions and terminations from programs.

Equal opportunity to communicate program information and to provide program services or activities means providing services and information in the appropriate language to persons with limited ability to read, speak or understand English; providing readers for persons with visual impairments; providing literature, audio-visual and posted information in formats which are understandable to

persons with hearing or visual impairments; and providing special assistance for persons with developmental or learning disabilities.

Area agencies on aging, aging units and other subrecipients of federal funding administered through BADR shall operate each program or activity so that, when viewed in its entirety, it is accessible to all older people regardless of their protected status. When a particular program or service is not accessible because of physical or program barriers, the service provider will make arrangements to use alternate accessible facilities or to remove the program barrier (such as arranging for an interpreter in a timely fashion or altering the service to meet the needs of the participant).

7.6.1.1 Policy Statement and Notification

Area agencies on aging, aging units and other subrecipients of federal funding administered by BADR shall take appropriate initial and continuing steps to notify participants, beneficiaries and applicants, including those with visual and hearing impairments, developmental or learning disabilities, or with limited ability to read, speak or understand English, that they do not discriminate on the basis of protected status. A model equal opportunity in service delivery policy to be used as notification follows this section.

7.6.1.2 Designation of Equal Opportunity Coordinator, Service Delivery

Area agencies on aging, aging units and other subcontractors shall designate at least one person to coordinate their efforts to comply with requirements for equal opportunity. BADR shall be notified of the designated equal opportunity coordinator (EOC). The designated coordinator's equal opportunity responsibilities should be reflected in their position description.

7.6.1.3 Discrimination Complaint/Grievance Process

Area agencies on aging, aging units and their subcontractors shall adopt an informal discrimination complaint process which incorporates appropriate due process standards and provides for a prompt and equitable resolution of complaints alleging discrimination on the basis of protected status, including those alleging illegal harassment.

Information provided to clients about the complaint-resolution process should be in writing or other usable media such as audiotape. In service areas with a significant population of persons with limited ability to read and understand English, the information should be translated and available in the language of the major language groups in that area.

Complainants have an informal complaint process available through which to seek resolution at the most immediate level of responsibility within the agency. However, complainants are not required to file an informal complaint with the contractor/subcontractor in most cases. They may choose to file a formal complaint.

The informal complaint process of the contractor or subcontractor should attempt early resolution. Specific requirements for this complaint process are as follows:

(1) The complaint process shall be in writing or other useable media and readily available to clients, their families, staff and others. All clients shall be informed of the non-discrimination policy and of the complaint process. Translated materials will be available to those with limited ability to read, speak or understand English.
(2) A standard form shall be developed and available for use in the complaint process.
(3) The name, address and telephone number of the equal opportunity coordinator shall be posted where it is readily available to program beneficiaries or potential beneficiaries. This information shall also be included in the informal discrimination complaint form.
(4) For each complaint filed, there shall be written documentation of the investigation conducted, the decision reached and the reason(s) for the decision. Files should be maintained confidentially for at least three years.
(5) Those persons who file complaints/grievances, who are witnesses or testify, or who investigate or decide on the cases, shall be protected from retaliation for their actions. This protection will be described in the complaint process policy and will include the consequences of any retaliatory actions.
(6) The complaint process will contain a provision for appeal of a decision resulting from the findings and recommendations of the equal opportunity coordinator. All complainants shall be notified of their right to appeal to DHS and/or to the federal funding agency, following the same process as for filing a formal complaint.
(7) Reasonable time frames (no longer than a total of 30 calendar days) shall be set for bringing complaints to a final resolution.
(8) It is the responsibility of the program service delivery agency to furnish qualified translators for clients with limited ability to read, speak, or understand English; and interpreters for persons with communication impairments.
(9) Clients shall be permitted to arrange for representation of their interests in any complaint or grievance (for example, friends, family, attorneys or lay advocates) if that is their preference.
(10) Complainants also have a *formal* complaint process available in order to raise issues of alleged discrimination. Clients may file a complaint

using this formal process without using the service provider's informal process, or they may appeal the service provider's informal complaint decision. Notification of this option should be included in the service delivery agency's informal complaint decision. The decision should be received by the complainant to allow ample time for the complainant to file the formal appeal within 180 days of the alleged discriminatory incident.

(11) The complainant has the right to file his or her complaint at any time in the process, within 180 days of the discriminatory incident, with the Bureau of Aging and Disability Resources (BADR) or with the federal agency listed below, depending on the source(s) of funding for the program, service or activity in question.

U.S. Department of Health and Human Services
Office for Civil Rights, Region V
105 West Adams Street
Chicago, IL 60603

Complainants also have a formal complaint process available to raise issues of alleged discrimination. Clients may file a complaint using this formal process without using the service provider's informal process, or they may appeal the service provider's informal complaint decision. The service delivery agency will notify the complainant in writing or other useable media, in the language understandable to the client, that he or she may file a formal complaint or an appeal with BADR or with the federal funding agency. The notification should be included in the service delivery agency's informal complaint decision. This should be received by the complainant to allow ample time for the complainant to file the formal appeal within 180 days of the alleged discriminatory incident.

If an investigation is held as a result of a formal complaint or of the review of the informal complaint decision, BADR shall arrange for the investigation to be held in a location convenient for the individual filing the appeal.

The complainant has the right to file his or her complaint at any time in the process, within 180 days of the discriminatory incident with BADR, or with the federal agency listed below, depending on the source(s) of funding for the program, service or activity in question.

U.S. Department of Health and Human Services
Office for Civil Rights, Region V
105 West Adams Street
Chicago, IL 60603

7.6.1.4 Self-Evaluation of Service Delivery

Area agencies on aging, aging units and each subcontractor who receives federal funding administered by BADR shall develop a self-evaluation of civil rights compliance in all aspects of service delivery for all clients and applicants for services. Each of the major civil rights laws: Title VI of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; and the ADA of 1990; requires that recipients of federal funding, regardless of funding levels or number of staff, conduct an initial evaluation of compliance with the respective laws and then annually update this evaluation. The initial self-evaluation plan should be done within the time frame of the respective civil rights law that requires it.

The "Contractor/Subcontractor Civil Rights Compliance Action Plan for Meeting Equal Opportunity Requirements in Service Delivery and Employment" (see Section 7.7 of this chapter) is the recommended tool for conducting the self-evaluation and for meeting department requirements to submit CRC Plans. This format provides for a simple plan that covers both service delivery and employment.

7.6.2 Equal Opportunity in Employment

The Wisconsin Department of Health Services, as an employer, is committed to ensuring equal opportunity in all terms, conditions and privileges of employment. As a provider of federal funding for health, human and rehabilitative services, BADR is committed to requiring compliance with equal opportunity among subcontractors as a vehicle to implement its policy for equal opportunity in service delivery. The ensuring of equal opportunity may include (1) taking affirmative steps where necessary to eliminate the present effects of discrimination, and (2) seeking the representation of people of color, women, and people with disabilities in the workforce in proportion to their availability in the relevant geographical labor market.

Applicants for employment and current employees are protected from discrimination in employment based on age, race, religion, color, gender, national origin or ancestry, disability (as defined in the ADA of 1990, Title I), arrest or conviction record, sexual orientation, marital status, or military participation (in keeping with s. 111.32, Wisconsin Fair Employment Law).

Protection from discrimination under Title VII of the Civil Rights Act of 1964 includes the provision of reasonable accommodations for religious practices, beliefs or convictions. Protection from discrimination under Title I of the ADA includes the provision of reasonable accommodations to allow qualified applicants with disabilities equal opportunity to compete for jobs, and to allow employees with disabilities to perform the essential functions of their jobs and to access all available terms and benefits of employment. The requirement for non-discriminatory treatment, with the exception of the provision of reasonable

accommodations, extends to applicants for employment and current employees who, even though they may not have a disability themselves, are protected from discrimination on the basis of their association with a person with a disability.

7.6.2.1 Policy Statement and Notification

Area agencies on aging, aging units and their subcontractors who receive federal funding administered by BADR shall take appropriate steps to notify applicants for employment and existing employees that they do not discriminate on the basis of protected status. The policy statement should be included in all publications, advertisements, media announcements, recruitment and employment materials. The policy statement should be available in formats accessible to people with disabilities. In areas with a significant population of persons with limited ability to read and understand English, the policy statement should be translated and available in the language of the major language groups in that area. For this process, "major" means that 5 percent or 1,000 people (whichever is smaller) of the total area population are persons with limited ability to read and understand English, and that 5 percent of the general population or 1,000 people (whichever is smaller) are known to use the same language. The policy shall be posted in accessible formats in all employment facilities and made readily available to all employees.

7.6.2.2 Designation of Equal Opportunity Coordinator, Employment

Area agencies on aging, aging units and their subcontractors who receive federal funding administered by DHS shall designate an equal opportunity coordinator (EOC) responsible for compliance with requirements for equal opportunity in employment.

The following responsibilities should be included in the EOC's position description:

- investigates complaints of employment discrimination and recommends corrective action to the agency head
- disseminates equal employment opportunity information to applicants for employment, existing employees and the public
- prepares an equal-opportunity-in-employment self-evaluation, a CRC plan, and annual updates, to be submitted to the DHS AA/CRC office every two years
- provides employees and applicants for employment with technical assistance, information, and referral to training on equal employment opportunity requirements

7.6.2.3 Discrimination Complaint/Grievance Process

Area agencies on aging, aging units and their subrecipients of federal funding administered by BADR shall adopt a discrimination complaint

process that provides prompt and equitable resolution of complaints alleging discrimination in employment, including complaints of harassment. The process should be posted and made available to employees and applicants in usable media. Translations to languages other than English should be made available upon request. The process should indicate that:

Complainants have an informal complaint process available through which to seek resolution at the most immediate level of responsibility within the agency. However, complainants are *not* required to file an informal complaint with the contractor/subcontractor in most cases. They may choose to file a formal complaint.

The informal complaint process should attempt early resolution. Specific requirements for this complaint process are as follows:

(1) The complaint process shall be in writing or other useable media and readily available to employees and applicants. All applicants shall be informed of the non-discrimination policy and of the complaint process. Translated materials will be available to those with limited ability to read, speak or understand English.
(2) A standard form shall be developed and available for use in the complaint process.
(3) The name, address and telephone number of the equal opportunity coordinator shall be posted where it is readily available to applicants and employees. This information shall be included in the informal discrimination complaint form and in written and audio/visual formats of the complaint process.
(4) For each complaint filed, there shall be written documentation of the investigation conducted, the decision reached and the reason(s) for the decision. Files should be maintained confidentially for at least three years. A copy of the written decision and notification of the right to appeal provided to the complainant shall also be part of the file.
(5) Those persons who file complaints/grievances, who are witnesses or testify, or who investigate or decide on the cases, shall be protected from retaliation for their actions. This protection will be described in the complaint process policy and will include the consequences of any retaliatory actions.
(6) The complaint process will contain a provision for appeal of a decision resulting from the findings and recommendations of the equal opportunity coordinator. All complainants shall be notified of their right to appeal. Reasonable time frames (no longer than a total of 30 calendar days) shall be set for bringing complaints to a final resolution.

(7) It is the responsibility of the contractor/subcontractor to furnish qualified translators for applicants and employees with limited ability to read, speak, or understand English, and interpreters for persons with communication impairments.

Complainants also have a formal complaint process available to appeal the decision of the contractor/subcontractor. The agency will notify the complainant in writing or other useable media, and in the language understandable to the applicant or employee, that he or she may file a formal complaint with the federal funding agency.

Equal Rights Division
Wisconsin Department of Workforce Development
P.O. Box 8928
Madison, WI 53715
Telephone: 608/266-6860
TDD: 800/947-3529

U.S. Equal Employment Opportunity Commission
310 West Wisconsin Avenue, Suite 800
Milwaukee, WI 53203
Telephone: 414/297-1111
TDD: 414/297-1115

U.S. Department of Health and Human Services
Office for Civil Rights
105 West Adams Street
Chicago, IL 60603
Telephone: 312/886-2359
TDD: 312/353-5693

7.6.2.4 Self-Evaluation of Employment Policies and Practices

Area agencies on aging, aging units and other subrecipients of federal funding shall develop a self-evaluation plan which ensures evaluation of civil rights compliance with equal employment opportunity in all terms and conditions of employment for all applicants for employment and existing employees. The "Contractor/Subcontractor Civil Rights Compliance Action Plan for Meeting Equal Opportunity Requirements in Service Delivery and Employment" (see Section 7.7 of this chapter) is the recommended tool for conducting the self-evaluation and for meeting DHS requirements to submit a CRC Plan.

7.7 Contractors and Subcontractors Civil Rights Compliance Action Plan for Meeting Equal Opportunity Requirements in Service Delivery and Employment

7.7.1 Equal Opportunity Policy

(Organization Name) _____ is in compliance with the equal opportunity policy and standards of the Wisconsin Department of Health Services and all applicable state and federal statutes and regulations relating to non-discrimination in employment and service delivery.

No otherwise-qualified person shall be excluded from employment, be denied the benefits of employment or otherwise be subject to discrimination in employment in any manner on the basis of age, race, religion, color, gender, national origin or ancestry, handicap, physical condition, developmental disability, political belief or affiliation, arrest or conviction record, sexual orientation, marital status, or military participation. All employees are expected to support our goals and programmatic activities relating to non-discrimination in employment.

No otherwise-qualified applicant for services or service recipient shall be excluded from participation, be denied benefits, or otherwise be subject to discrimination in any manner on the basis of race, color, national origin, gender, religion, age or disability. This policy covers eligibility for and access to service delivery and treatment in all of our programs and activities.

To assist us in complying with all applicable equal opportunity rules, regulations and guidelines, I have appointed (Name) _____,
(Title) _____, as the equal opportunity coordinator. You are encouraged to discuss any perceived discrimination problems in employment or service delivery with this employee.
(Mr./Ms.) _____ may be reached on
(days) _____ from (hours) _____
at (tel. no.) _____. Information about our discrimination complaint resolution process is available to you upon request.

_____ _____
(Signature of Director or Chief Executive) (Date)

County/Provider: _____

Location/City: _____

7.7.2 Policy Statement and Notification

We have attached to this plan a copy of our organization's equal opportunity policy statement.

We will disseminate our policy statement in the following ways:

	Maintain	Initiation Date	Completion Date
The policy is included in our operating procedures manual and is permanently posted where it may be reviewed by both current clients and applicants for services.			
The policy is reviewed annually by board, managers, supervisors and staff who provide direct services to clients.			
New employees are informed of the policy as part of their orientation program.			
Staff will receive training on the policy, along with instruction on the laws and regulations concerning equal opportunity in employment and service delivery.			
The policy is available in alternative formats (relevant language translations, large print, on tape, Braille).			
A short form of the policy is included in our recruitment materials, publications, phone listings and directories.			

7.7.3 Designation of Equal Opportunity Coordinator

Our EOC has direct access to the organization's head to discuss equal opportunity issues or activities.
Yes ___ No___

Our EOC has received or will receive civil rights training within six months of assuming equal opportunity duties.
Yes ___ No___

Our EOC has the following responsibilities

	Maintain	**Initiation Date**	**Completion Date**
handling service delivery and employment discrimination complaints			
disseminating equal opportunity information to provider staff and interested persons			
preparing equal opportunity plans and reports			
acting as equal opportunity liaison between the agency and community			
monitoring and evaluating equal opportunity activities in the organization			
monitoring and evaluating civil rights training for provider staff			
maintaining equal opportunity files and confidential records			
providing input to management to improve equal opportunity in employment and service delivery			

7.7.4 Access to Services

	Maintain	Initiation Date	Completion Date
providing equal access to all programs, services or activities, including, but not limited to, eligibility, treatment, staff assignments, outreach, intake and admissions, facilities assignments, communication of information and referrals to other services			
ensuring physical access to the facilities, by allowing persons with functional limitations caused by impairments of sight, hearing, coordination or perception, or persons with semi-ambulatory or non-ambulatory disabilities to enter, leave, circulate within, use public toilet facilities and elevators			
providing translators and/or sign language interpreters to assist applicants and clients with hearing impairments or with limited ability to read, speak or understand English			
providing literature, posting information and audio-visual materials in language(s) understood by clients and in formats which are understandable to persons with visual or hearing impairments			
providing readers for persons with visual impairments			
providing special assistance for persons with developmental or learning disabilities			

7.7.5 Discrimination Complaint/Grievance Procedure

	Maintain	Initiation Date	Completion Date
The complaint resolution procedure, including the name, address and phone number of the complaint investigator, is publicly posted in language(s) understood by our participants and is in a format or formats accessible to persons with visual or hearing impairments.			
There is confidential written documentation of all investigations conducted.			
All participants in complaint investigations are protected from retaliation.			
Complaints are responded to within 30 calendar days.			
Translators, interpreters and/or readers, who meet the communications needs of our participants, are provided by the organization during the complaint process.			
Participants are permitted to have representatives of their choice during the complaint process.			
Participant complainants are made aware of other avenues of redress.			
Employee complainants are made aware of other avenues.			

7.7.6 Self-Evaluation

	Maintain	Initiation Date	Completion Date
Conduct a self-evaluation with consultation from interested persons, including persons or organizations representing minorities, females and persons with disabilities.			
Modify any policies or practices that do not meet the standards for equal opportunity in employment or service delivery.			
Take appropriate remedial steps to eliminate the effects of any discrimination or adverse impact that resulted from past policies or practices.			
Maintain records of the evaluation process, including the names of interested persons who were consulted, a description of the areas examined and any problems identified, and a description of remedial steps taken and/or modifications made.			
Review data on clients served within our programs, service or activities, comparing the number of racial/ethnic minorities, females and persons with disabilities served, in proportion to their representation in the eligible service area population, and determining that no person is excluded from participation, denied any benefits, or subjected to discrimination.			
Compare racial/ethnic, gender, and disability workforce statistics in proportion to their representation in the local labor market.			
Monitor our reasonable accommodation procedures for employees with disabilities.			
Make improvements to our facilities as reasonable and necessary, providing physical accessibility to persons with disabilities			
Monitor the civil rights and equal employment opportunity compliance of our subgrantees, subcontractors and/or vendors.			

7.7.7 Workforce Analysis

(Categories are for illustrative purposes.)

Equal Employment Opportunity Category Groups	**Total #**	**Minority Represented**		**Female Represented**		**Persons With Disabilities**	
	(100%)	**No.**	**%**	**No.**	**%**	**No.**	**%**
Officials/Managers							
Professionals							
Technicians							
Sales							
Office/Clerical							
Crafts							
Operators							
Laborers							
Service							
Total Employees							

Data period: From _____ To _____

Is there a need to increase the representation of minorities, females or persons with disabilities in any of the job categories? Please explain:

How do you plan to increase the needed representation?

Do retention rates and termination rates have an adverse impact on minorities, females or persons with disabilities in the workforce? Please explain:

7.7.8 Client Service Population Analysis

Protected Status Category	Client Population		Service Area Population		Percentage Variance
	No.	%	No.	%	(+% or -%)
White					
Black					
Hispanic					
Asian/Pacific Islander					
American Indian					
Other Minority					
People with Disabilities					
Female					
Total Clients					

Geographic Service Area:

Data Source(s):

Data period: From _____ To _____

Are client population percentages less than the eligible service area population percentages? Yes_____ No_____

If yes, please explain why this is so and what can be tried to improve participation:

If denials for service have been disproportionate, please explain:

How many discrimination complaints were filed?

Chapter 8. Nutrition Program Operations

8.1 Introduction

This chapter of the Wisconsin Aging Network Manual of Policies and Procedures addresses policy and procedures which are specific to the nutrition program funded by the Older Americans Act. Policies and procedures in other chapters of this manual such as fiscal, planning and personnel also apply to nutrition program administration.

8.1.1 Purpose of the Nutrition Program

The purpose of the elderly nutrition program is as follows:

- to reduce hunger and food insecurity
- to promote socialization of older individuals
- to promote the health and well-being of older individuals by assisting such individuals to gain access to nutrition and other disease prevention and health promotion services to delay the onset of adverse health conditions resulting from poor nutritional health or sedentary behavior

8.1.2 Objectives of the Program

The objectives of the elderly nutrition programs are as follows:

- to prevent malnutrition and promote good health behaviors through nutrition education, nutrition screening and intervention of participants
- to serve wholesome, delicious meals that are safe and of good quality, through the promotion and maintenance of high food safety and sanitation standards
- to promote or maintain coordination with nutrition-related and other supportive services for older individuals
- to target older adults who have the greatest economic or social need with particular attention to low-income minority and rural individuals

8.1.3 History of Program

The Older Americans Act (OAA), Public Law 89-73, was enacted in 1965 to provide assistance in the development of new or improved programs which help older persons. One of the first programs established through the OAA was the elderly nutrition program. A few milestones of the program are as follows:

- In 1968, Congress appropriated two million dollars for the establishment of a three-year demonstration and research program of nutrition for older people, to be conducted by the Administration on Aging (AoA) under Title IV of the Older Americans Act (OAA).
- Congress enacted the National Nutrition Program for the Elderly in 1972 as a new title of the OAA (P.L. 92-258, S. 1163, sponsored by the honorable

Edward M. Kennedy, democrat, Massachusetts), signed by President Nixon on March 22nd, 1972.

- Pilot elderly nutrition programs began serving congregate meals in Wisconsin in 1972, with the majority of areas being served by 1974. The first home-delivered meals were served in 1978.

8.2 Nutrition Program

Each aging unit shall employ for the nutrition program an adequate number of qualified staff, supplemented as necessary by qualified consultants, to ensure the provision of program leadership, planning, food-service management, nutrition services and other services.

Nutrition programs shall comply with applicable personnel policies as described in **Chapter 6** of this manual and with the requirements stated in this chapter.

8.2.1 Nutrition Program Director

A nutrition program director is responsible for the day-to-day management and administrative functions of the program. The nutrition program director will be hired on a full-time basis unless the county or tribal aging unit can clearly demonstrate that the size of the program or other conditions indicate that a part-time position is adequate.

The duties and responsibilities may include the following:

(1) Recruit, screen, interview, hire, train and supervise all part-time and full-time subordinate personnel affiliated with this program.
(2) Inform, assist, and seek advice from the nutrition advisory council.
(3) Contract for provision of food stuffs, supplies, and facilities according to the procurement procedures of the designated authority and as described in this manual.
(4) Develop fiscal procedures for the local dining centers.
(5) Prepare contract applications, job descriptions, bid specifications and proposals, and budget proposals in a timely and proper manner as directed.
(6) Plan, develop, implement, and coordinate all programs and services included within the nutrition program.
(7) Coordinate the development and provision of supportive services for this program.
(8) Maintain all accounts and records required by this program and submit reports as directed.
(9) Develop and maintain good working communication with the awarding agency for all aspects of this program.
(10) Compile, organize, and prepare written reports and materials for the aging unit and other key agencies as directed (this includes the county or tribal aging unit, the area agency and BADR).

(11) Set up auditing controls to measure program effectiveness, feasibility and costs on a continuing basis.
(12) Identify program problems and recommend remedial measures.
(13) Attend public hearings and meetings relating to legislative proposals for the elderly as directed by the aging unit.
(14) Carry out all other duties and activities assigned to the holder of this position.
(15) Develop and maintain a good public relations program including the use of local newspapers, radio and public appearances.
(16) Develop training programs for nutrition program staff as needed.
(17) Recruit, train and recognize volunteers for the nutrition program as needed.

8.2.2 Nutrition Program Dining Center Managers

All congregate dining centers shall be supervised by a designated dining-center manager who,under the nutrition program director, is responsible for organizing and supervising the safe and sanitary service of meals and all other related nutrition program activities carried on at the dining center.

Depending on the structure of the nutrition program, job duties for dining-center managers may include some of the following:

- greeting and registration of participants
- record-keeping of program data
- counting and depositing participant donations
- food safety activities such as testing and recording food temperatures; and washing utensils and surfaces
- outreach to new participants
- quality assurance for food or for food-vendor contracts
- assessments for home-delivered-meal participants
- scheduling and/or supervising volunteers in some of the above activities

Important skills and qualities to consider when hiring dining-center managers include food-handling experience, first-aid certification, group leadership experience, problem-solving abilities and a warm, non-judgmental personality.

8.2.3 Nutrition Program Nutritionist

OAA Sec. 339: *"A State that establishes and operates a nutrition project under this chapter shall (1) solicit the expertise of a dietitian or other individual with equivalent education and training in nutrition science, or if such an individual is not available, an individual with comparable expertise in the planning of nutritional services, and (2)(G)(i) a dietitian or other individual described in paragraph (1)."*

Each nutrition program shall employ or retain the services of a qualified dietitian or nutritionist who is responsible to the nutrition program director and available

to the program for no less than eight hours per month. This may include the time of a nutritionist provided by a caterer's contract.

Program nutritionist responsibilities include all of the following:

(1) Approve all menus served.
(2) Assist the program director in the development and provision of staff training in proper sanitation.
(3) Assist the program director in the development of sanitation policies and procedures.
(4) Assist the program director in the selection of food service equipment.
(5) Assist the program director in the development of food contracts.
(6) Assist the program director in the provision nutrition screening.
(7) Oversee nutrition education programming and approve materials.
(8) Annually monitor each nutrition-services provider and dining center to evaluate the provision of nutrition services. At a minimum, this annual monitoring shall include verification of all of the following:
    (A) Meals comply with the nutrition requirements of menus.
    (B) Food safety standards are in accordance with the Wisconsin Food Code.
    (C) All nutrition education services comply with state policy.
    (D) Nutrition screening scores are accurately collected from all participants in compliance with state policy.

Other duties and responsibilities may include the following:

(1) Assist the program director in the development and implementation of a nutrition education plan.
(2) Review all nutrition screening forms of participants.
(3) Coordinate and provide nutrition counseling to participants who are nutritionally at risk.
(4) Coordinate and provide supportive nutrition services.

For the purpose of the Wisconsin elderly nutrition program, a "qualified nutritionist" shall have one or more of the following qualifications:

8.2.3.1 Certified Dietitian

Certified dieticians are individuals who hold a current certification with the State of Wisconsin Department of Regulation and Licensing and are certified as a dietitian under the Wisconsin State Statutes (1997), Chapter 448, "Medical Practices," Subchapter IV, Dietitians Affiliated Credentialing Board. This person uses the C.D. credential. Verification of certification can be done online at the web site for the Wisconsin Department of Regulation and Licensing.

8.2.3.2 Registered Dietitian

Registered dieticians are individuals who hold a current registration with the Commission on Dietetic Registration. They use the R.D. credential. To verify whether or not someone is a registered dietitian or if they are registration-eligible, contact the Commission on Dietetic Registration of the American Dietetic Association at 800-877-1600, ext. 5500. Provide the person's name or social security number.

8.2.3.3 Registered Dietetic Technician

Registered dietetic technicians are individuals who hold a current dietetic technician registration with the Commission on Dietetic Registration. This person uses the D.T.R. credential. To verify whether or not someone is a registered dietetic technician or if they are registration-eligible, contact the Commission on Dietetic Registration of the American Dietetic Association at 1-800-877-1600, ext. 5500. Provide the person's name or social security number.

8.2.3.4 Comparable Education / Experience and Authorization

Comparable education and/or experience require authorization in writing from the area agency on aging dietitian or the BADR nutrition coordinator. Those not likely to receive approval include nurses, dietary managers, dietary supervisors, and cooks; unless they can prove an extensive, well-rounded education and experience in the major areas of dietetic practice.

8.2.4 Students Working in the Program

When dietetic or nutrition students perform activities of the program nutritionist, they shall be supervised by a qualified nutritionist, either on site or after extensive training and orientation, through regular evaluation of the work performed by the student.

8.2.5 Other Required Staff Capacity

In addition to staff requirements listed above, each aging unit shall have accounting and clerical capacity sufficient to fulfill the nutrition program's budgetary, fiscal, reporting and record-keeping responsibilities.

8.2.6 Volunteers

To the maximum extent feasible, the nutrition program shall provide training and opportunities for voluntary participation of individuals in all aspects of program operations. Appropriate orientation and training shall be provided by the nutrition program.

8.2.7 Nutrition Advisory Council

The nutrition program of each aging unit shall establish a nutrition advisory council that is separate from any other advisory group of the aging unit. If feasible, the nutrition program may also set up a separate advisory council for home-delivered-meal representation. The nutrition advisory council shall advise the nutrition director on all matters relating to the delivery of nutrition and nutrition-supportive services within the program area. All recommendations and suggestions of the council shall be in accord with federal and state policies and shall take into consideration the nutrition budget.

8.2.7.1 Council Roles and Responsibilities

(1) Make recommendations to the nutrition director regarding the food preference of participants.
(2) Make recommendations to the nutrition director and the aging unit regarding days and hours of dining center operations and locations.
(3) Make recommendations to the nutrition director regarding dining center furnishings with regard to disabled or handicapped participants.
(4) Conduct a yearly on-site review of each dining center in the program.
(5) Advise and make recommendations to the nutrition director and aging unit regarding supportive social services to be conducted at dining centers.
(6) As an organized group, give support and assistance to the ongoing development of the nutrition program.
(7) Represent and speak on behalf of the nutrition participants and program.
(8) As a liaison group, act as a communications clearinghouse between the nutrition program and the general public.

8.2.7.2 Membership and Structure

More than one-half of the council membership shall consist of nutrition program participants elected as dining-center representatives and shall include representation from home-delivered-meal recipients. Representation of home-delivered-meal participants can be met by family members, caregivers or neighbors. The remaining council membership should provide for broad representation from public and private agencies that are knowledgeable and interested in the senior-dining and home-delivered-meal program.

8.2.7.3 Meetings

The council shall meet as often as is useful and practical, but no less than quarterly. By-laws and parliamentary procedures should be adopted to govern the conduct of council business. Meetings must be open, with notices posted in accordance with the Open Meetings Law; minutes shall

be kept for all nutrition advisory council meetings. Records shall be kept for three years.

8.2.7.4 By-Laws

Nutrition advisory council by-laws should include, but not be limited to, all of the following:

(1) an article describing responsibilities of the council
(2) provision for specifying number, election, tenure and qualifications of members
(3) dates for regular and annual meetings and the manner of giving notice for regular, annual and special meetings
(4) provision for hearing participant grievances
(5) provisions for amending and updating the by-laws
(6) provision for the establishment of dining-center councils (optional)

8.3 Funding Sources

The elderly nutrition program is funded by a combination of federal and state funds, local public and private funds and participant contributions. These funding sources and the conditions of their use are described below. Refer to **Chapter 12** of this manual (Fiscal Management) for more detailed information. Aging units must provide both congregate and nutrition programs as a condition of receiving these funds.

8.3.1 Funding Source: Federal Title III-C-1 and State Funds

Elderly nutrition programs receive federal Title III-C-1 and state funds for the congregate meal program, and federal and state Title III-C-2 funds for the home-delivered-meal program. Counties and tribes may choose to use additional state funds for the home-delivered-meal program through the state-funded Senior Community Services Program. The program is also responsible for the planning and use of participant donations for the county.

8.3.2 Use of Title III-B and III-C-2 Funds

Title III-B and Title III-C-2 funds may not be used to provide congregate meals. Title III-C-1/state funds may not be used to provide III-B services.

8.3.3 Funding Source: Nutrition Services Incentive Program (NSIP)

OAA Sec. 311: "

(a) The purpose of this section is to provide incentives to encourage and reward effective performance by States and tribal organizations in the efficient delivery of nutritious meals to older individuals.

(b) (1) The Secretary of Agriculture shall allot and provide in the form of cash or commodities or a combination thereof (at the discretion of

the State) to each State agency with a plan approved under this title for a fiscal year, and to each grantee with an application approved under the Title VI for such fiscal year, an amount bearing the same ratio to the total amount appropriated for such fiscal year under subsection (e) as the number of meals served in the State under such plan approved for the preceding fiscal year (or the number of meals served by the Title VI grantee, under such application approved for the preceding fiscal year), bears to the total number of such meals served in all States by all Title VI grantees under all such plans and applications approved for such preceding fiscal year.

(d) (4) Each state agency and Title VI grantee shall promptly and equitably disburse amounts received under this subsection to recipients of grants and contracts. Such disbursements shall only be used by such recipients of grants or contracts to purchase domestically produced foods for their nutrition projects.

(5) Nothing in this subsection shall be construed to authorize the Secretary or the Assistant Secretary to require any State agency or Title IV grantee to elect to receive cash payments under this subsection."

NSIP funds are a resource to the program which allow the program to increase the number and/or quality of meals served. Wisconsin has opted for cash payments in lieu of donated foods; this decision was based on the preferences of the nutrition program directors.

8.3.3.1 OAA Law and Federal Regulations Requirements for NSIP funds:

(1) Only Title III county/tribal nutrition-program grantees receive NSIP funds.
(2) County/tribal nutrition programs shall use the funds to purchase foods for use in the program meals.
(3) Nutrition programs shall report counts of eligible meals to the AAA as required for the purposes of NSIP.
(4) Each program shall develop and utilize a system for documenting eligible meals. Acceptable methods for documenting meals served include: obtaining signatures daily from participants receiving meals; or maintaining a daily or weekly route sheet signed by the driver which identifies the client's name, address and number of meals served to them.
(5) Records documenting eligible meals shall be maintained for a period of three years.

8.3.3.2 NSIP Meal Count: Eligible Meals

An annual meal count shall be submitted by BADR to AoA in November of each year, and will include all eligible meals served during the previous

federal fiscal year (FFY), October 1 through September 30. This meal count will be used by AoA to calculate NSIP grants for the next FFY.

For a meal to be included in the NSIP meal count, all of the following conditions must be met:

(1) Meal shall provide one-third the daily recommended dietary allowance (RDA).
(2) Meal shall be served to eligible individuals age 60 or over, or other persons made eligible by the OAA Law (see Section **8.4.7** of this chapter regarding eligibility).
(3) Meal shall be served by an agency that has received a grant under the provisions described in OAA Law.
(4) The nutrition dining center shall comply with all requirements for the Title III-C program, including offering the meal on a donation basis, and must be under the jurisdiction, control, management and audit authority of the Title-III network.

Meals served to an elderly individual under COP or another means-tested program may not be included in the NSIP count.

8.3.4 Funding Source: USDA Food Stamps/FoodShare Wisconsin

The nutrition program shall assist participants in taking advantage of benefits available to them under the food stamp program.

Programs may apply to be authorized food-stamp vendors in order to accept food stamps as a voluntary contribution from participants. A food-stamp field representative will provide instruction on the procedure for acceptance. Contact the Wisconsin office of the United States Department of Agriculture, Food and Nutrition Service at:

Food and Nutrition Service, USDA
Suite 300
8030 Excelsior Drive
Madison, WI 53717-1950
Phone: 608-662-3361
Fax: 608-662-3364

Wisconsin's food stamp program, now known as FoodShare Wisconsin, implemented the federally required electronic benefit-transfer system (EBT) in 2000. The EBT replaced all paper food stamps with a benefit card, similar to a credit card. There is a concern that elderly persons who qualify for the food stamp program may be uncomfortable using the benefit card. With help from the benefit specialist, nutrition programs should assist participants in the application and use of FoodShare Wisconsin benefits.

Food stamp info link: http://www.dhs.wisconsin.gov/foodshare/

8.3.5 Funding Source: Community-Based Long-Term Care Programs

Community-based long-term care programs include all of the following:

- Community Options Program (COP)
- Community Options Program Waiver (COP-W)
- Community Integration Program (CIP)
- Community Supported Living Arrangement (CSLA)
- Brain Injury Waiver (BIW)
- Include, Respect, I Self-Direct (IRIS)
- Program of All-Inclusive Care for the Elderly (PACE)
- Managed Care
- Family Care and Partnership

These may be used to reimburse nutrition programs for the cost of providing meals to long-term care program clients. The reimbursement rate shall be based on the full cost of the meal including overhead and administration. Programs find it helpful to have a memorandum of understanding between the agencies providing each program, in order to specify the reimbursement rate for long-term care program meals. Programs shall not reduce the total meal cost by the NSIP per-meal amount. Meals served to an elderly or otherwise eligible person through a long-term care program (as listed above) shall not be included in the NSIP meal count.

8.3.6 Funding Source: Local Funds

Local funds may be contributed to the program from local public or private governments, agencies, or organizations and may be used for the required match. Local fund expenditures must follow rules of the program for which they were contributed.

8.3.7 Funding Source: Voluntary Contributions

In most cases, voluntary contributions by participants make up approximately one-third of the program's income. The collection and use of these contributions is described in this section.

OAA Section 307(a)(13)(C)(i):
"Each project will permit recipients of grants or contracts to solicit voluntary contributions for meals furnished in accordance with guidelines established by the Commissioner, taking into consideration the income ranges of eligible individuals in local communities and other sources of income of the recipients of a grant or contract; and such voluntary contributions will be used to increase the number of meals served by the project involved, to facilitate access to such

meals, and to provide other supportive services directly related to nutrition services."

Since its enactment in 1965, the Older Americans Act has emphasized regard for the dignity of older persons by requiring that opportunities are provided to older persons to participate not only in the planning and administering of aging programs, but also in the cost of services. Therefore, each provider of Title-III services shall provide each older person an opportunity to voluntarily contribute to the cost of service. These contributions shall be used to expand meal services, to maintain the service level, to facilitate access to such services (including transportation), to provide outreach, and to provide nutrition education and dietary counseling.

Contributions collected at individual dining centers and home-delivered-meal participant homes must be returned to the county or tribal aging unit to be used in the planning and budgeting for the countywide or reservation-wide nutrition program. Appropriate procedures must be established to safeguard and account for all contributions.

Programs, with the advice and consent of nutrition advisory groups and the commission on aging, may opt for one or more of the following choices (self-identified means tests may not be used):

- Set a suggested donation.
- Set a range of donation levels based on participant income.
- Provide participants with total meal costs.

To maintain integrity of the intention of the Older Americans Act regarding voluntary contributions, programs must do all of the following:

(1) provide each older person with an opportunity to voluntarily contribute to the cost of the service
(2) protect the privacy of each older person with respect to his or her contributions
(3) establish appropriate procedures to safeguard and account for all contributions
(4) not deny an older person a service because the older person cannot or will not contribute to the cost of the service
(5) not require a contribution or in any way imply one is required in order to participate

8.3.7.1 Contribution Signs and Brochures

At each dining center, there shall be a sign (and in the case of home-delivered meals a brochure or letter) which includes meal cost, source of funds used for programs, and the stipulation that no participant may be denied a meal. The signs, brochures or letters should be in large print.

8.3.7.2 Non-Differentiation

Regard for dignity entails not only an opportunity to contribute by persons who are able, but also freedom from embarrassment for those who cannot. Accordingly, the methods for receiving contributions shall be handled in a manner that does not publicly display the differing contributions of participants. Confidentiality as to contribution level is required.

8.3.7.3 Gift Certificates

Gift certificates may be offered by the nutrition program to relatives or friends of a participant for meals. As long as the participant using the gift certificate is eligible for service as described in Section **8.4.7** of this chapter, the certificate may be offered on a donation basis. Gift certificates may be sold for use by non-eligible individuals for the total meal cost.

8.3.7.4 Contributions as Program Income

Contributions made by older people are considered program income. Contributions from local civic groups, businesses, etc., are also considered program income. Program income shall be planned for and spent by the county/tribal aging unit on behalf of the nutrition program. Policies governing program income are found in **Chapter 12** of this manual.

8.3.7.5 Management of Contributions by Staff

Procedures shall be established for the return of cash contributions from the dining center area and home-delivered-meal participant homes to the aging unit, such as establishing a bank account from which the aging unit can draw a check. Consider the following when developing a procedure:

(1) Two persons shall be responsible for counting receipts.
(2) All participant contributions shall be recorded immediately and a log of daily receipts shall be maintained. This record shall agree with the bank deposit record.
(3) All cash receipts and participant contributions shall be deposited regularly. In areas without banks, money orders purchased from post offices may be used.
(4) Records of deposit shall be obtained from the bank. Bank statements shall be reconciled to receipts and deposit records.
(5) Records regarding accountability of contributions shall be kept on file along with other agency records for a period of three years.
(6) Other safeguards include keeping receipts in a locked box or a safe until deposited, comparing deposit slips with receipts, and bonding of employees handling cash.

8.3.7.6 Meal Ticket Systems

Programs may institute a system of issuing meal tickets for senior dining and/or home-delivered meals. The following points should be considered:

- Programs offer the tickets to participants for a voluntary contribution on a daily, weekly, or monthly basis.
- Participants *must* be allowed confidentiality of their donation.
- Instructions and the nature of the transactions *must* make clear that participants are free to voluntarily contribute as little or as much as they can afford.

Advantages of this system include the following:

- decreases possible banking costs by decreasing the number of days on which cash is handled
- ensures confidentiality of a participant's donation amount
- lightens workload of dining center staff and volunteers

8.4 Nutrition Program Administration

8.4.1 Senior Dining (Congregate) Meals Level of Service

OAA Sec. 331. PART C. NUTRITION SERVICE. SUBPART 1:
CONGREGATE NUTRITION SERVICES PROGRAM AUTHORIZED:
"The Assistant Secretary shall carry out a program for making grants to States under State plans approved under section 307 for the establishment and operation of nutrition projects that"

(1) 5 or more days a week (except in a rural area where such frequency is not feasible (as defined by the Assistant Secretary by regulation) and a lesser frequency is approved by the State agency), provide at least one hot or other appropriate meal per day and any additional meals which the recipient of a grant or contract under this subpart may elect to provide;

(2) shall be provided in congregate settings, including adult day care facilities and multigenerational meal sites; and

(3) provide nutrition education, nutrition counseling, and other nutrition services, as appropriate, based on the needs of meal participants."

- Each nutrition program shall serve meals five (5) or more days per week for congregate-meal and home-delivered-meal service in at least one site. In areas where such frequency is not feasible, a lesser frequency must be approved by the area agency on aging.
- Each nutrition program shall provide hot or other appropriate meals, such as meals that are served when equipment breaks down or weather conditions make the serving of a hot meal inappropriate. Frozen meals may be served when determined appropriate for the individual.
- Meal frequency shall be reviewed annually to determine any need for change.

8.4.2 Home-Delivered Meals: Level of Service

OAA Sec. 336. PART C: NUTRITION SERVICE. SUBPART 2:
HOME-DELIVERED NUTRITION SERVICES PROGRAM AUTHORIZED:
"The Assistant Secretary shall carry out a program for making grants to states under State plans approved under section 307 for the establishment and operation of nutrition projects for older individuals that provide"

(1) on 5 or more days a week (except in a rural area where such frequency is not feasible (as defined by the Assistant Secretary by rule) and a lesser frequency is approved by the State agency) at least one home delivered meal per day, which may consist of hot, cold, frozen, dried, canned, fresh, or supplemental foods and any additional meals that the recipient of a grant or contract under this subpart elects to provide; and
(2) nutrition education, nutrition counseling, and other nutrition services, as appropriate, based on the needs of meal recipients.

- Meals shall be served five (5) or more days per week for congregate-meal and home-delivered-meal service except in areas where such frequency is not feasible and a lesser frequency is approved by the area agency on aging.
- The nutrition program shall promptly meet an eligible individual's request for home-delivered meals and shall continue to provide those meals as long as the person needs them. If the home-delivered-meal program is serving at capacity, then eligible individuals shall be put on a waiting list.
- Programs shall make every effort to provide two (2) or three (3) meals per day, seven (7) days per week, to those who need them and/or have no other assistance with their nutritional needs.

8.4.3 Nutrition Screening

Nutrition screening utilizes a nutrition screening checklist to help identify participants who are at nutritional risk.

All participants receiving services with Title III-C funds shall receive a nutrition screen at least once per year. The nutrition screening checklist is a federal public information collection requirement in the National Aging Program Information System (NAPIS).

The required screening tool in Wisconsin is the "DETERMINE Your Nutritional Health" checklist. The content of this form was developed through the Nutrition Screening Initiative (NSI); however, the form has been modified for use in Wisconsin's nutrition program. Nutrition programs may adapt the form to meet their program needs; however, programs are required to keep the wording of the questions, the order of the questions and all scoring/point values the same. See Section **K.1** of this manual.

8.4.4 Nutrition Education

Nutrition education enables a program to promote better health by providing accurate and culturally sensitive information and instruction regarding nutrition, physical fitness, or health (as it relates to nutrition); both to participants and caregivers, in a group or individual setting overseen by the nutrition program nutritionist.

Nutrition education shall be provided a minimum of four (4) times per year (one per quarter) to participants in congregate-meal and home-delivered-meal programs. Where appropriate and feasible, each program shall provide monthly nutrition education suitable to participant needs and interests.

(1) At least four (4) times per year (once each quarter), nutrition education for congregate dining centers shall include a cooking demonstration, educational taste-testing, presentations, walk-by displays, and lecture or small-group discussions, all of which may be augmented with printed materials.
(2) Nutrition education for home-delivered-meal participants may consist solely of printed material.
(3) A qualified nutritionist shall provide input and shall review and approve the content of nutrition education prior to presentation.
(4) Nutrition education topics shall include food/nutrients including vitamin B_{12} and vitamin D, nutrition, physical activity, food safety, consumerism and health.
(5) Participant need and interest can be assessed in any of the following manners:
    (A) Tabulate scores of nutrition screening tools.
    (B) Survey participants to determine interest areas.
    (C) Ask dining-center managers, volunteers and route drivers about current topics or concerns of participants.
(6) The education is more effective when the information presented is relevant to a participant's personal, cultural and socioeconomic circumstances.
(7) Serving food samples at a nutrition education event is a nice way to draw interest in the topic.
    (A) When food is offered, it shall be served in a safe and sanitary manner consistent with food-code regulations.
    (B) Foods offered should be nutritious and appropriate for the topic discussed.
    (C) Keeping portion sizes small will ensure good appetites for the meal.

Nutrition programs may compile a yearly written nutrition education plan, possibly developed, implemented and monitored by the qualified nutritionist. In addition, an annual needs assessment can be performed by the nutritionist to determine the topics included in the plan.

Contact the AAA or BADR for resources on nutrition education.

8.4.5 Nutrition Counseling and Other Nutrition Interventions

Nutrition counseling means the provision of individualized advice and guidance to individuals who are at nutritional risk because of their health or nutritional history, dietary intake, medication usage or chronic illnesses. Counseling includes advice about options and methods for improving the participant's nutritional status; it should take into consideration the participant's desires, the participant's cultural, health, socioeconomic, functional, and psychological factors; and should include home and caregiver resources. Nutrition counseling shall be performed by a qualified nutritionist.

Participants must be given the opportunity to voluntarily contribute toward the cost of the nutrition counseling service. Programs should base a suggested donation amount on the full cost of providing the service. When costing the service, include administration, in-kind donations, supplies, travel and documentation time.

For nutrition counseling resources, contact the AAA or BADR.

8.4.6 Nutrition-Related Supportive Services

Nutrition-related supportive services include outreach for food security and other nutrition programs, food and shopping assistance. These services may be provided using program funds, and voluntary contributions may be requested. Such services should be targeted to those at greatest nutritional risk.

8.4.6.1 Other Nutrition Services

At least one (1) time per year nutrition programs shall provide to home-delivered-meal participants, in the participants' communities, available medical information on obtaining vaccines, including vaccines for influenza, pneumonia and shingles. The medical information provided shall be approved by a qualified health-care professional such as a physician and may consist solely of printed material such as informational brochures.

8.4.7 Eligibility for Services

8.4.7.1 Eligibility for Senior Dining (Congregate) Meals

Individuals eligible to receive a meal on a contribution basis at a senior dining center are:

- Aged 60 or older.
- Any spouse who attends the dining center with their spouse who is aged 60 or older.
- A person with a disability, under age sixty (60), who resides in housing facilities occupied primarily by older individuals at which congregate nutrition services are provided.

- A disabled individual who resides at home with an eligible older individual participating in the program.

Any nutrition-services staff, guests and volunteers who meet the criteria above are considered to be eligible persons for purposes of receiving meals. These individuals shall be given the same opportunity as any other participant to contribute to the cost of the meal in accordance with usual contribution procedures.

Eligibility criteria for participants of the senior dining program shall be available in writing to all potential participants, referral agencies, physicians, public and private health organizations and institutions, and the general public.

Meals served to the above eligible participants shall be included in the NSIP meal count.

8.4.7.1.1 Residents of Group Living Homes

There are no federal regulations, state laws or policies that require the elderly nutrition program to subsidize meals provided to residents of a group living home.

If a group living home wants its residents to attend a dining center, the group home director and the nutrition director should attempt to work out an arrangement, which may include the following: supervision of clients while at dining centers, reservations, contributions by residents toward the cost of a meal, number of residents attending the dining center, etc.

The nutrition program may charge the group living home facility for the total cost of providing meals or other nutrition services to its residents, and may set the circumstances under which residents of a group living home may attend the dining center.

8.4.7.2 Eligibility for Home-Delivered Meals (HDM's)

Any of the following individuals are eligible to receive home-delivered meals:

- a person aged 60 or older who is frail and essentially homebound by reason of illness, disability, or isolation, for which an assessment concludes that participation is in the individual's best interest
- the spouse of a person eligible for an HDM as described above, regardless of age or condition, if an assessment concludes that it is in the best interest of the homebound older individual
- a disabled individual who resides at home with an eligible older individual participating in the program.

Meals served to the above eligible participants shall be included in the NSIP meal count.

Eligibility criteria for participants of the home-delivered-meal program shall be available in writing to participants, potential referral agencies, physicians, public and private health organizations and institutions and the general public.

Nutrition program staff shall make every effort to provide meals to an older person who is eligible and has been determined to need the service.

8.4.7.2.1 Home-Delivered Meals: Eligibility Assessment and Reassessment

Each person applying for home-delivered meals shall be assessed in their home to determine the individual's need for nutrition and other services.

(1) An initial determination of eligibility may be accomplished via a detailed telephone interview or through the agency's application, completed by trained outreach workers or hospital discharge staff.
(2) A written personal assessment shall be completed no later than four weeks from beginning meal service, and shall include a home visit, eligibility assessment, and an assessment of the type of meal appropriate for the participant in her or his living environment.
(3) An individual eligible for receiving home-delivered meals shall be assessed for need for nutrition-related and other supportive services, and referred as necessary.
(4) Reassessment of continued need for service shall be done in the home of the participant every six to twelve months. A full reassessment visit is required at least once per year. Between-year assessments may be brief and/or completed by phone.
(5) Reassessments are necessary to establish need for additional services as well as to determine continued program eligibility. The time period between reassessments, and the type of reassessment (phone, visit, outreach worker, etc.) shall depend on the type of disability, the degree of isolation, and the extent of other resources available to the individual. For example, an individual just released from a hospital with a broken arm would probably be reassessed in two to three months, while a relatively healthy individual with a physical disability who has close extended family might not need reassessment for twelve months.

8.4.7.2.2 Criteria for Home-Delivered-Meal Eligibility Assessment

Each aging unit shall develop criteria and shall implement procedures to assess each eligible participant's level of need for home-delivered-meal nutrition services. The assessment procedures and document shall be consistent with the requirements of this section and shall be submitted to the area agency for review.

The assessment document shall be designed such that potential participants can be verified as meeting general participant eligibility as defined in Section **8.4.7.2.1**, as well as all of the following criteria:

(1) The individual is unable to leave his or her home under normal circumstances. Flexibility is allowed for medical appointments and occasional personal reasons such as hair care or church services that are important to the individual's quality of life.
(2) The person is unable to participate in the congregate meals program because of physical or emotional problems.
(3) There is no spouse or other adult living in the same house or building who is both willing and able to prepare all meals.
(4) Available meals will meet the special dietary needs of the individual.
(5) Individuals are able to feed themselves or have someone available to assist with dining.
(6) The individual is unable, either physically or emotionally, to obtain food and prepare adequate meals.
(7) The individual agrees to be home when meals are delivered or to contact the program when absence is unavoidable.

8.4.7.3 Community-Based Long-Term Care Programs

Participants of community-based, long-term care programs including the Community Options Program (COP), Community Options Program Waiver (COP-W), Community Integration Program (CIP), Community Supported living Arrangement (CSLA), Brain Injury Waiver (BIW), Include, Respect, I Self-Direct (IRIS), Program of All-Inclusive Care for the Elderly (PACE), managed care, Family Care, and Partnership may receive program meals when the full cost of the meal is reimbursed to the nutrition program. Programs find it helpful to have a contract or a memorandum of understanding between the agencies providing each program, which specifies the reimbursement rate for long-term care program meals.

- The reimbursement rate shall be based on the total cost of the meal including overhead, administration and transport costs.
- Programs shall not reduce the total meal cost by the NSIP per-meal amount.

- Meals served to an elderly or otherwise eligible person through a long-term care program, as listed above in Section **8.4.7.2.2**, shall not be used for the NSIP meal count.

8.4.7.4 Under-Age-60 Volunteer

Nutrition programs have the option of offering a meal on a voluntary contribution basis to non-elderly individuals who provide volunteer services to the nutrition program during meal hours.

- The decision to offer meals on a contribution basis to non-elderly volunteers must be approved by the local commission on aging.
- Volunteers under age 60 who perform nutrition program-related duties as part of their job description may be offered a meal if doing so will not deprive an older individual of a meal.
- Meals served to the under-age-60 volunteer shall be included in the NSIP meal count.
- A written policy and procedure shall be developed and implemented which describes how and when (such as hours and duties) non-elderly volunteers are eligible to receive meals on a contribution basis, including details on record-keeping methods.

8.4.7.5 Under-Age-60 Staff Meals

Nutrition programs have the option of offering a meal on a voluntary contribution basis to non-elderly staff who provide direct service to the nutrition program during the meal hours. Federal Title III and NSIP funds may not be used to serve meals to non-elderly staff. It is understood that only the state portion of the Title III grants are used to support these meals.

- The decision to offer meals on a contribution basis to non-elderly staff must be approved by the local commission on aging.
- Staff under age 60 who perform nutrition program-related duties as part of their job description may be offered a meal if doing so will not deprive an older individual of a meal.
- Meals served to under-age-60 staff members shall not be included in the NSIP meal count.
- A written policy and procedure shall be developed and implemented which describes how and when (such as hours and duties) non-elderly staff is eligible to receive meals on a contribution basis, including details on record-keeping methods.
- An employing agency may offer meals to staff as a "benefit" of the job; however, non-Title-III and non-NSIP funds must be used.

8.4.7.6 Eligibility for Non-Elderly Disabled Persons Living Alone

Nutrition programs may provide nutrition services on a contribution basis to non-elderly disabled persons living in the community who do not live

with or accompany an older person as long as there are sufficient funds available to serve the elderly.

Services provided to these persons shall be approved on a case-by-case basis. Written requests to provide the service must verify demonstrated need, must document that other programs or resources are unavailable to provide the service or to pay the full cost of the meal, and must verify that there are sufficient program funds available to provide meals to the elderly. Completed waiver forms are to be submitted by the aging unit to the area agency for approval. It is understood that only state funds are used to support these meals; therefore the meals shall not be included in the NSIP meal count.

A non-elderly waiver form is in Section **K.2** of this manual.

8.4.7.7 Eligibility for Informal Caregivers

Nutrition programs have the option of offering a meal on a voluntary contribution basis to informal caregivers.

- An informal caregiver (other than a spouse) who resides at home with and accompanies an eligible older individual to the dining center shall be eligible for senior dining (congregate) meals.
- An informal caregiver (other than a spouse), regardless of age or condition, who resides at home with an eligible older individual participating in the program, shall be eligible for home-delivered meals (HDM) if an assessment concludes that it is in the best interest of the homebound older individual.
- It is understood that only state funds are used to support these meals; therefore, the meals shall not be included in the NSIP count.

8.4.7.8 Eligibility for All Others

All other non-elderly persons may be served congregate or home-delivered meals only if the total cost of providing the service is paid by the individual, his or her family, or by another program on the person's behalf. Documentation that full payment has been made shall be maintained. All revenues from such meals are considered to be program income. These meals shall not be included in the NSIP meal count.

Figure 8.4.7.9 Participant Eligibility At A Glance

This figure is meant to be a visual for Sections **8.4.7.1** through **8.4.7.8** of this chapter, summarizing policy and reporting information. See the corresponding section(s) for more information.

	Offered on a donation basis	Full cost of meal must be recovered	Include in NSIP count	Do not include in NSIP count	Need local commis-sion approval
Congregate Meal Participant Section **8.4.7.1**	X		X		
Home-Delivered Meal Participant Section **8.4.7.2**	X		X		
Community Based Long-Term Care Program Participant Section **8.4.7.3**		X		X	
Non-elderly Volunteer Section **8.4.7.4**	X		X		X
Non-elderly Staff Person Section **8.4.7.5**	X			X	X
Non-elderly Disabled Person Living Alone (*if* they have an approved waiver from AAA) Section **8.4.7.6**	X			X	
Informal Caregiver (who resides at home with an eligible older individual) Section **8.4.7.7**	X			X	
Liquid Supplements Served as Meals *only if* this is their sole source of nutrition, i.e. they can't eat food and this is not covered by Medicare or other insurance benefit. Section **8.4.26.3**	X		X		
All Other Liquid Supplements that are consumed in addition to a meal Section **8.4.26.3**		X		X	
All Others (Guests, Subcontracts such as Head Start, Jail, etc.) Section **8.4.7.8**		X		X	
Food Share Meals: If OAA eligible person uses Food Share to donate toward the cost of their meal Section **8.3.4**	X		X		

8.4.8 Waiting Lists

When nutrition program resources are fully committed and the program is unable to provide meals to all eligible individuals, it may become necessary to determine priorities of service or to create waiting lists for services.

- The decision to place eligible recipients of a home-delivered meal on a waiting list, and their position on such a list, shall be based on greatest need in accordance with the policy established by the nutrition program in consultation with the area agency on aging (AAA).
- Each waiting list policy established by the nutrition program must be submitted to the AAA for review and approval prior to implementation.
- The most common method of forming a waiting list is on a "first-on, first-off" basis. This means that all new participants are placed on a waiting list; then, as resources become available they are removed from the list and placed into the program in the order they were placed on the list.
- Another method to determine inclusion in the program and removal from the waiting list is to prioritize higher-nutritional-risk persons and move them off the waiting list before those with a lower nutritional risk. This method would involve an eligibility assessment and/or nutrition screening before someone is placed on the list.
- Occasionally a geographical area is short of driver/delivery resources and may require a waiting list until drivers are available. When this situation occurs, the program shall put a priority on finding drivers.

8.4.9 High-Risk Individuals Needing Additional Meals

When feasible, programs may have a system in place to offer additional morning, evening and/or weekend meals to participants who are at high nutritional risk. Below are some guidelines for programs to determine who is eligible for additional meals:

(1) The individual is at high nutritional risk.
(2) The individual does not have other resources to provide additional meals.
(3) The individual must have facilities to store meals that may be delivered.
(4) The individual must be able to, or have a friend or family member available to, operate kitchen equipment which is required to reheat prepared, delivered meals for consumption.

8.4.10 Grievance/Complaint Procedure

The program shall have a written procedure for individuals to follow in the event there is a concern of unfair treatment by staff or volunteers of the program. Include all of the following information in the procedure:

(1) the name of contact persons in the agency who will handle the grievance
(2) procedures the agency will follow in the event a grievance is lodged, including expected time frames

(3) It is helpful to have a form for individuals to use, which includes all of the following:
   (A) a place for the name and contact information for the complainant and any advocates for them
   (B) a place to describe the complaint
   (C) a place to describe the relief sought
   (D) a place to sign

8.4.11 Staff/Volunteer Training

All staff, paid and volunteer, shall be oriented and trained to perform their assigned responsibilities and tasks.

(1) A minimum of six (6) hours of training shall be provided annually for all paid staff and regular food-service volunteer staff. Three and one-half (3.5) hours can come from the regional nutrition program staff training. This is coordinated by BADR, the AAA and the local aging unit planning committees, and is usually held each year in the fall.
(2) Annual training shall include, at a minimum (mandatory topics to be covered annually), all of the following:
   (A) food safety and sanitation / prevention of foodborne illness
   (B) accident prevention / safety in the workplace
   (C) instruction on fire safety
   (D) first aid, first response practices, choking, universal/standard precautions – bloodborne pathogens
   (E) emergency preparedness, disaster procedures, severe weather and other emergency procedures
(3) At the discretion of the nutrition program director, other topics that are deemed valuable and appropriate may be presented to staff and volunteers and may count towards the required six (6) hours of annual staff training. Additional topics are approved only if the topics are deemed relevant and useful by the nutrition program to enrich and further the training and professionalism of their staff in order to better serve the elderly in their communities. Additional topics will only be allowed if the annual mandatory training topics (see above paragraph) are all completed on an annual basis.

8.4.12 Records, Reports, Distribution of Information, and Confidentiality

Program records shall be retained for a minimum of three years.

The nutrition program shall develop and maintain records on congregate and home-delivered-meal participants. These records shall be in accordance with state policy on NAPIS reporting requirements.

The nutrition program shall establish procedures which ensure the accuracy and authenticity of the number of eligible participant meals served each day. Such procedures shall be kept on file at each dining center.

Nutrition program records and reports shall be made available for audit, assessment, or inspection by authorized representatives of the AAA or BADR.

8.4.12.1 Participant Confidentiality

The nutrition program shall ensure that information about a participant, or information obtained from a participant's records, shall be maintained in a confidential manner according to state policy. No personal information obtained from a participant will be disclosed in a form which identifies the individual without written consent from the participant or their legal spokesperson. All program records shall be maintained in such a manner that confidentiality will not be violated.

8.4.13 Participant Satisfaction

A system shall be developed to formally assess, at least once per year, the satisfaction of senior-dining and home-delivered-meal participants for both food quality and delivery of services.

8.4.14 Liability Insurance

Each nutrition program shall carry product liability insurance sufficient to cover its operation. Programs should seek guidance from their agency's legal staff or corporation council.

8.4.15 Cost Containment Measures

This section addresses several areas for programs to examine when trying to manage costs and improve program quality. When a food contractor is used, these methods can be applied to the evaluation of contract proposals and used for the purpose of monitoring contracts.

8.4.15.1 Food Purchase and Storage

(1) Develop a routine system of purchase that is time-effective and cost-effective.
(2) Develop specifications for menu and operational needs.
(3) Take regular inventories.
(4) Obtain price quotes from vendors.
(5) Monitor deliveries and prices charged at delivery.
(6) Require credits when warranted.
(7) Minimize disposal of leftovers by using them promptly and effectively.
(8) In order to decrease waste, maintain proper storage temperatures in all areas.

(9) Monitor freezer and refrigerator thermometers; calibrate these on a regular basis.
(10) Keep opened packages properly sealed in order to prevent infestation and spoilage.
(11) Keep inventories as low as possible.

8.4.15.2 Food Service and Preparation

(1) Utilize production sheets.
(2) Provide standardized recipes and teach cooks to follow them.
(3) Monitor energy usage as it pertains to equipment and preparation areas.
(4) Establish an effective equipment maintenance program.
(5) Carefully monitor all waste. Use leftovers wisely.
(6) Train staff on policies and procedures, including food safety and sanitation practices.
(7) Check and recheck portion control. Use the proper size of scoops, ladles and pans.
(8) On the production menu, post the serving size and the proper utensil to use.

8.4.15.3 Equipment and Supplies

(1) Purchase equipment of the proper size and capacity.
(2) Maintain schedules for equipment cleaning and service.
(3) Monitor usage of office supplies.
(4) Monitor usage of china, glassware and all disposables on a regular basis.

8.4.15.4 Sanitation and Security

(1) Monitor cleanliness of food production area and service area.
(2) Use chemical dispensers to control use of cleaning products. (Too little is a sanitation risk; too much is wasteful and a safety hazard).
(3) Provide adequate racks and storage for transportation and storage of food and utensils.
(4) Ensure that adequate security measures are implemented in all areas of the operation to prevent loss, theft, tampering of food, etc.
(5) Limit the number of keys available to all areas and monitor use of extra keys.
(6) Set up an inventory control system which allows you to quickly spot shortages.

8.4.15.5 Labor and Administration

(1) Determine the number of labor-minutes per meal required for all operations; monitor compliance.
(2) Calculate the rate of employee turnover and monitor regularly.
(3) Review job descriptions and duty schedules regularly.

(4) Monitor staff compliance with work routines. Review work distribution loads and change these as needed in order to maintain efficiency.
(5) Schedule periodic conferences with the administrator for reviewing the operation's service and cost factors.
(6) Regularly verify meal cost with a thorough meal-cost analysis, yearly or more often as needed.
(7) Verify meal income from guests, employees and special events.

8.4.16 Meal Cost Analysis

Calculating total meal cost is essential to good food service management. This information is important for determining a suggested per-meal donation and for informing participants of the total cost of a meal.

If the nutrition program provides meals to non-eligible participants such as COP recipients, visitors, day-care programs, Head Start or jails, it is essential to maintain a total-meal-cost analysis of the grant resources used for preparing the meals; this way the grant may be reimbursed for meals purchased.

8.4.16.1 Total Meal Cost Calculation

Each program shall calculate the component costs of meals provided according to the following categories:

(1) Raw Food: all costs of acquiring food stuffs to be used in the program
(2) Labor:
  (A) Food Service Operations: all expenditures for salaries and wages, including valuation of volunteer hours for personnel involved in food preparation, cooking, delivery, serving, and cleaning of dining centers, equipment and kitchens
  (B) Project Management: all expenditures for salaries and wages, including valuation of volunteer hours for non-food service operations of the program
(3) Equipment: all expenditures for purchase and maintenance of items with a useful life of more than one year or with an acquisition cost greater than $1,000
(4) Supplies: all expenditures for items with a useful life of less than one year and an acquisition cost less than $1,000
(5) Utilities: all expenditures for gas, electricity, water, sewer, waste disposal, etc.
(6) Other: expenditures for all other items that do not belong in any of the above categories (e.g., rent, insurance, transport costs) to be identified and itemized

8.4.17 Contracts For Meal Service

When nutrition programs purchase meals, services, space, or equipment, there shall be a written contract between the provider and the vendor which is signed by authorized representatives of the contractor and vendor prior to the date the service is to start.

All contracts shall be in compliance with federal, state, and local procurement standards, including policies described in other chapters of this manual.

Food-provider contracts may be obtained only with vendors who supply meals from premises which have a valid permit, license, or certificate issued by the appropriate regulatory authority. The service provider shall comply with all state and local laws, ordinances, and codes regarding establishments which prepare, handle, and serve food to consumers, either on the premises or elsewhere, including in the home.

Catering contracts should include, but not be limited to, all of the following specifications:

(1) required meal pattern
(2) number of days per week and specific days of required services
(3) number of meals to be served, with a time schedule for addition or cancellation of daily meal counts
(4) addresses and locations of dining centers to be served
(5) food holding temperatures for transporting and serving
(6) delivery schedules, with a description of the time span between food packaging and delivery
(7) food packaging style for transport
(8) responsibility for purchase and maintenance of the food transport equipment
(9) serving size and identification of serving utensils to be used for each food item
(10) specifications of the disposable supplies to be provided. (Each bidder should be requested to provide samples of proposed packaging with the bid)
(11) provisions for evaluation of menu acceptability and menu revisions
(12) right of the nutrition program staff to inspect the food preparation and storage areas
(13) description of the bidder's training programs for employees, supervisors and managers
(14) fixed prices for meals and other food served
(15) breakdown of bid price for the raw food cost, labor, transportation, equipment, paper and plastic supplies, profit and other costs
(16) provisions for the adjustments of raw food cost by the food preparation company based on the availability of USDA commodities

(17) provisions for the proper use and inventory control of USDA commodities as they become available to the program
(18) method of payment to the food preparation company
(19) responsibilities for product liability insurance and property damage.
(20) binding time period of the contract, as well as the cancellation process agreed upon by both parties

8.4.18 Individual Meal Providers

In situations where the typical home-delivered-meal provider may not be available or have the capability to provide the home-delivered meal, the nutrition program may seek and certify an "individual meal provider" to prepare and transport home-delivered meals. An individual meal provider can be a neighbor, relative, or any individual willing and able to prepare a safe, nutritious meal in their own home and transport that meal to a recipient who has been assessed by the elderly nutrition program as needing a home-delivered meal.

In order to be certified as an individual meal provider, an individual shall fulfill all of the following requirements:

(1) shall have a home which has been determined by the elderly nutrition program director (or designee) to be suitably clean, orderly and sanitary for meal preparation
(2) The DHS 196 WI Food Code shall be reviewed by the elderly nutrition program director or designee and by the individual provider. (A copy will be left with the individual provider.)
(3) shall have knowledge of all state policy including contribution procedures, food service standards, and food code requirements of this chapter. A copy of **Chapter 8** of this manual will be reviewed and left with the provider.
(4) shall have knowledge of local nutrition program requirements that relate to procedures and practices of meal provision
(5) shall have knowledge of and the capacity to transport both hot and cold foods in a safe and sanitary manner

Individual provider liability may be dealt with the same as other service providers. That is, if the county has an umbrella policy, the individual meal provider would be an agent of the county and thus be covered. The person who can most often answer your questions about liability is the county administrator or corporation counsel. Your insurance agent can also help you determine if specific individuals are covered in your policy.

8.4.19 Emergency Preparedness

Each program shall ensure that appropriate preparation has taken place at each dining center for procedures to be followed in case of an emergency. In addition, staff and volunteers delivering meals shall be trained in appropriate methods of handling emergencies. Examples of measures include the following:

- an annual fire drill at dining centers
- posting and training of staff and regular volunteers on procedures to be followed in the event of severe weather or natural disasters
- posting and training of staff and regular volunteers on procedures to be followed in the event of a medical emergency

Laminate a one-page emergency procedure sheet for each dining center and for all drivers to keep in their vehicles.

8.4.20 Disaster Plans

Each program shall develop and have available written plans for the continuation of services during emergency situations such as short-term natural disasters (e.g., snow or ice storms), loss of power, physical plant malfunctions, etc. For more information about pre-planning for emergency self-stable meals, see Section **8.4.26.8** of this chapter.

8.4.21 Special Food Containers and Utensils

All nutrition programs shall make available for use upon request, appropriate food containers and utensils for people with visual impairments and people with disabilities.

8.4.22 Holding Food

Food quality and safety is best ensured when the time period between the end of preparation of either hot or cold food and service/delivery to the participant is kept to a minimum.

(1) Regardless of the type of food preparation, the time between the completion of cooking the food and either the beginning of serving at the senior dining center or the delivery to the home-delivered-meal recipient shall not exceed four (4) hours.
(2) All nutrition programs shall have equipment that maintains the safe temperature of all menu items from the end of the cooking process through the end of the serving or delivery period.
(3) Vehicles used in the transportation of bulk food or home-delivered meals should be equipped with clean containers or cabinets to store the food while in transit. The container or cabinet shall be constructed in a way which prevents food contamination by dust, insects, animals, vermin or infection. The containers or cabinets shall be capable of maintaining a temperature at or above 140° F or a temperature at or below 41° F until the food is delivered to the dining center or to the home-delivered-meal recipient. An extra meal may be transported in order to test the temperature of the food on arrival.

8.4.22.1 Food Temperatures

(1) Food temperatures at the time of service and at the time of delivery shall be no less than 140° F for hot foods and no more than 41° F for cold foods.

(2) For senior dining meals, the temperature of the food should be checked at the time of service and in the case of catered food, at the time of food arrival. For home-delivered meals, the temperature of the food should be checked at the time of packaging.

(3) Food temperature records are to be kept on file for a period of one year.

(4) Nutrition programs shall utilize thermometers for checking food temperatures. In addition, refrigerators and freezers located at food preparation and dining centers shall have thermometers.

(5) Hot food which arrives at a dining center at a temperature below 140° F should not be served. Cold food which arrives at a dining center at a temperature higher than 41° F should not be served. Such rejected food, if originating from a caterer, should be returned to the caterer, and the monetary value of the rejected food should be subtracted from the reimbursement to the caterer for that day. If the rejected food originates from a program-operated kitchen, it should be handled in a manner consistent with principles of safe food handling as described in the Food Code. (See Section **8.6** of this chapter.)

(6) Cooling temperatures will have a maximum of six (6) hours using a two-step process. For the most part, potentially hazardous foods must be cooled from 140º F to 70º F within two (2) hours, and from 70º F to 41º F or below within an additional four (4) hours. Exceptions are as follows. Potentially hazardous foods made from ingredients at ambient temperature, or foods received at temperatures above 41º F during shipment (e.g., milk) must be cooled to 41º F or below within four (4) hours. Shell eggs need not comply with this requirement if, upon delivery, the eggs are placed immediately into a refrigeration unit that is capable of maintaining food at 41º F.

(7) Cooking temperature for eggs, fish, meat and pork is 145º F for at least 15 seconds unless injected or comminuted (comminuted is a food item that is chopped, flaked, ground or minced, such as ground beef, sausage and gyros), for which a cooking temperature of 155º F is required. A cooking temperature of 165º F is required for stuffed meat, fish or poultry. Whole beef, pork and cured pork roasts shall be cooked as specified in the food-code cooking chart.

(8) Microwave cooking temperatures for raw animal foods must be to a temperature of 165º F in all parts of the food, allowed to stand for two (2) minutes after cooking, covered to retain heat and stirred or rotated during cooking for even distribution of heat.

8.4.23 Reducing Food Waste: Second Helpings and Leftovers

Each program shall implement procedures designed to minimize wasted food, including leftovers and uneaten meals. At a minimum, programs shall do all of the following:

(1) Evaluate and minimize the difference between the number of meals prepared and the number of meals served at each dining center. This is done most effectively by maintaining a reservation system.
(2) Portion control methods shall be reviewed with the staff and, when applicable, the food provider, in order to ensure that all participants are receiving equivalent amounts of food and to reduce the amount of leftover food.
(3) When feasible and appropriate, offer second helpings to participants at dining centers. Care should be taken to serve second helpings in a fair manner and should not be done when it is obvious that the extra food will be taken home.
(4) After second helpings have been served, food remaining at an outlying dining center shall be thrown away.
(5) The safety of food, after it has been served to a participant and when it has been removed from the dining center, is the responsibility of the participant. However, program staff and volunteers should educate participants on safe food-handling practices.
(6) Prohibit program staff from taking home leftover food from any dining center or preparation facility.
(7) If the nutrition program chooses to provide participants with containers for taking home uneaten food, only new, never-used containers may be provided.

When feasible and appropriate, leftover food from on-site preparation facilities may be incorporated into subsequent senior dining or home-delivered meals if cooled according to the Wisconsin Food Code guidelines (see Section **8.6.2** of this chapter). This includes re-serving leftovers as individual frozen meals. Programs which utilize this option shall have a written policy and procedure approved by a qualified nutritionist.

8.4.24 Taking Food Home

Senior dining participants have the option to take home any part of a meal served to them at a dining center. The safety of food after it has been served to a participant and when it has been removed from the dining center is the responsibility of the participant. Program staff and volunteers should educate participants on safe food-handling practices. Leftovers should not be served for the purpose of taking food home.

8.4.25 Carryout Meals

This policy addresses the issue of whole meals being taken from the senior dining center. Please see the policy above which refers to participants taking home uneaten parts of their meals.

Carryout meals, as a regular practice, are not allowed in the senior dining nutrition program.

Nutrition programs may allow a small number of meals as "carryout." These meals will be reported as congregate meals unless the individual has had a full in-home assessment for home-delivered meals.

Carryout meals are allowed if all of the following conditions have been met:

(1) A written procedural policy must exist regarding the handling of carryout meals, and must have been approved by a qualified nutritionist.
(2) The meal must be served to a registered program participant.
(3) Instances when a carryout meal may be appropriate include:
    (A) A spouse, family member, roommate, or close neighbor can safely deliver a meal to a regular congregate participant who has an acute illness or condition. When the duration exceeds two weeks, the participant must be evaluated for a home-delivered meal.
    (B) A spouse, family member, roommate, or close neighbor can safely deliver a meal to a participant who qualifies for a home-delivered meal. When done appropriately, this could be a means of reserving program resources.
(4) The person taking the meal must be instructed in food safety guidelines for the meal and written food safety instructions must accompany the meal.
(5) The dining center manager or other individual in charge of releasing the meal has the responsibility to not send the meal if they feel it cannot be delivered safely.

8.4.26 Special Meals

Using the knowledge and expertise of the program nutritionist, programs shall determine the need, feasibility and cost-effectiveness of establishing a service for special meals using all of the following criteria:

- Based on sufficient numbers of persons who need special meals, this service will be a practical and cost-effective use of funds.
- The food and skill necessary to prepare the special meals are available in the service area.
- The type of special diet being considered for service can be produced and delivered safely and cost-effectively.

Eight types of special menus which apply to the above policy are described below.

8.4.26.1 Modified Meals

Modified meals meet the regular menu pattern but contain modifications to one or more menu items. The types and amounts of all meal components shall conform to the menu pattern.

8.4.26.1.1 Texture-Modified Meals

Texture-modified meals are appropriate for participants who have chewing and/or swallowing problems. A texture-modified meal might include, e.g., ground meal, thickened liquids, or pureed foods. NOTE: Clear-liquid meals and full-liquid meals are not allowed.
The nutrition program that offers texture-modified meals shall follow all of the following procedures:

- A written diet order from the participant's physician shall be on file with the nutrition program.
- At least once per year each written diet order shall be reviewed with the physician and updated according to physician instructions.
- The types and amounts of all meal components shall conform to the menu pattern and nutrient standards of the program.

8.4.26.1.2 Other Modified Meals

Certain modifications in the approved menu may be offered where feasible and appropriate to meet the medical requirements of a participant. These changes can be made without a physician's authorization or diet order. Examples of these changes include the following:

- *Change in Entrée*: A lower sodium entrée may be served if the regular entrée is of significantly higher sodium content than usually served.
- *Change in Dessert*: A fresh fruit may be served in place of a concentrated sweet dessert.

8.4.26.2 Therapeutic Meals

Therapeutic meals are appropriate for participants to optimize their nutritional needs in order to treat a variety of diseases and disorders. A therapeutic meal may change the meal pattern significantly by either limiting or eliminating one or more of the menu items or by limiting the types of foods allowed. This may result in a meal that deviates from the menu pattern and nutrient standards of the program.

A therapeutic meal might be, e.g., low fat, low cholestorol, diabetic, renal, low calorie, or low sodium. The nutrition program that offers therapeutic diets shall follow all of the following procedures:

- A written diet order from the participant's physician shall be on file with the nutrition program.
- At least once per year, each written diet order shall be reviewed with the physician and updated according to the physician's instructions.
- Special meal types and component amounts shall adhere as closely as possible to the menu pattern and the nutrient standards of the program.

8.4.26.3 Liquid Nutritional Supplements

Liquid nutritional supplements are high-calorie dietary supplement products designed to improve or maintain the nutrient intakes of those who, because of physical, mental or medical problems, are unable to consume adequate nutrients through traditional foods. Examples include regular, high-fiber, high-protein, glucose-controlled, renal and cardiac-liquid products. Health professionals shall be involved in the initiation and ongoing monitoring and adjustments of this service to verify the continued need and to ensure the appropriate use of these nutrient-dense supplements.

The nutrition program that offers liquid nutritional supplements shall follow all of the following procedures:

(1) A written referral from the participant's physician, the program nutritionist or another health professional shall be on file with the nutrition program.
(2) At least once per year each written referral shall be reviewed with the physician, nutritionist, or health professional, and then updated accordingly.
(3) Programs may provide supplements in one of the following ways:
    (A) Supplements may replace a meal for an individual with profound dietary needs who is unable to obtain nourishment through normal food intake if it is the only food provided and consumed at a meal. Programs should not provide supplements to individuals who are eligible for Medicare or any other insurance benefit which will cover the cost of the supplement. Programs can provide supplements to individuals who (1) are age 60 and above, and (2) use it as their sole source of nutrition, and (3) do not have Medicare or any other insurance which will cover the cost of the supplement. In these instances, *whether the supplement is taken by mouth or by tube*, the supplement **shall be** counted for NSIP reimbursement. The professional making the referral shall determine how much product would constitute one meal. For distribution and NSIP count, the number of cans for an individual meal shall be rounded up to whole cans.
    (B) Supplements may be needed as an addition to a complete meal or to replace one item in the meal pattern. Supplements used in this manner **shall not** be counted for NSIP. Even if the nutrition program is supplying the meal which includes a supplement,

(i.e. participant receives a high calorie, high protein supplement in addition to a home-delivered meal) the supplement is considered part of that meal and the meal, as a whole, is NSIP eligible.

(4) Information in the referral should include the name of participant, reason for supplement need, type and amount of supplement needed and name and contact information of referring health professional.

(5) All of the following product guidelines are to be followed:
   - (A) Only complete, high-calorie, liquid supplement products are allowed.
   - (B) Only single-serve drink cans or UHT (ultra-high-temperature) boxed drinks may be provided.
   - (C) Products shall be manufactured, processed and distributed by reputable businesses.
   - (D) Only intact, dent-free, clearly-labeled products may be used. Programs should not provide outdated products.
   - (E) Programs can consider bulk purchasing and/or group buying with other agencies in order to achieve the most economical cost possible.

(6) None of the following products are allowed for use in the program:
   - (A) liquid supplement products which are used for weight loss, or are labeled "light" or "lite", or have reduced calories or fat
   - (B) single or multiple vitamin or mineral supplement tablets in capsules, liquids or other form, whether prescription or over-the-counter
   - (C) herbal remedies, teas, laxatives, fiber supplements, etc.
   - (D) supplemental nutrition products which require preparation, such as powdered mixes or concentrated liquids

8.4.26.4 Frozen Meals

Nutrition programs may offer meals to participants in a frozen state when all of the following procedures are followed:

(1) Frozen meals shall meet all the requirements of a complete meal as defined in the elderly nutrition program (ENP) policy and meet 1/3 the Recommended Daily Allowance (RDA). If the meal is intended as a second meal, the two meals served that day must meet 2/3 the RDA.

(2) Participants shall have appropriate appliances for maintaining frozen food in a frozen state and for heating it to a proper serving temperature. The program shall verify and maintain records which indicate that each client has and maintains the ability to handle frozen meals.

(3) Frozen meals shall be maintained and delivered at 32° F or below.

(4) Frozen meals may only be provided in situations where it is not logistically feasible to provide the client with hot meals, with the

following exceptions: holidays, weekends, second meals or emergency situations.

(5) Participants should be given written instructions on handling and reheating of the meals.

(6) Programs should limit their use of commercially available frozen entrées or TV dinners. Such foods should only be provided under the close monitoring of the qualified nutritionist. Concerns about these products include high-fat and high-sodium content, small serving sizes (especially for vegetables), and frequent changes to entrée size and/or content. There are several companies which package meals that meet most OAA nutrition program guidelines for entrées.

(7) See Section **8.4.23** of this chapter for policy on freezing leftovers.

8.4.26.5 Breakfast and Brunch Meals

Many nutrition programs find that offering an occasional breakfast or brunch-style meal is popular with participants. Like all menus, brunch menus must follow nutrient requirements for meals. However, when approved by a qualified nutritionist, the menu can deviate from the usual menu-item pattern and serving-size requirements.

8.4.26.6 Sack Lunch or Breakfast Meals

Some nutrition programs offer a sack lunch or breakfast for higher-risk participants. These meals shall follow nutrient requirements for two or more meals served per day. Often the menu-item patterns and serving sizes can be minimized, but it is essential that these menus be approved by the program's qualified nutritionist.

8.4.26.7 Ethnic or Religious Meals

(1) Nutrition programs are strongly encouraged to explore the feasibility, appropriateness and cost-effectiveness of ethnic and religious meals.

(2) Where feasible, appropriate and cost-effective, each nutrition program shall establish policies which will allow for the provision of menus to meet the particular dietary need arising from religious requirements or ethnic backgrounds of eligible individuals.

(3) Ethnic or religious menus shall approximate as closely as possible (given religious requirements or ethnic background) the regular meal pattern and nutrient content of meals as previously stated.

8.4.26.8 Emergency Meals

Nutrition programs are required to develop and have available written plans regarding continued service of senior dining and home-delivered meals during weather-related or other emergencies.

(1) At a minimum, plans shall include the distribution of information to participants on how to stock an emergency food shelf.

(2) Programs may offer shelf-stable meals to participants for later use. (See guidelines below.)
(3) Nutrition programs will participate in the county response to disasters.
(4) Eligibility for the program may be expanded to meet the circumstances of a disaster.
(5) In response to a disaster, central/on-site kitchens may be made available for food preparation.
(6) Costs of these emergency efforts may be reimbursed if the county is declared a federal disaster area.
(7) Below are guidelines for meal content:
  (A) Nutrient content of the meal must meet all requirements of the program and be approved by the nutritionist.
  (B) Only top-grade, non-perishable foods in intact packages shall be included.
  (C) Cans are to be "easy-open", with pull tabs whenever possible.
  (D) All foods are to be labeled with the expiration date whenever possible.
  (E) Fruit and vegetable juices are to be 100 percent pure juice.
  (F) Dried fruit must be vacuum-packed.
  (G) Meals shall be labeled as "Emergency Meal, Senior Nutrition Program" or another appropriate label.
  (H) When applicable, easy-to-read preparation instructions should be included.

8.4.27 Administration of the Senior Dining (Congregate) Nutrition Program

This section includes policy as it relates to the administration of senior dining centers.

8.4.27.1 Location of Dining Centers

Dining centers shall be located in a facility where eligible individuals will feel free to attend. The dining center shall be free of architectural barriers which limit the participation of older persons.

8.4.27.2 New or Relocated Dining Centers

In order to open a new dining center or to relocate one, the nutrition program shall obtain approval from the area agency on aging. To obtain approval, the program shall complete and submit a "New or Relocated Dining Center" form (Section **K.5**) to the area agency for review, 60 days prior to the effective date of opening or relocation, or when feasible and demonstrate both of the following:

(1) that the program has sufficient resources necessary to support the dining center

(2) the need for the new dining center

This information shall be included in the county/tribal plan or as an amendment to the current county/tribal plan submitted to the area agency on aging.

8.4.27.3 Temporary Closure of Dining Centers

Nutrition programs shall identify for area agencies those days when they expect that a dining center will be closed for cleaning, repair, redecoration, problems with caterer, etc. When reporting to the AAA, programs should identify the affected days and explain how they will meet participants' nutritional needs during the closure. If a nutrition program identifies that the dining center will be closed for more than one (1) week, the nutrition program shall obtain approval from the AAA. To obtain approval, the program shall complete a "Dining Center Closure or Days of Service Change" form (Section **K.6**) and submit this to the AAA for review, 60 days prior to the effective date of closure, or when feasible.

8.4.27.4 Dining Center Closure or Days of Service Change

Prior to permanently closing a dining center or changing its days of service, the AAA shall be provided with (1) written rationale for the closure or days of service change, and (2) written approval by the local commission on aging and the local advisory council.

When a dining center is to be permanently closed or its days of service changed, all of the following procedures shall be followed:

(1) The nutrition program shall notify the AAA, in writing, of the intent to close a dining center or change the days of service, and shall obtain approval from the AAA. To obtain approval, the nutrition program shall complete and submit a "Dining Center Closure or Days of Service Change" form (Section **K.7**) to the AAA for review, 60 days prior to the effective date of closure or days of service change, or when feasible.
(2) The program shall present rationale for the dining center closure, which rationale is based on lack of attendance, inability to meet minimum standards and/or other requirements, loss of resources or other justifiable reasons.
(3) The respective AAA is to review the rationale and determine that all options have been exhausted for keeping the dining center open or for relocating it. If there remains a need for service in the area served by the dining center, efforts should be made to develop a new dining center and/or assist participants in attending another existing dining center.

(4) The AAA shall approve, in writing, the closure or change in days of service of all dining centers operating with Title-III funds, and shall notify BADR of all dining center closures and changes to days of service.

(5) The program shall notify participants at the dining center to be closed, at least 30 days prior to the last day of meal service, of the intent to close.

8.4.27.5 Prayer at Dining Centers

The Administration on Aging (AoA) has no regulations which address the subject of prayer at nutrition or dining centers. AoA has sought guidance from the Office of the General Council of DHS. In accordance with this guidance, AoA has recommended that each participant clearly has a free choice whether or not to pray, either silently or audibly; and that the prayer or other religious activity is not to be officially sponsored, led or organized by persons administering the nutrition program or dining centers.

8.4.27.6 Dining Center Facility and Equipment

The facility shall comply with all applicable state and local health, fire, safety and sanitation regulations. Tableware, utensils, equipment, walls, floors and ceilings shall comply with applicable regulations as stated in the Wisconsin Food Code.

8.4.27.7 Meal Reservation and Participant Registration Systems

Programs should maintain an accurate and well-organized system so staff will know how many meals to order. Many programs find a registration system to be helpful in estimating meal orders for dining centers. This system should include follow-up of absent participants. The program may not "charge" an individual for a meal that is reserved and not eaten.

A participant registration or intake system will ensure the collection of required program data. (See **Chapter 14** of this manual.)

8.4.27.8 Dining Centers in Senior Centers

The nutrition program should work with the senior center to establish a systematic procedure which ensures coordination between the nutrition program and the senior center.

- A written agreement should be developed which identifies the responsibilities and relationship between the center and the nutrition program.
- Written grievance procedures shall be established to deal with disagreements between the nutrition program and the senior center.

- Other written material, necessary for identifying program relationships, should be developed. Examples include job descriptions and organizational charts.

8.4.27.9 Dining Centers in Restaurants

There are several reasons a program may choose to locate a dining center within a restaurant, including lack of a community building in the area, popularity of a location and increased meal freshness. It is essential that all nutrition program policies be followed at restaurant-based dining centers. The dining center must be overseen by a staff person or trained volunteer.

When considering a restaurant-based dining center, the following issues are of particular concern:

(1) Is there enough variety in the menu of the restaurant? Does the kitchen have the capacity, equipment and utensils necessary to serve the program menu?
(2) How will contract-management and quality-assurance activities be conducted?
(3) Who will determine menus? How will changes to menu items be handled?
(4) How will participant transportation services be affected by the restaurant's location?
(5) How will the provision of nutrition education be ensured?
(6) How will tipping be handled?

Programs contemplating a restaurant site should contact the AAA or BADR nutritionist.

8.4.27.10 Voucher Programs

A nutrition program may not issue vouchers or coupons which are redeemable for meals at a restaurant or other provider. See above policy concerning dining centers in restaurants.

This policy does not apply to meal ticket systems (Section **8.3.7.6** of this chapter), where tickets are distributed on a donation basis for use at program dining centers.

8.4.27.11 Dining Center Facility Agreement

Each program should have written agreements with the owners of all facilities used as dining centers, including those donated for use at no cost. The agreements could address issues such as the following:

(1) responsibility for care and maintenance of facility, specifically including restrooms, kitchen and areas of common use

(2) responsibility for snow removal
(3) agreement on utility costs
(4) responsibility for safety inspections
(5) responsibility for appropriate licensing by the Public Health Department, if applicable
(6) responsibility for insurance coverage
(7) security procedures
(8) responsibility for equipment maintenance
(9) other issues as desired or required

8.4.28 Administration of the Home-Delivered-Meal Program

This section includes policy as it relates to the administration of the home-delivered-meal program.

8.4.28.1 Home-Delivered-Meal Instructions

Written and/or (when necessary) verbal instructions shall be given to participants for handling and possible reheating of the meals. All home-delivered meals shall be marked with the date the meal was served.

8.4.28.2 Home-Delivered-Meal Temperatures

(1) Food shall be delivered at safe temperatures to prevent food-borne illness.
(2) Hot food shall be maintained and delivered at 140° F or above or it shall not be served.
(3) Cold food shall be maintained and delivered at 41° F or below or it shall not be served.
(4) Frozen food shall be maintained and delivered at 32° F or below or it shall not be left with the participant.

Monitoring food temperatures at delivery every one to three months will ensure the quality and safety of the meal. Different food types should be tested each time, e.g., fish, chicken, casseroles, and soup.

8.5 Food Service

8.5.1 Nutrition Standards

OAA: Sec. 339. NUTRITION:
"A State that establishes and operates a nutrition project under this chapter shall-- (2) ensure that the project – (A) provides meals that - (i) comply with the Dietary Guidelines for Americans, published by the Secretary and the Secretary of Agriculture, (ii) provide to each participating older individual-- (I) a minimum of 33-1/3 percent of the dietary reference intakes as established by the Food and Nutrition Board of the Institute of Medicine of the National Academy

of Sciences, if the project provides one meal per day,(II) a minimum of 66-2/3 percent of the allowances if the project provides two meals per day, and (III) 100 percent of the allowances if the project provides three meals per day, and (iii) to the maximum extent practicable, are adjusted to meet any special dietary needs of program participants."

As required by the Older Americans Act, the nutrition services provided by nutrition programs in Wisconsin, including meals, will follow the most current Dietary Guidelines for Americans (Section **8.5.2**) and recommended dietary reference intakes (DRI's, Section **8.5.4**) as established by the Food and Nutrition Board of the Institute of Medicine of the National Academy of Sciences.

8.5.2 Dietary Guidelines for Americans

Nutrition programs shall follow the most current dietary guidelines located at http://www.cnpp.usda.gov/dietaryguidelines.htm.
Dietary Guidelines for Americans is to be used as a guide for nutrition programs when planning, implementing and evaluating meals, nutrition services, and nutrition and health education. The guidelines are the cornerstone of federal nutrition policy and nutrition education activities and are jointly issued and updated every 5 years by the U.S. Department of Agriculture (USDA) and U.S. Department of Health and Human Services (HHS). The guidelines provide science-based advice regarding diet and physical activity for people two years of age and older, thus promoting health and helping to reduce the risk of major chronic diseases. The dietary guidelines translate the nutrition-based recommendations from the DRI's into food and dietary recommendations.

8.5.3 MyPyramid Food Guidance System

The MyPyramid Food Guidance System can be found here:
http://www.mypyramid.gov

The MyPyramid food guidance system released by the U.S. Department of Agriculture (USDA) translates nutritional recommendations into the kinds and amounts of food to eat each day. MyPyramid was released in April 2005 and replaces the food guide pyramid (1992). It provides food-based guidelines to help implement the recommendations of Dietary Guidelines for Americans.

8.5.4 Dietary Reference Intakes (DRI's)

Dietary reference intakes (DRI's), established by the Food and Nutrition Board of the National Academy of Sciences' Institute of Medicine, are a set of nutrient-based reference values which expand upon and replace the former RDA's in the United States. These DRI's provide nutrition guidance to the general public and health professionals.

Through DRI's a nutrient has either an estimated average requirement (EAR) and an RDA, or an adequate intake (AI). When an EAR for the nutrient cannot be

determined (and therefore neither can the RDA), an AI is established. In addition, many nutrients have a tolerable upper intake level (UL).

The DRI's are actually a set of four reference values. A brief description of each follows:

- **Recommended Dietary Allowance (RDA):** the average daily dietary intake of a nutrient that is sufficient to meet the requirement of nearly all (97-98 %) healthy persons
- **Adequate Intake (AI):** only established when an RDA cannot be determined. Therefore, a nutrient either has an RDA or an AI. The AI is based on observed intakes of the nutrient by a group of healthy persons.
- **Tolerable Upper Intake Level (UL):** the highest daily intake of a nutrient that is likely to pose no risks of toxicity for almost all individuals. As intake above the UL increases; risks increase.
- **Estimated Average Requirement (EAR):** the amount of a nutrient that is estimated to meet the requirement of half of all healthy individuals in the population

Each of these reference values distinguishes between gender and different life stages. RDA's, AI's and UL's are dietary guidelines for individuals, whereas EAR's provide guidelines for groups and populations. In addition, factors which might modify the nutrient guidelines, such as bioavailability of nutrients from different sources, nutrient-nutrient and nutrient-drug interactions, and intakes from food fortification and supplements, are incorporated into the guidelines in much greater detail than before.

Nutrient standards for program meals will be one of two values: either RDA or AI, since any given nutrient will have either an RDA or an AI, but not both.

If one meal is served, each meal shall provide a minimum of 33 1/3 % of the current DRI's (RDA's/AI's), as established by the Food and Nutrition Board, Institute of Medicine, National Academy of Sciences. If two meals per day are served, the two meals combined shall provide a minimum of 66 2/3 % of the DRI's (RDA's/AI's). If three meals per day are served, the three meals combined shall provide 100 % of the DRI's (RDA's/AI's). Each meal itself does not need to provide 33 1/3 % if more than one meal per day is served.

8.5.5 Nutrient Standards

A nutrient analysis of the meal shall be prepared and signed by the program nutritionist. Analysis shall be done to ensure compliance with the most current dietary reference intakes and Dietary Guidelines for Americans. A weekly average of nutrient content may be used for evaluation purposes.

The chart in **Figure 8.5.5.1** of this chapter indicates the minimum nutrient standards required for nutrition program meals.

It is recommended that nutrition programs analyze for nutrients by performing a full nutrient analysis of menus. When a full nutrient analysis ensures 1/3 the DRI's are met and is on record, serving sizes of meal components may be altered slightly.

Figure 8.5.5.1 Minimum Nutrient Standards Required for Nutrition Program Meals

Minimum Nutrition Standards for Average of Weekly Menu			
	1 meal per day	**2 meals per day**	**3 meals per day**
Energy	685 calories or more	1369 calories or more	2054 calories or more
Protein	19 g or more	37 g or more	56 g or more
Calcium	400 mg or more	800 mg or more	1200 mg or more
Fiber	8 g or more	16 g or more	24 g or more
Sodium	1200 mg or less	2400 mg or less	3600 mg or less
Vitamin A	1000 IU (300 mcg RAE)	2000 IU (600 mcg RAE)	3000 IU (900 mcg RAE)
Vitamin C	30 mg	60 mg	90 mg

8.5.6 Nutrient Analysis of Menus

A program may analyze its menu's nutrient content in one of two ways: either manually or with the use of nutrient-analysis software.

The manual method involves looking up the nutrient content of foods using a book, web site or basic computer program. The values can be entered into a chart or into a spreadsheet computer program. While the manual method may involve the use of computers to help with calculation, it is still more time-consuming than the software method. The manual method is suggested for programs wishing only to calculate for the seven required nutrients: energy (calories), protein, calcium, fiber, sodium, vitamin A and vitamin C.

The following resources may be useful to nutrition programs choosing to use the manual method of nutrient analysis of menus:

Web site - USDA, Agricultural Resource Center, Nutrient Data Laboratory - USDA National Nutrient Database for Standard Reference:
http://www.nal.usda.gov/fnic/foodcomp/search/

Web site - Food Science and Human Nutrition Department, University of Illinois - Nutrient Analysis Tool 2.0:
http://nat.illinois.edu/mainnat.html

Web site - Condé Nast Publications - Nutrition Data:
http://nutritiondata.self.com/

Book and/or CD-ROM - Author: Jean A Pennington
Bowes and Church's Food Values of Portions Commonly Used

The software method involves using a software program designed to analyze menus for nutrients. Several programs exist, including Food Processor and

Nutritionist Pro, which have extensive food databases, allow for input of new foods and recipes, and make averaging menus relatively easy. Menus can be saved and later retrieved for future redesign. When using the software method, the full nutrient analysis is no more difficult than analyzing for the five required nutrients.

It is strongly recommended that the program nutritionist perform the nutrient analysis of the menus. At the very least, the nutritionist should evaluate and approve the menus, especially if the analysis is performed by the food vendor. Part of the contract monitoring quality assurance should include comparing the details of the nutrient analysis (what foods and amounts were entered into the computer) with what foods and serving sizes are actually served.

The nutrient analysis software is only a tool. Precise information must be entered in the program in order to ensure that the nutritional needs of participants are being met and also to obtain quality data for your records. This may require on-site contact with your food vendor or kitchen, obtaining recipes and determining which types and brands of food products are used.

8.5.6.1 Menu Analysis Documentation

Menus shall be analyzed and proven to meet the minimum nutrient and meal pattern standards. Documentation of these analyses shall be filed with the nutrition program and retained for a minimum of three years. The menu approval documentation form can be found in Section **K.4** of this manual. The program nutritionist shall complete the analysis and the form before the menu is served.

8.5.7 Meal Pattern, Meal Components, Minimum Servings Per Meal and Serving Size

Nutrition programs have traditionally followed a meal pattern system of menu planning. The meal pattern may be used as a planning tool to ensure food plate coverage and that the appropriate types and amounts of foods are served. The following meal pattern (**Figure 8.5.7.1** of this chapter) provides specific meal components and serving sizes based on the MyPyramid food guidance system; however, it does not assure that when meal components are combined, the meal pattern will meet 1/3 the DRI's (RDA's/AI's) and the current dietary guidelines. In order to assure that these requirements are met, the meal pattern would likely have to include additional servings of (1) fruits or vegetables and (2) whole grains, and be evaluated using computer analysis.

Nutrition programs shall have flexibility in planning meals which may not meet the meal pattern but which do meet the nutrient value requirements. The policy allows the meal pattern and/or serving sizes to be altered slightly when a complete nutrient analysis assures that DRI (RDA/AI) requirements for a single meal are met.

It is understood that minimum requirements for vitamin D and vitamin B_{12} are difficult to reach without using fortified foods or supplements; therefore a range was set. Nutrition education shall be provided to participants regarding the selection of foods that are good sources of required nutrients.

Figure 8.5.7.1 Meal Pattern When One Meal Per Day Is Served

Meal Component	Minimum # of Servings per Meal	Serving Sizes *
Bread, grain or cereal	1 - 2	1 slice bread, ½ cup cooked, 1 cup dry cereal or equivalent for each serving
Vegetable and/or fruit	2	4 fluid ounces (½ cup) for each serving ♦ *A vitamin A-rich (>75% RDA) vegetable/fruit must be served at least **two** times per week.* ♦ *A vitamin C-rich (>33% RDA) vegetable/fruit must be served at least **once** per meal.*
Milk or acceptable substitute	1	8 fluid ounces or equivalent
Meat, poultry, fish or meat alternate	1	3-4 ounces meat, poultry, fish or cheese, 3 eggs, ¾-1 cup dry beans and peas, 3-4 T peanut butter, 1½ -2 oz. nuts and seeds, ¾-1 c cottage cheese
Margarine, oil or butter	1	1 teaspoon served on side or <u>used in cooking</u>
Dessert (fruit encouraged)	1	Generally 4 fluid ounces (1/2 cup)

8.5.8 Meal Components

Information on each meal component is provided below. When questions arise for a food which is not mentioned in the policy, such as whether a food fits into a certain category, or what a serving size should be, the program nutritionist should use professional judgment to determine the appropriate food and serving size.

8.5.8.1 Bread, Grain or Cereal

Examples of serving sizes for some foods in this group are as follows:

- 1 slice bread
- 1 muffin, 2½ in. across; or ½ English muffin
- ½ bagel or bun
- 1 cup dry cereal
- 1 biscuit, 2 in. across
- 1 piece of cornbread, 2½-in. cake
- 7 crackers, square or round type
- ½ cup rice
- ½ cup noodles, pasta
- ½ cup dressing/stuffing

The following are best practices for this component:

(1) Serve a whole grain bread or cereal component 50 percent of the time.
(2) Increase servings of whole grain bread and cereal products to provide adequate complex carbohydrates and fiber and to lower fat and cholesterol.
(3) Serve a variety of low-fat, whole-grain, wheat, bran, or rye bread, as well as cereal products.
(4) Limit high-fat bread and bread-alternate selections such as biscuits, quick bread, muffins, cornbread, dressings, croissants, fried hard tortillas and other high-fat crackers.

Potatoes do not count as a bread, grain, or cereal meal component.

Acceptable substitutes must be approved by the program nutritionist.

8.5.8.2 Vegetables and/or Fruit

Serving sizes are generally as follows:

- ½ cup of vegetables, cooked or raw
- ½ cup of chopped, cooked, or canned fruit
- 1 cup of raw leafy vegetables
- ¾ cup of fruit or vegetable juice

- 1 medium-sized apple, banana, orange, or pear

A serving of vitamin A-rich fruit or vegetable must be included on the menu at least twice per week when one meal per day is served, three times per week, when two meals per day are served, and four times per week when three meals per day are served.

Vitamin A-rich fruits and vegetables supply at least 75 percent of the daily requirement for vitamin A. The following are all rich sources of vitamin A: apricots, avocado, broccoli, cantaloupe, carrots, greens (beet greens, collards, dandelion greens, kale, mustard greens, Swiss chard, turnip greens, watercress), mango, nectarines, papaya, pumpkin, red bell peppers, romaine lettuce, spinach, sweet potato, tomato and winter squash (acorn, butternut, Hubbard).

A serving of vitamin C-rich fruit or vegetable must be included on the menu at least once per meal when one meal per day is served; once or twice per day when two and three meals per day are served; or until 100 percent of the RDA for vitamin C is reached.

Vitamin C-rich fruits and vegetables supply at least 33 percent of the daily requirement for vitamin C. The following are all rich sources of vitamin C: apricots, asparagus, avocado, banana, berries (blackberries, blueberries, cranberries, raspberries, strawberries), broccoli, Brussels sprouts, cabbage, cantaloupe, cauliflower, currants, grapefruit, greens (beet greens, collards, dandelion greens, kale, mustard greens, Swiss chard, turnip greens, watercress), guava, honeydew melon, kiwi fruit, kohlrabi, lemons, limes, mango, okra, oranges, papaya, parsley, peas (green and snow), peppers (chili, green bell, red bell, yellow bell), pineapple, plantain, plum, potato, rutabaga, spinach, sweet potato, tangerine, tangelo, tomato, watermelon, winter squash (butternut).

The following are best practices for this component:

(1) Reduce fat by preparing vegetables with little or no fat.
(2) Offer fiber-rich fruits and vegetables (including raw and cooked).
(3) Whenever possible, use fresh, frozen, or canned fruits; packed either in their own juice, or in light syrup, or without sugar.
(4) For people with diabetes, the most commonly recommended dessert is fruit, which should be fresh, frozen or canned; without added sugar or packed in natural juice.
(5) Serve fresh or frozen vegetables whenever possible. Because canned vegetables are usually high in sodium, they should be used less often.

Other considerations are as follows:

(1) Molded salads can count as a fruit/vegetable serving if the recipe is modified so that each serving contains a serving of fruit/vegetable.
(2) Potatoes count as a vegetable serving. Instant or dehydrated potatoes must be enriched with vitamin C.
(3) Noodles, pasta, spaghetti, rice or dressing are not considered a vegetable serving.
(4) Fruits and vegetables make meals attractive and offer variety in color, flavor, texture and shape.
(5) Some fresh fruit or vegetables may need to be cut, sliced, or peeled for easier chewing.
(6) Steam, bake or boil vegetables rather than frying them; this will avoid too much fat in preparation.

8.5.8.3 Milk or Acceptable Substitute

Serving size is generally 8 fluid ounces.

The following are all allowable foods for the milk component as long as they are fortified with vitamin D:

(1) skim milk
(2) low-fat milk (one percent or two percent)
(3) whole milk
(4) chocolate or other flavored milk
(5) buttermilk
(6) cocoa or hot chocolate that is made from fluid milk only
(7) goat's milk (must be pasteurized)
(8) lactose-reduced milk

Any milk substitutes must be approved by the program nutritionist. Possible substitutes may include fortified juice, soy milk or other beverage. The vitamin D content of substitutes should be considered; if this is not possible, the participant should receive nutrition education regarding vitamin-D and calcium needs. If the participant has increased nutritional needs and intolerance to dairy products, a liquid nutritional supplement may be served.

Cheese, ice cream and other dairy products made from milk are generally not acceptable substitutes because (as of the writing of this policy) they are almost all made without added vitamin D. Some brands of orange juice and yogurt may be acceptable substitutes because they often contain added vitamin D and calcium.

To meet the high calcium and vitamin-D needs of the older adults served in the program, elderly nutrition programs (ENP's) will need to incorporate dairy products into other menu items. When a week's menu is too low for calcium, programs may choose to offer two servings of milk on one or

more days of that week. One program currently offers one white milk and one chocolate milk.

8.5.8.4 Meat or Meat Alternate

Serving sizes are generally as follows:

- 3-4 ounces meat, poultry, fish, cheese
- 3 eggs
- ¾-1 cup cooked dry beans or peas
- 3-4 Tablespoons peanut butter
- 1½-2 ounces nuts and seeds
- ¾-1 cup cottage cheese

Acceptable substitutes must be approved by the program nutritionist.

Consider the following during menu planning:

(1) Fillers or breading used in preparation are not to be counted as part of the portion weight.
(2) Meat portions weigh less after cooking. Plan to allow for shrinkage.
(3) Take into account the inedible parts, such as bone and sometimes fat, which will not count as part of the three-ounce portion.
(4) Reduce fat by preparing meat/entrées with little or no fat and choosing low-fat prepared foods.
(5) Reduce sodium by lessening salt in recipes and by choosing meat/entrées which are relatively low in sodium.
(6) Serve more fish and poultry items, including casseroles, to further reduce saturated fats in the meal. Select fish rich in omega-3 fatty acids, such as salmon, trout, and herring.
(7) Casserole entrées (combination of meat and starch, vegetable, cooked dried beans or creamed sauce) are cost-effective. However, because it can be difficult to meet the three-ounce meat/meat alternative requirement, recipes can be adjusted accordingly by supplementing the meal with additional protein-rich products.
(8) Gravies and sauces are a key component for temperature control in home-delivered meals; they are often a necessity. Numerous recipes and mixes for low-fat and low-sodium gravies and sauces are available for use in entrées.
(9) When planning and serving vegetarian meals, note the following:
    - Think about offering a "vegetarian special of the day" along with the regular meal option. This may depend on the size of your meal program and resources available.
    - A vegetarian meal must meet the minimum nutrient standards required for nutrition program meals. Ensure meal components include a good source of protein, bread, grain, or cereal product,

two sources of fruits and/or vegetables, and milk or acceptable substitute.

- Ensure that the meal provides vegetarians with adequate and necessary amounts of protein.
- Combine foods which are considered "incomplete proteins" in order to create "complete protein" foods (e.g., legumes with grains = complete protein; beans with corn = complete protein; beans with rice = complete protein; peanuts with wheat = complete protein).

8.5.8.5 Margarine, Oil or Butter

Serving size: one teaspoon.
Acceptable substitutes must be approved by the program nutritionist.

(1) When appropriate, offer margarine or butter as a spread or topping for a menu item.
(2) When bread is not a part of the menu, oil, butter or margarine used in cooking can be counted for the one teaspoon in the meal pattern.
(3) Wisconsin law requires that customers (i.e. participants) be told which spread is margarine and which one is butter.
(4) Reduce consumption of fat, especially saturated fat and cholesterol. Substitute polyunsaturated margarine for butter, lard and saturated fats whenever possible.
(5) Use food-preparation methods which add as little fat as possible.
(6) Increase food-preparation use of monounsaturated and polyunsaturated vegetable oils, such as olive, peanut, corn, safflower, canola, cottonseed and soybean oils.
(7) Eliminate the use of palm oil and coconut oil in food preparation.
(8) To successfully implement these suggestions with caterers, review ingredients of ready-prepared products and make changes when possible.

8.5.8.6 Dessert (Fruit Encouraged)

Serving size is generally ½ cup or other appropriate serving size. Fruit contained in a dessert may count toward the fruit component.

(1) Increase consumption of fruits and complex carbohydrates to provide adequate fiber and to lower fat and cholesterol.
(2) Low-sugar or sugar-free desserts shall be available to individuals who request them for health reasons.
(3) Reduce fat by preparing desserts with little or no fat.
(4) Limit frequency of desserts high in sugar and fat.
(5) Increase the consumption of desserts high in calcium, including low-fat dairy products.

(6) Use fresh, frozen or canned fruits packed in their own juice, light syrup, or without sugar as a dessert whenever possible; this should be at least twice per week.
(7) Serve plain cookies, angel food cake, gingerbread, cakes without frostings, or pies made with recipes altered to provide less sugar and less fat.
(8) Because ice cream is high in saturated fat, serve it only occasionally, or as a small amount of topping on a fruit dessert.
(9) Offer low-fat milk and calcium-containing desserts such as frozen yogurt, low-fat custards and low-fat puddings.
(10) To successfully implement these suggestions with caterers, review ingredients of ready-prepared products and make changes when possible.

8.5.9 Meal Service and Portion Sizes

(1) Each program shall use standardized portion control procedures to ensure that each served meal is uniform and satisfies meal pattern requirements.
(2) Standard portions may be altered to be less than the standard serving of an item only at the request of a participant or if a participant declines an item. (NSIP meal eligibility is not affected when a participant declines menu items.)
(3) Do not serve less-than-standard portions as a means of "stretching" available food, i.e. in order to serve additional persons.

8.5.10 Menu Development

A menu is key to successful food service because it helps define nutritional content of the meals served to the older adult, as well as acceptance and enjoyment of the food, personnel staffing needs, equipment needs and utilization, and food-purchasing and cost-control procedures.

8.5.10.1 Who Plans Your Menus?

It is vital that nutrition programs carefully consider who will plan the menus for the program. In some instances food service contracts give the responsibility of menu planning to the food vendor. Nutrition programs are ultimately responsible to ensure that meals meet the requirements.

The program nutritionist should plan or oversee the planning of menus. Dietetic professionals are trained and skilled at considering multiple factors when planning menus, such as those listed below. They will utilize the expertise of the nutrition director, caterer, cooks, and dining center staff when planning menus. In addition, participants' preferences should be taken into consideration.

8.5.10.2 Menu Planning for Acceptance and Enjoyment of the Food

Graham Kerr, the famous gourmet chef, has an acronym that he uses for menu planning. When he plans menus he uses "TACT": taste, aroma, color and texture. Although these concepts are important when planning any menu, they are vital when planning meals which will be served to older adults in a food service setting. As each menu is planned, look at the meal with each of the following in mind:

- **Taste:** Is there a variety of sweet, savory, salty, sour, and bitter flavors? What herbs, spices and flavorings are used?
- **Aroma:** What will diners first smell when they sit down to eat their meal? Will one food be more pleasantly dominant? How will the aromas combine?
- **Color:** How does the food look on the plate? Are there different colors? Dark and light hues?
- **Texture:** Is there a variety to the consistency of foods: solid, liquid, soft, crunchy, smooth, tender and crispy?

There are a few other classic menu-planning items to check for, as follows:

- Make sure the menu items have a variety of shapes and sizes on the plate.
- Diners usually enjoy a combination of warm and cool foods.

In addition to planning for taste and acceptance factors, it is important to consider the following factors when developing menus for the nutrition program:

(1) nutrient standards: recommended dietary allowances (RDI's) and dietary reference intakes (DRI's)
(2) menu standards (minimum components and serving sizes)
(3) social/emotional connotations with food
(4) preparation techniques
(5) regional and cultural preferences
(6) special menus to meet ethnic preferences, religious needs and health needs
(7) service of multiple meals per day
(8) food safety and sanitation considerations
(9) production techniques
(10) food availability, seasonal foods, commodities and vendor delivery schedules
(11) staffing of kitchen, delivery routes and dining centers
(12) delivery procedures on all levels
(13) equipment, both cooking and delivery
(14) the following, if applicable: vendor/catering contract and scope of work, ability to amend, penalties, etc.

(15) variations from "traditional" meals, including frozen meals, emergency meals, restaurant meals, weekend meals, choice of items, holiday meals
(16) cost (!)

8.5.10.3 Menu Planning Guidelines

Each program should have a menu development process which includes all of the following:

(1) use of written, standardized recipes.
(2) provision for review and approval of menus by a qualified nutritionist
(3) the development of special menus, where feasible and appropriate, which take into consideration religious and/or ethnic diet preferences, usually when at least 25 percent of participants request a certain special menu
(4) the development of texture-modified and/or therapeutic menus, where feasible and appropriate, when at least 25 percent of participants at a dining center request a texture-modified and/or therapeutic diet. A modified-texture diet is defined as ground meat, thickened liquids or pureed foods. A therapeutic diet is defined as low-fat, low-cholesterol, diabetic, renal, low calorie or low sodium. The provider shall ensure that a current physician's written diet order is on file for participants consuming a texture-modified and/or therapeutic meal.
(5) written procedures for revising menus after they have been approved

Menus shall be as follows:

(1) planned for a minimum of four (4) weeks, and
(2) posted in a location easily seen by participants at each congregate dining center, and
(3) legible and easy to read in the language of the majority of the participants, if not in several languages, and
(4) kept on record for three years, to include the menu actually served each day for each location.

8.5.10.4 What Does Your Menu Say?

What does your menu say to a new participant or someone unfamiliar with the nutrition program? The following are some tips which can ensure an appealing and attractive menu:

(1) Plan the spacing and arrangement of the items on the menu to be attractive and always consistent (e.g., main dish, vegetable, bread, dessert, beverage).

(2) Use descriptive titles for menu items so that the reader can tell from the title what is being served. "Betty's Orange-Glazed Beef" sounds better than "Betty's Beef Surprise."
(3) Be aware of uncommon abbreviations. The use of "chix" for chicken, "DB" for diabetic, or "gel" for gelatin may not be understood by everyone.
(4) As a general rule, do not use brand names.
(5) Give credit if someone contributes a recipe (e.g., "Rosa's Fry Bread"), as this gives the program a more personal touch.
(6) As with all materials we distribute, use large fonts (14 point or larger). If this is not possible, have a large-print version available for those who are visually impaired.

8.5.10.5 Functional Foods

"Functional foods" are foods which may provide a health benefit beyond basic nutrition; these should be considered when planning menus. Examples include everything from fruits, vegetables, grains and legumes, to fortified or enhanced foods. Biologically active components in functional foods pass on health benefits or desirable physiological effects. See the following web address for more information regarding functional foods:
http://www.foodinsight.org/Content/6/functionalfoodsbackgrounder.pdf

Programs are encouraged to use natural, functional foods in menus whenever possible.

8.5.11 Food Procurement

All nutrition programs shall procure food from sources which comply with all laws relating to food and food labeling. Food shall be sound, safe for human consumption, and free of spoilage, filth or contamination.

(1) Food in hermetically-sealed containers shall be processed in an establishment operating under appropriate regulatory authority.
(2) All milk products used and served must be pasteurized. Fluid milk shall meet Grade A quality standards as established by law.
(3) All purchased meats and poultry shall be from sources under federal or state inspection. All animals used for meat must be slaughtered in a licensed slaughterhouse or under the antemortem and postmortem inspection of a licensed veterinarian.

8.5.12 Use of Donated or Discounted Food

Using donated or discounted food from a food bank can significantly reduce food costs. Nutrition programs may use contributed and discounted foods only if they meet the same standards of quality, sanitation and safety as apply to foods purchased from commercial sources.

Acceptable items include the following:

- fresh fruits and vegetables received clean and in good condition
- game from a licensed farm processed within two hours of killing by a licensed processor
- food collected from a food bank which can be prepared and served before the expiration of the freshness date

In accordance with the Wisconsin Food Code (see Section **8.6.2** of this chapter), unacceptable items include the following:

- food which has passed its expiration date
- home-canned or preserved foods
- foods cooked or prepared in an individual's home
- road-killed deer or game
- wild game donated by hunters
- fresh or frozen fish donated by sportsmen

A local nutrition program may determine and specify with a local policy that they do not wish to incorporate "acceptable" donated or discounted foods into their menus.

8.5.13 Central and On-Site Kitchens

The nutrition program and commission on aging should jointly plan for the possibility of establishing, remodeling or closing central or on-site kitchens. A request for approval shall be submitted to the area agency on aging in a timely manner.

Consider the following:

(1) Evaluate the cost of providing meals from local caterers versus a central kitchen.
(2) Consider how this will affect service to participants.
(3) Analyze the costs involved in establishing a central kitchen.
(4) Document the program's efforts to utilize the local school as a meal provider.
(5) Consider optional facilities to be used as a possible central or on-site kitchen such as unused kitchens in schools or county institutions.

8.6 Food Safety and Sanitation: The Wisconsin Food Code

OAA Sect 339 (2)F:
"Comply with applicable provisions of State or local laws regarding the safe and sanitary handling of food, equipment, and supplies used in the storage, preparation, service and delivery of meals to an older individual."

Safe food practices by nutrition programs cannot be compromised. In all phases of the food service operation, nutrition programs shall adhere to state and local fire, health, sanitation and safety regulations applicable to the particular types of food-preparation and meal-delivery systems used by the program. State regulations relating to the hygienic preparation and serving of food are stated in the Wisconsin Administration Code - DHS 196 Wisconsin Food Code. See Section **K.3** of this manual for the food code index.

8.6.1 Wisconsin Food Code and the Elderly Nutrition Program

In July 2005, the State of Wisconsin DHS, Division of Public Health, in cooperation with the Department of Agriculture, Trade and Consumer Protection, adopted a new set of laws for restaurants and other licensed facilities serving food. It is based on the U.S. Food and Drug Administration's recommended model food code.

By federal law, as noted above, Wisconsin elderly nutrition programs (ENP's) shall follow the Wisconsin Food Code. This section of the policy manual features several excerpts from the Wisconsin Food Code meant to highlight important areas relevant to the ENP. It is not all-inclusive; care should be taken not to apply concepts out of context.

8.6.2 Obtain Copies of the Wisconsin Food Code

Nutrition programs are responsible for maintaining an updated copy of the Wisconsin Food Code. To obtain and view the current Wisconsin Food Code use the following web address:
http://legis.wisconsin.gov/rsb/code/atcp/atcp075%5Fapp.pdf

8.6.3 Required Director and Staff Training for Food Safety and Sanitation Training

This section describes food safety and sanitation requirements for nutrition program directors and staff.

8.6.3.1 Nutrition Director

Nutrition Directors must obtain State of Wisconsin Food Manager Certification through the following steps:

- Complete and pass a BADR-approved (see Section **8.6.4** of this chapter) Food Safety and Sanitation (FSS) course and exam once every five years.
- Complete a "State Application for Certified Food Manager" and send application to the Department of Health Services, Division of Public Health; Food Safety and Recreational Licensing, along with the fee and

proof of completing and passing a BADR-approved food safety and sanitation (FSS) certification course.

- After five years and certification has expired, complete and pass a BADR-approved food safety and sanitation (FSS) recertification course *or* complete and pass a BADR-approved food safety and sanitation (FSS) certification course and exam. (Nutrition directors who work in the city of Milwaukee must recertify by testing or by examination, through a BADR-approved food safety and sanitation (FSS) certification course and exam.)
- Complete a "State of Application for Recertification of Food Manager" and send application to the Department of Health Services, Division of Public Health, Food Safety and Recreational Licensing; along with the fee and proof of completing and passing a BADR-approved food safety and sanitation (FSS) recertification course.

The above policy does not apply to a nutrition director or any other food-handling staff member who maintains one of the following credentials, in which case the training is not necessary. Examples are as follows:

- registered dietitian, by the American Dietetic Association Commission on Dietetic Registration
- dietetic technician, registered by the American Dietetic Association Commission on Dietetic Registration
- certified dietitian, by the State of Wisconsin, Department of Regulation and Licensing
- certified dietary manager, by the certifying board of Dietary Managers Association
- certified professional food manager, by the National Assessment Institute

The nutrition director should obtain appropriate training and pass the applicable exam within 90 days of beginning the food-handling position. The AAA may grant an extension. IThe nutrition director is responsible for obtaining approval to extend the 90-day period to up to 180 days when the following apply: location/travel issues, timing of available courses, or significant personal scheduling issues.

8.6.3.2 Staff Who Purchase, Prepare and Cook Food

Each central kitchen and on-site-cooking senior dining center shall have a staff person on duty who has obtained the State of Wisconsin's food manager certification.

(1) In almost all cases this person will be the cook or the kitchen supervisor.
(2) It is best practice for other staff working in a food-handling capacity at a central kitchen or on-site cooking site to complete either an

approved FSS course or to complete the "Senior Dining: Serving Safe Food" course. (See Section **8.6.6** of this chapter.)

State of Wisconsin food manager certification can be obtained through the following steps:

- Complete and pass a BADR-approved (see Section **8.6.4** of this chapter) food safety and sanitation (FSS) course and exam.
- Complete a "State Application for Certified Food Manager" and send application to the Department of Health Services, Division of Public Health; Food Safety and Recreational Licensing, along with the fee and proof of completing and passing a BADR-approved food safety and sanitation (FSS) certification course.
- After five years and certification has expired, complete and pass a BADR-approved food safety and sanitation (FSS) recertification course *or* complete and pass a BADR-approved food safety and sanitation (FSS) certification course and exam. (Staff who work in the city of Milwaukee must recertify by testing or examination through a BADR-approved food safety and sanitation (FSS) certification course and exam.)
- Complete a "State of Application for Recertification of Food Manager" and send application to the Department of Health Services, Division of Public Health, Food Safety and Recreational Licensing; along with the fee and proof of completing and passing a BADR-approved food safety and sanitation (FSS) recertification course.

Staff should obtain appropriate training and pass the applicable exam within 90 days of beginning the food-handling position. The AAA may grant an extension. It is the nutrition director's responsibility to obtain approval to extend the 90-day period to up to 180 days when the following apply: location/travel issues, timing of available courses, or significant personal schedule issues.

8.6.3.3 Staff Who Only Hold Food, Serve Food and Clean

(1) A senior dining center where food is not prepared or cooked shall have a staff person or volunteer on duty, who completed an approved FSS course (see Section **8.6.4** of this chapter) or the Serving Safe Food course (see Section **8.6.6** of this chapter) once every five years and passed the applicable exam related to the course.
(2) In almost all cases this person will be the center or site manager.
(3) It is best practice for other staff and volunteers working in a food handling capacity at a senior dining center to complete a food safety and sanitation course.
(4) Staff should obtain appropriate training and pass the applicable exam within 90 days of beginning the food-handling position. The AAA may grant an extension. It is the nutrition director's responsibility to obtain approval to extend the 90-day period to up to 180 days when

the following apply: location/travel issue, timing of available courses or significant personal schedule issues.

8.6.3.4 New Staff Orientation

All new staff and volunteers having contact with food service must have a general orientation to safe food handling and sanitation practices before beginning the job.

The following resources can be used:

- manual from a food safety and sanitation course, such as ServSafe®
- Cooking for Large Groups booklet
- Seniors and Food Safety (bright yellow booklet from USDA)
- highlighted areas of the Wisconsin Food Code (see Section **8.6.2** of this chapter)

8.6.4 Approved Food Safety and Sanitation (FSS) Training and Exams

(1) ServSafe®, by the educational foundation of the National Restaurant Association solutions: http://restaurant.org

(2) the National Registry of Food Safety Professionals, food protection manager certification cxamination: http://www.nrfsp.com

(3) courses approved by the State of Wisconsin, Division of Public Health to meet the criteria for food manager certification. Examples include technical colleges and individual consultants, among others. A comprehensive list of Wisconsin providers is available online at: http://www.publichealthmdc.com/environmental/food/manager.cfm

(4) Reciprocity is granted to persons certified out of state through a certification exam approved by the Conference for Food Protection. Persons certified out of state must provide evidence that they have successfully completed a certification exam recognized by the Conference for Food Protection.

8.6.5 State of Wisconsin Food Manager Certification

State of Wisconsin food manager certification is required for all nutrition directors and a staff person on duty at each central kitchen and on-site cooking senior dining center in Wisconsin's senior dining programs.

For information on obtaining the certification contact:

DHS Bureau of Environmental Health
Food Safety and Recreational Licensing
1 W. Wilson Street, Rm 133
P.O. Box 2659
Madison, WI 53701-2659
(608) 266-2835
http://www.dhs.wisconsin.gov/fsrl/cert/index.htm

8.6.6 Senior Dining: Serving Safe Food (SS Food) Certification

The Serving Safe Food course was developed by BADR and the Wisconsin Association of Nutrition Directors in order to meet the food safety and sanitation training requirements for staff, including senior dining center managers, whose work duties include hot and cold food holding, serving and clean up, but no purchasing, preparation or cooking.

The SS Food certification course includes a minimum of two hours of training including lecture, hands-on activities, short quizzes and a take-home exam. Upon successful completion, a five-year certificate is issued by BADR.

The course may be taught by anyone who has passed an Approved SS Food Course and has been certified by BADR. Individuals who are eligible to teach the SS Food Course must use only the required materials developed and/or reviewed by BADR. No alterations to the materials may be made. If changes are made to any materials, the individual(s) will not be eligible for certification.

Nutrition programs may use SS Food to teach general food safety and sanitation classes or lectures, but certification will be denied if any changes have been made to the existing materials.

The required materials used to teach the SS Food course are available by CD or via e-mail and can be obtained by contacting BADR.

8.6.7 Animals

Animals are not allowed where food is prepared, served, stored, or where utensils are washed or stored, with the exception of animals required to assist a disabled worker or diner.

8.6.8 Hazard Analysis Critical Control Point

This new system is known as Hazard Analysis and Critical Control Point or HACCP (pronounced hassip). HACCP principles were developed by the National Advisory Committee on Microbiological Criteria for Foods during the mid-1990's. HAACP plans are not required by the Wisconsin Food Code;

however, nutrition programs are encouraged to incorporate them into their operations to improve food safety at all levels of food service. Since this system is rather new to nutrition programs, more information will be shared as it is developed.

A HACCP Plan involves the following seven principles:

(1) **Analyze hazards.** Identify potential hazards associated with a specific food and measures to control those hazards. A hazard could be biological (e.g., a microbe), chemical (e.g., a toxin), or physical (e.g., ground glass or metal fragments).
(2) **Identify critical control points.** These are points in a food's production at which a potential hazard can be controlled or eliminated, starting with the food's raw state, continuing through processing and shipping, and ending in consumption by the consumer. Examples include cooking, cooling, packaging and metal detection.
(3) **Establish preventive measures with critical limits for each control point.** For, e.g., a cooked food, this might include setting the minimum cooking temperature and time required to ensure the elimination of any harmful microbes.
(4) **Establish procedures to monitor the critical control points.** Such procedures might include determining how and by whom cooking time and temperature should be monitored.
(5) **Establish corrective actions to be taken when monitoring shows that a critical limit has not been met.** Examples include reprocessing or disposing of food if the minimum cooking temperature is not met.
(6) **Establish procedures to verify that the system is working properly.** For example, use time-testing and temperature-recording devices to verify that a cooking unit is working properly.
(7) **Establish effective record-keeping to document the HACCP system.** This includes a record of hazards and their control methods, the monitoring of safety requirements, and action taken to correct potential problems. Each of these principles must be backed by sound scientific knowledge; for example, published microbiological studies on time/temperature factors in controlling food-borne pathogens.

8.6.9 Wisconsin Food Code Highlights

The following are Wisconsin Food Code highlights which are very important to food safety in the nutrition program. These include several recent changes to the law.

8.6.9.1 Temperatures

All hot holding temperatures for potentially hazardous foods have changed from 140º F to 135º F according to the Wisconsin Food Codes. However, *all* holding temperatures at the time of service and at the time of delivery

for potentially hazardous foods for Wisconsin's senior dining program will remain at no less than 140º F for hot foods. See Wisconsin Food Code, Section 3-501.14, Page 50:
http://legis.wisconsin.gov/rsb/code/atcp/atcp075%5Fapp.pdf

8.6.9.2 Demonstration of Knowledge

Requires permit holder or person in charge to demonstrate to the regulatory authority, upon request, knowledge of food-borne disease prevention as it relates to their specific food processes and general food code requirements. One method of compliance is to have no risk factor violation notes on the most recent inspection form from the food safety regulatory authority. A risk factor means one of the improper practices or procedures which have been identified by the Centers for Disease Control and Prevention as the most prevalent contributing factors to food-borne illness or injury. See Wisconsin Food Code, Section 2-102.11, Page 19:
http://legis.wisconsin.gov/rsb/code/atcp/atcp075%5Fapp.pdf

8.6.9.3 Employee Health

(1) Workers must be *excluded or restricted* (terms now defined in the code) from food preparation and service based on their signs and symptoms of having a food-borne illness. See Wisconsin Food Code, Section 2-201.11, Page 22:
http://legis.wisconsin.gov/rsb/code/atcp/atcp075%5Fapp.pdf

(2) A sudden onset of vomiting and diarrhea requires removal and prohibited reentry of the employee to the establishment. See Wisconsin Food Code, Section 2-201.11(B), Page 22:
http://legis.wisconsin.gov/rsb/code/atcp/atcp075%5Fapp.pdf

(3) The person in charge may remove an exclusion for an employee if the person excluded is asymptomatic for 24 hours after having a non-infectious condition. Documentation from an appropriate medical professional is no longer required for removal of exclusion or restriction if approval is granted by the local health department or regulatory authority. See Wisconsin Food Code, Section 2-201.13(B), Page 24:
http://legis.wisconsin.gov/rsb/code/atcp/atcp075%5Fapp.pdf

8.6.9.4 Date Marking

(1) Ready-to-eat (RTE) *potentially hazardous* food held for more than 24 hours in an establishment must be clearly marked at the time of preparation to indicate that the food shall be consumed on the premise, sold or discarded with seven calendar days or less from the day that the food is prepared, including the day of preparation.

(2) Refrigerated RTE *potentially hazardous* food items prepared in advance must be discarded at seven (7) days if held at 41º F or less.

(3) RTE potentially hazardous food items which are prepared, frozen and thawed must be controlled by date marking to ensure that the items are consumed within a total of seven (7) days held at refrigeration temperatures. See Wisconsin Food Code, Section 3-501.17: http://legis.wisconsin.gov/rsb/code/atcp/atcp075%5Fapp.pdf

8.6.9.5 Time as a Public Health Control

Cold holding of potentially hazardous foods has been modified. Holding of a potentially hazardous food for up to six (6) hours at an internal temperature of 41-70º F may now occur under monitored conditions.

Food establishments in Wisconsin which serve a highly susceptible population, including the elderly nutrition program, may not use time as a public health control.

8.6.9.6 Bare-Hand Prohibition

Bare-hand contact with ready-to-eat foods is prohibited. Deli paper, tongs or other suitable utensils may be used to handle ready-to-eat foods. See Wisconsin Food Code, Section 2-103.14(H):
http://legis.wisconsin.gov/rsb/code/atcp/atcp075%5Fapp.pdf

8.6.9.7 Hand Washing before Gloving

If gloves are used, employees must affectively wash their hands *prior to putting on gloves* when working with food. See Wisconsin Food Code, Section 2-301.14:
http://legis.wisconsin.gov/rsb/code/atcp/atcp075%5Fapp.pdf

8.6.9.8 Ready-to-Eat Foods

Consult this expanded definition as it may reinforce handling practices where direct-hand contact needs to be avoided. See Wisconsin Food Code, Section 1-201(B)(71):
http://legis.wisconsin.gov/rsb/code/atcp/atcp075%5Fapp.pdf

8.6.9.9 Enhancing Security and Reducing Contamination

Public entrances/exits shall be located so that it is not necessary for patrons to pass through food preparation, processing or warewashing areas. See Wisconsin Food Code, Section 6-201.19:
http://legis.wisconsin.gov/rsb/code/atcp/atcp075%5Fapp.pdf

8.6.9.10 Hands-Free Faucets

Non-hand-operated faucets at all hand sinks (including those in restrooms) are required for new construction or when a hand sink or sink faucet requires replacement. See Wisconsin Food Code, Section 5-202.12(C):
http://legis.wisconsin.gov/rsb/code/atcp/atcp075%5Fapp.pdf

8.7 Coordination with Wisconsin State Department of Public Instruction Elderly Nutrition Improvement Program

Since 1973, two nutrition programs for the elderly have existed in Wisconsin. Both programs are open to older persons and provide opportunities for older people to maintain and improve their diets.

8.7.1 Department of Public Instruction Joint Agreement

8.7.1.1 Chapter 115 Laws of Wisconsin (1973): Elderly Nutrition Improvement Program

Section 115.345 of the Wisconsin State Statute authorizes the establishment of the elderly nutrition improvement program in the public schools. It places the administrative responsibility for the program with the Department of Public Instruction (DPI). The law provides the participating school districts with sum-sufficient funding for supplemental payments, not to exceed 15 percent of the cost of the meal or 50 cents per meal, whichever is less. School participation in the program is voluntary.

8.7.1.2 Title III Older Americans Act/State: Elderly Nutrition Program

Title III-C/State under the reauthorized Older Americans Act, P.L. 95-478, is a federal/state program authorized to provide meals and supportive services to older persons. The Bureau of Aging and Disability Resources (in the Department of Health Services) is the state agency responsible for the administration of Older Americans Act/State funds. Title III-C/State funds may be used only for the provision of meals in addition to specified supportive services. While federal/state funds can be used to pay the full cost of the meals provided under Title III-C/State, participants shall be given the opportunity to contribute toward the cost of the meal.

8.7.1.3 Joint Agreement

(1) While each of the elderly nutrition programs may operate separately and independently, it is the intent of the legislature that the programs cooperate to take advantage of the cash benefits and intergenerational opportunities available under both programs.

(2) The 1975 Assembly Bill 222, Section 718(7), directed that: *"The Departments of Health and Social Services (now known as the Department of Health Services) and Public Instruction shall develop procedures for facilitating participation by public school districts as food service providers in nutrition programs financed under Title III-C of the Older Americans Act."*

(3) BADR and the Food and Nutrition Service of the Department of Public Instruction have developed policies and procedures for Title III-C nutrition programs which school districts follow in their efforts to develop joint agreements. As the guidelines are updated, copies of the joint agreement guidelines are sent to the school districts and to Title III-C nutrition programs. The joint agreement can be found at the following web address:
http://www.dpi.state.wi.us/fns/elderly1.html

Chapter 9. Elderly Benefit Specialist Program

9.1 Legal Authority

Legal authority for Wisconsin's Legal-Assistance/Benefit-Specialist Program derives from federal law and regulation and from state law.

9.1.1 Federal Law

Older Americans Act (OAA) of 1965, as amended (42 U.S.C. 3001 et. seq.)

9.1.1.1 Funding of Legal Assistance

42 U.S.C. 3026(a)(2)(C) – Legal assistance is a priority service under the OAA. This means that funding of legal assistance by each area agency on aging (AAA) is mandatory, and services shall be accessible and available throughout each planning and service area (PSA) in Wisconsin.

9.1.1.2 Definition of Legal Assistance

42 U.S.C. 3001(31) - Legal assistance is defined in the OAA as *"legal advice and representation provided by an attorney to older individuals with economic or social needs, including to the extent feasible, counseling or other appropriate assistance by a paralegal or law student under the supervision of an attorney, and includes counseling or representation by a non-lawyer where permitted by law."*

9.1.1.3 Assurances

42 U.S.C. 3027(a)(11) - With respect to legal assistance, all state plans shall contain all of the following assurances:

(1) that area agencies on aging will do all of the following:
  (A) enter into contracts with providers of legal assistance which can demonstrate the experience or capacity to deliver legal assistance
  (B) include contract provisions that subject the provider of legal assistance to OAA regulations
  (C) attempt to involve the private bar in legal assistance, including furnishing services to older individuals on a pro-bono and reduced-fee basis
(2) that both of the following will be true:
  (A) No legal assistance will be furnished unless the provider's program is designed to serve older individuals with social or economic need.

(B) If the provider is not a Legal Services Corporation (LSC) grantee, the provider must agree to coordinate its services with existing LSC projects in order to concentrate OAA funds on individuals in the greatest need, and the area agency must make a finding that the provider selected to receive OAA funds is the entity best able to provide the particular services.

(3) that the state agency is to provide for coordination of legal assistance services, and provide advice and technical assistance in the provision of legal assistance and support the furnishing of training and technical assistance

(4) that to the extent practicable, OAA-funded legal assistance will be in addition to any legal assistance for older individuals being furnished with non-OAA funds (e.g., LSC funds) and that reasonable efforts will be made to maintain existing levels of legal assistance for older persons

(5) that area agencies on aging give priority to legal assistance related to income, health care, long-term care, nutrition, housing, utilities, and protective services, defense of guardianship, abuse, neglect and age discrimination

9.1.1.4 Confidentiality of Legal Services

As defined in 42 USC 3026(d), 3027(f) and 3058d(b), no state, state agency, or area agency may require any legal-assistance program to reveal any information which is protected by the attorney-client privilege. Confidentiality of client-specific information is discussed in Section **9.11.6** of this chapter.

9.1.2 Federal Regulations

Federal regulations add additional requirements for legal services beyond those in the Older Americans Act itself.

9.1.2.1 Standards for Legal-Services Providers

45 CFR 1321.71 specifies standards for legal-services providers. The legal-services provider selected by the area agency shall meet all of the following requirements:

(1) have expertise in the areas of law affecting persons in economic and social need

(2) have the capacity to provide effective administrative and judicial representation in such areas

(3) have the capacity to support other advocacy efforts for those in economic and social need

(4) have the capacity to serve persons who are institutionalized, isolated or homebound

(5) have the capacity to provide service in the principal foreign language used in areas where a significant number of potential clients do not speak English as a principal language
(6) not require an older person to disclose information about income or resources, but may ask for such information when needed to assist a client or potential client
(7) not accept fee-generating cases except where other adequate representation is unavailable (discussed in Section **9.11.2**(8) of this chapter)
(8) not use OAA funds to support political activities or engage in lobbying
(9) while carrying out legal-services activities funded by the OAA, not engage in a public demonstration, picketing, boycott or strike except as permitted by law in connection with the employee's employment; nor direct, encourage or coerce others to do so
(10) not use OAA funds to pay dues exceeding $100 per person per year to any organization, except a bar association, engaged in activities prohibited under OAA regulations, except if the dues are not used for such activities

9.1.2.2 Standards for Confidentiality and Disclosure of Information

45 CFR 1321.51 specifies standards for confidentiality and disclosure of information. The state agency must ensure that no information about an older person, or obtained from an older person by a service provider or the state or area agency, is disclosed by the provider or agency in a form that identifies the person without the informed consent of the person or their legal representative, unless required by court order.

9.1.3 State Law

9.1.3.1 Duties of the Elderly Benefit Specialist

Wisconsin Statutes, s. 46.81, provides authority for the allocation of state funds to county/tribal elderly benefit specialist (EBS) programs and supervising attorneys. It defines the duties of the EBS as follows:

"Benefit Specialists shall offer information, advice and assistance to older individuals related to individual eligibility for, and problems with, public benefits and services and to health care financing, insurance, housing and other financial and consumer concerns. Benefit Specialists shall refer older individuals in need of legal representation to the private bar or other available legal resources."

9.2 Program History

A 1975 amendment to the OAA included legal services as a priority service under Title III-B. The EBS program began in 1977 under the auspices of the Center for Public Representation as a pilot in seven southern Wisconsin counties. In 1983 it was one of two state models from which counties could choose for providing legal services; by 1987 all 72 counties had adopted the EBS program model. In 1985 elderly benefit specialists formed their own organization, the Wisconsin Association of Benefit Specialists. The 1987-89 state budget included statutory language mandating the program statewide and allocating state funds (GPR) to support the program beginning in 1988. The 1989-91 and 1991-93 state budgets included very modest increases in funding. As part of an elder-rights initiative, the 1997-99 state budget included a more substantial increase.

In 1989 the Bureau secured grant funds for a study of the civil legal needs of economically vulnerable older Wisconsin residents and the effectiveness of the EBS program in meeting those needs. The results were published in 1991 (the "Spangenberg Report") and the study remains one of the most thorough and rigorous evaluations ever of an OAA legal-services program. The report found that the EBS program was effective in meeting benefit-related legal needs but was seriously underfunded; the report made a number of recommendations for improving the program. One was to develop these program policies, which were issued in 1992. The policies were revised in 2004 and 2008.

9.3 Program Purpose

The purpose of Wisconsin's EBS program is to provide, through a continuum of county-based EBS services and area-wide legal-advocacy services, broad access to benefits, entitlements, and legal rights for large numbers of older persons throughout Wisconsin. The program promotes and preserves the autonomy, dignity, independence and financial security of older persons as follows:

(1) by informing and assisting large numbers of older persons in understanding their rights, benefits and entitlements
(2) by limiting the scope and nature of benefit problems experienced by older individuals through prevention, early detection, and intervention
(3) by assisting older individuals in securing benefits and entitlements, and in asserting and maintaining rights promised and protected by law
(4) by providing access to the system of justice by offering advocacy, advice and representation to older persons as clients, and by utilizing litigation, legislative and administrative reform
(5) by initiating advocacy, which has consequences of broad significance in preserving, protecting and expanding the rights and benefits of older persons

In addition, EBS programs are to do all of the following:

(1) target especially those who are most economically and socially needy

(2) identify and address priority issues which reflect local needs of the target population, with particular attention to those issues specified in Section **9.5** of this chapter
(3) be accessible throughout each planning and service area
(4) develop and maximize the use of other resources to expand the provision of legal and benefit assistance to older persons, including the use of volunteers, *pro-bono* panels, and reduced-fee *referral* panels where appropriate

These policies and procedures first establish responsibilities for targeting and priority-setting by the benefit specialist program. They then establish the responsibilities and division of responsibilities among the key organizations/individuals in the program: the Bureau of Aging and Disability Resources, area agencies on aging, county aging units, supervising attorneys, elderly benefit specialists and the Board on Aging and Long Term Care.

9.4 Targeting Resources

Recognizing that resources are limited, EBS services shall be targeted to the most vulnerable groups of elders. The OAA specifies several groups, including those in greatest social need, those in greatest economic need, low-income minorities and rural elders. The OAA defines "greatest economic need" as the need resulting from income at or below the poverty level. "Greatest social need" is defined as the need caused by non-economic factors, which include physical and mental disabilities, language barriers, and cultural, social, or geographical isolation including that caused by racial or ethnic status, which restricts an individual's ability to perform daily tasks, significantly reduces the quality of an individual's life, or threatens such individual's capacity to live independently.

Consistent with OAA priorities and local and regional determinations of greatest need, the following groups should receive priority in outreach and service delivery:

- low-income older persons
- older persons living alone
- elders with chronic health problems
- elders with problems of access to health care
- homeless elders
- elders with language barriers
- homebound or physically isolated elders
- American-Indian elders, African-American elders, Hispanic elders, Hmong and other Southeast-Asian elders, Russian elders
- immigrant elders

9.5 Establishing Priority Issue Areas

The EBS program shall give priority to the legal/benefit issues which are particularly important for the socially and economically needy groups described in Section **9.4** of this chapter. These are primarily issues that address ensuring basic needs for income,

health care, housing, food and access to needed long-term care; and avoiding, reducing or remedying burdensome debt or financial exploitation.

County/tribal EBS programs shall focus their services primarily on these significant issue areas, giving greatest attention to those priority issues which reflect particular local needs. In many cases the EBS will be the primary agent for meeting these needs; in some other cases the EBS may be involved but may refer the client to someone else who is the primary source of assistance.

The EBS program shall directly provide services to address the issues listed below unless the program can demonstrate to the area agency on aging and BADR that another provider is delivering the service in accordance with Section **9.9** of this chapter.

9.5.1 Health Insurance and Access

- Medical Assistance:
  - Categorically Needy
  - Deductible
  - Disability
  - Medicare Savings Programs
  - Spousal Impoverishment Protection
  - Benefit Coverage Issues
  - Lien/Estate Recovery
  - Purchase Plan (MAPP)
- Medicare:
  - Part A
  - Part B
  - Part C (Medicare Advantage) - Coverage Issues
  - Part D
- SeniorCare
- Badger Care Plus Core Plan (denials or reduction in benefits)
- Low Income Subsidy (LIS)
- Other Prescription Drug Assistance Programs
- Medicare Supplement Insurance Coverage Issues
- Other Health Insurance Coverage Issues
- Medical Debt Remediation
- Long-Term Care Insurance Coverage Issues

9.5.2 Income Support

- Food Share
- Social Security Retirement Benefits
- Social Security Disability Benefits (consistent with policy on fee-generating cases); see Section **9.1.2** (8) of this chapter
- Social Security Widow/Widower Survivor's Benefits
- Supplemental Security Income (SSI) and State Supplement

- SSI Disability
- SSI Exceptional Expense Supplement
- Social Security/SSI Overpayment Issues
- Railroad Retirements Benefits
- Universal Service Fund

9.5.3 Community-Based Services

- Community Options Program (COP)
- Home and Community-Based Medicaid Waiver Programs:
  - Community Options Program, Waiver (COP-W)
  - Family Care
  - Family Care Partnership
  - Include, Respect, I Self-Direct (IRIS)

See Section **9.12** of this chapter.

9.5.4 Housing / Utilities

- Wisconsin Home Energy Assistance Program (WHEAP)
- Wisconsin's Weatherization Assistance Program
  (Disputes and appeals only. No applications.)
- Subsidized Housing Access/Tenant Rights
- Utility Shutoffs/Unpaid Utility Bills
- Housing Repair/Improvement Loans and Grants
- Homestead Tax Credit Appeals*
- Landlord/Tenant/Evictions/Security Deposit Return
- Property Tax Deferral Program

* Refer Homestead tax credit appeals to the legal-assistance provider. Note that if the county chooses to make Homestead tax credit *applications* part of the elderly benefit specialist's priorities, the county will be responsible for providing trainings in this area and the county will also accept liability for any errors; the legal-assistance provider does not provide trainings nor does it offer liability protection for erroneous Homestead tax credit applications.

9.5.5 Consumer

- Debt-Collection Practices

9.5.6 Other

- Benefit Checkup

In the delivery of services, EBS programs may provide services for issues not listed above if the individual's circumstances or the merits of the case are such that serving

the individual would fit within the program's overall purposes. Elderly benefit specialists shall consult with the supervising attorney in this circumstance.

While EBS programs must demonstrate the capability, at minimum, of providing at the local level all of the above services, these program policies and procedures do not require programs to deliver such services beyond their budgetary capabilities. Caseloads may be limited to ensure the quality and timeliness of advocacy assistance.

Elderly benefit specialists should note that the listing of priority issues does not preclude elderly benefit specialists from making referrals of issues outside the list to a supervising attorney, or providing assistance to supervising attorneys providing direct representation to areas not listed. If the referral(s) relate to issues covered under the Older Americans Act, the legal-assistance provider will decide whether or not to take the case, based on their workload and other considerations.

9.6 Techniques for Reaching Targeted Groups and Addressing Priority Issues

Targeting is a commitment to serving those elders most in need. Priority-setting identifies and prioritizes the types of cases/problems the local program will or won't handle. In order to reach targeted groups and to ensure that the local programs are addressing priority issue areas, all of the following shall be in place:

- a planned and coordinated approach to provide easily-accessible services to targeted groups
- an outreach and program publicity
- community education

As part of the periodic review of the local EBS program by the supervising attorney, the EBS and the county-aging unit director (or other agency directors employing the EBS) shall review the accessibility of the local program and the adequacy of outreach and community education by the program. They shall jointly develop a plan for effecting needed improvements. This activity may also be undertaken at other times of the year. Such evaluation and planning shall address adequacy in each of the following areas:

9.6.1 Accessibility

Elderly benefit specialist services shall be planned so that, to the extent possible, they are easily accessible to older persons, particularly within the identified target populations. Relevant considerations include such things as location of the office and intake sites, availability of public transportation, hours, safety of the neighborhood, toll-free telephone access for clients, opportunity for staff to provide home visits and circuit-riding in rural areas.

9.6.2 Outreach

The periodic review shall consider the extent to which specific approaches and techniques are being or should be used to make potential clients, particularly those in the targeted populations, aware of the advocacy services available through the program and of the ways in which services can be of value to them. The EBS, with the input and review of the supervising attorney and county aging unit director, shall develop strategies to ensure that services are targeted and that appropriate outreach is undertaken by the EBS.

Outreach activities and publicity materials shall be designed so as to clearly define EBS services as advocacy services. This may include information and assistance with the paperwork related to benefits and insurance claims, but shall be focused on problem solving, complaint resolution and client representation.

9.6.3 Community Education

Informing elders of their legal rights in community education forums, e.g., presentations, workshops, radio or television shows, newspaper or newsletter articles; and planning education activities around the target populations and the priority issue areas, are essential to local EBS programs. Community education programs shall, therefore, be jointly planned and reviewed annually by the aging unit director, the supervising attorney and the EBS.

9.7 Responsibilities of the Bureau of Aging and Disability Resources

The Bureau of Aging and Disability Resources (BADR) has overall responsibility to provide leadership so that area agencies on aging, supervising attorneys, aging units, elderly benefit specialists, and the Board on Aging and Long Term Care ombudsmen and Medigap counselors are most effectively implementing coordinated and vigorous advocacy efforts to protect and enhance the rights, benefits and entitlements of older persons throughout Wisconsin. Duties and responsibilities of BADR are as follows:

(1) Provide state leadership in ongoing development of a statewide system to secure and maintain legal rights, benefits and entitlements of older persons.
(2) Provide state leadership in defining the scope of the EBS program and delineating the roles of the supervising attorneys and the elderly benefit specialists.
(3) Coordinate the provision of EBS services throughout the state.
(4) Provide state leadership in expanding the quality and quantity of legal and advocacy assistance for older persons with economic and social needs.
(5) In conjunction with supervising attorneys, area agencies, elderly benefit specialists and aging unit directors, operate the EBS program in a manner consistent with Wisconsin's Rules of Professional Conduct for Attorneys (Supreme Court Rules, Chapter 20) adopted by the Supreme Court of Wisconsin and the American Bar Association's Canons of Ethics.

(6) Provide for an appropriate division of responsibility and effective coordination of services, in conjunction with the Board on Aging and Long Term Care and other interested parties, among the EBS program, the Medigap Helpline and the long-term-care ombudsman program.
(7) Establish minimum annual funding levels for area agencies to use in contracting for legal backup and training.
(8) Provide information to the Wisconsin aging network on the unmet legal and advocacy needs of older individuals with respect to elder rights, benefits and entitlements.
(9) Provide periodic review, updating, technical assistance and training on these program policies and procedures.
(10) Ensure implementation of any federal or state reporting requirements.
(11) Coordinate the EBS program with activities funded under and requirements of the state health insurance assistance program (SHIP).
(12) Coordinate the EBS program with other programs operated by the aging and disability resource centers (ADRC's).
(13) Consult with the supervising attorneys, county aging unit directors, elderly benefit specialists, the Board on Aging and Long Term Care and other interested parties as needed, on issues relevant to the operation of the EBS program.
(14) Provide information to the various components of the EBS program and, where appropriate, the broader aging network on public benefits issues and developments.
(15) Formulate and advocate for proposals to improve public benefit and insurance policies and programs affecting older persons.

9.8 Responsibilities of Area Agencies on Aging

Area Agencies on Aging (AAA's) contract with legal-assistance providers and with county aging units for EBS services. In so doing, they provide leadership relative to the EBS program in their planning and service areas. This leadership shall extend to overall planning, advocacy, and coordination of services, interagency linkages, information sharing, monitoring, and support to ensure the integration of legal assistance services into the rest of the aging network. Duties and responsibilities of area agencies are as follows.

9.8.1 Contract with a Legal-Assistance Provider

(1) AAA's shall provide funding for legal assistance and training services under Title III-B of the OAA and under state general purpose revenue (GPR) at least at the minimum funding levels established by the Bureau. The regional legal-services allocation is a restricted allocation and shall be used exclusively for the legal-assistance contracts.
(2) AAA's shall ensure that the level of legal assistance services in the planning and service area (PSA) is adequate given the number of elderly benefit specialists and the size of the eligible population. If this is not possible because of resource constraints, the AAA shall ensure legal-

assistance converage as close to adequate as is possible with available resources.

(3) AAA's shall enter into contracts with the legal-assistance provider which is best able to demonstrate the experience and capacity to do all of the following:
   (A) meet the requirements of federal and state law and regulations as well as the requirements of these program policies and procedures
   (B) train and supervise the eldery benefit specialists throughout the PSA
   (C) assist the elderly benefit specialists in recognizing and referring cases that need judicial representation
   (D) provide effective, high-quality administrative and judicial representation for eligible individuals, at least in the priority issue areas set forth in Section **9.5** of this chapter
   (E) be available to work with elderly benefit specialists and provide client representation throughout the planning and service area

(4) AAA's shall ensure that the supervising attorney has adequate malpractice insurance.

(5) AAA's shall ensure that supervising attorneys can demonstrate that all elderly benefit specialists receive adequate training in the following: program policies and procedures, the ethics of working with clients, how to work effectively with older clients, and the priority areas of law listed in Section **9.5** of this chapter.

(6) Prior to requesting proposals for legal-assistance services, AAA's shall perform a confidential written survey of elderly benefit specialists in their PSA to obtain their evaluation of the incumbent supervising attorney. The results shall be shared with the current provider, who shall be given an opportunity to comment.

(7) When selecting a supervising attorney, AAA's shall use a request-for-proposal (RFP) process that meets the requirements of this manual. Where the AAA is a county agency, it may instead use a process that meets county procurement standards.

9.8.2 Contract for Elderly Benefit Specialist Services

(1) AAA's shall contract with county aging units to provide, either directly or through purchase by the county, EBS services. Where the county agency does not wish to operate an EBS program in accordance with these policies, the AAA shall contract with a private, non-profit social agency or a supervising attorney that is willing to do so.

(2) AAA's shall ensure that county agencies do not reduce the amount of Title III-B funds and GPR funds used by county aging units to provide EBS services unless the county agency has a waiver granted by the Bureau of Aging and Disability Resources (BADR).

(3) AAA's shall ensure that Title III-B funds, state GPR funds, and other funds used to contract for EBS services, are not used to supplant funds from other federal or non-federal sources unless a waiver has been granted by BADR.

(4) AAA's shall ensure that the employer of the EBS provides appropriate and adequate general-liability and malpractice insurance for the EBS.
(5) AAA's shall ensure that EBS job descriptions include participation in training and roundtable case discussions organized by the supervising attorney.

9.8.3 Program Planning and Coordination

(1) AAA's shall promote the development and improvement of EBS services and legal services for the elderly in general in the planning and service area, including working with the legal-assistance provider and elderly benefit specialists to expand legal resources by stimulating private bar involvement, especially through the establishment or expansion of pro-bono and reduced-fee lawyer referral panels, particularly for wills and advance directives.
(2) With the county aging unit and supervising attorney, AAA's are encouraged to participate in the hiring of elderly benefit specialists in counties within the AAA area. AAA's shall participate in reviewing the EBS job description.
(3) AAA's shall work with county aging unit directors and elderly benefit specialists in their development of local program plans for reaching the target populations and addressing the priority needs set forth in Sections **9.4** and **9.5** of this chapter, and in identifying other emergent target populations and needs.
(4) AAA's shall support EBS programs by obtaining, through the area plan process, input on the training and support needs of elderly benefit specialists, and shall work with BADR to ensure that elderly benefit specialists in their area are able to take advantage of relevant training opportunities.
(5) AAA's shall disseminate information regarding elder-rights advocacy issues, regularly and as needed, to the EBS program and to other elder advocacy programs in the PSA.

9.8.4 Program Monitoring and Problem-Solving

(1) AAA's shall monitor the supervising attorney to assess compliance with the contract and with these program policies and procedures, and shall work with the supervising attorney (and others as needed) to address concerns that arise.
(2) Each AAA shall ensure that its EBS program has in place a method for surveying client satisfaction and needs, and for obtaining and considering the views of older persons about the operation of the program.
(3) AAA's shall ensure that their EBS programs give clients a voluntary opportunity to contribute to the cost of the services while ensuring privacy with respect to the contribution. Where the opportunity to contribute to the program is provided through one-on-one solicitation, this shall be indicated only after services have been completed; additionally, the method by which

the opportunity to contribute is announced may not discourage future utilization of the service by the client or other potentially eligible individuals.

(4) AAA's shall offer consultation and problem-solving to EBS programs as needed or requested, and shall bring issues to the attention of BADR's legal-services developer when appropriate.

(5) AAA's shall include the EBS program in their reviews of aging units and shall maintain client confidentiality in any such review. As part of such reviews, a written report shall be given to the county aging-unit director and elderly benefit specialist(s).

(6) AAA's shall work with EBS programs to ensure that any state or federal reporting requirements are met in a timely and accurate fashion.

9.8.5 Program Integrity

Area Agencies on Aging shall do all of the following:

(1) ensure that no information is required of the supervising attorney or elderly benefit specialists in the monitoring or reporting processes that would violate client confidentiality

(2) in conjunction with supervising attorneys, area agencies, elderly benefit specialists and aging unit directors, ensure that EBS programs in the PSA operate in a manner consistent with Wisconsin's Rules of Professional Conduct for Attorneys (Supreme Court Rules, Chapter 20)

(3) ensure that there will be no interference by a county or ADRC in the conduct of an EBS responsibly carrying out their duties as specified in the EBS job description and in these policies, and that there will be no attempt by a county or ADRC to influence an elderly benefit specialist's actions in any case in which the county or ADRC is a party when such interference would be detrimental to the elderly benefit specialist's client

(4) ensure that counties and/or ADRC's have strict policies and procedures for maintaining client confidentiality. These shall apply to the EBS as well as all agency staff or volunteers whose services are used to support the elderly benefit specialist's representation of clients

(5) ensure that if the duties of the EBS are shared by any other county or ARDC staff person (support or supervisor), that person will be adequately trained and governed by the same rules, including rules pertaining to confidentiality and conflict of interest

9.9 Responsibilities of Legal-Assistance Providers

Legal-assistance providers are responsible for providing direct legal services under the Older Americans Act using Title III-B and state GPR funds from an area agency on aging. The attorney is also responsible for providing supervision and training of the elderly benefit specialists within the PSA and for taking referrals from elderly benefit specialists when cases require an attorney.

9.9.1 Program Operation

(1) Supervising attorneys may consult with county aging units (and the AAA when a county aging unit has requested the AAA's involvement) in the hiring of elderly benefit specialists in competitive situations. This consultation may include, but is not limited to, review of the EBS job description and participation in the applicant screening or applicant-interview process when permitted under county personnel rules. The type of involvement shall be decided between the supervising attorney and the county aging unit or other agency employing the EBS.

(2) With respect to supervision of the elderly benefit specialists, both the supervising attorney employed by the legal-assistance provider and the county aging unit director have certain responsibilities. In matters regarding compliance with county work rules and performance unrelated to the substance of the EBS program, supervision is the responsibility of the county aging unit director or other agency director employing the EBS. The legal-assistance provider and supervising attorney shall do all of the following:

(A) have sole responsibility for supervision of elderly benefit specialists on substantive legal issues and client-related matters

(B) provide direct case supervision

(C) provide on-call telephone and e-mail assistance as needed

(D) provide periodic performance reviews of each EBS. The supervising attorney shall communicate a reasonable amount of time in advance with the aging unit director or other agency director employing the EBS regarding an upcoming, on-site review of the EBS and shall provide the opportunity for a meeting with the director to discuss issues and concerns about the program or the elderly benefit specialist's performance.

(E) provide proactive, individualized supervision to elderly benefit specialists on a regular basis by telephone or e-mail, subject to the limits of available funding

(F) provide regular review and supervision of case acceptances, individual case handling, and the closing of cases

(3) The legal-assistance provider shall work with the area agency on aging and county aging unit to ensure that all elderly benefit specialists are covered by appropriate and adequate liability and malpractice insurance.

(4) Legal-assistance providers shall have adequate malpractice insurance for their staff.

(5) The legal-assistance provider shall conduct a limited number of regional public-education programs or develop resources for use locally on topics of particular concern to elders in the service area, relying largely on the elderly benefit specialists and other organizations to conduct local public-education programs so as to maximize the limited resources of the legal-assistance program.

(6) Legal-assistance providers shall provide a full range of legal advocacy services, including litigation, administrative reform, legislative advocacy

and other advocacy within the limits of applicable federal and state law and regulations.

(7) Legal-assistance providers shall, subject to available funding, provide effective, high-quality administrative and judicial representation for eligible individuals in the priority issue areas specified in Section **9.5** of this chapter, except where the provider can demonstrate to the satisfaction of the AAA, with input from the state legal-services developer, that another provider is delivering the service adequately to older persons.

(8) Legal-assistance providers shall be responsible for determining if a case is meritorious.

(9) Legal-assistance providers shall use Title III-B funds, state elderly-benefit-specialist funds and other funds as contracted for from the AAA for legal backup, and training to serve the populations and purposes described in these policies and may not use Title III-B or state GPR funds to supplant funds from other sources.

(10) As required in the Older Americans Act and its regulations, legal backup providers may not condition the provision of Title III-B-funded legal assistance to any person 60 years of age or older on their level of income or assets. The provider may only question the client about financial circumstances as a part of the process of providing legal advice, counsel and representation and for the purpose of identifying additional resources to which the client may be entitled.

(11) As required in the OAA regulations, legal-assistance providers shall give clients an opportunity to contribute to the program while ensuring privacy with respect to the client. The opportunity to contribute shall be indicated only after services have been completed; the method of announcing the opportunity to contribute shall not discourage future utilization of the service by the client or other potentially eligible individuals.

(12) Legal-assistance providers shall have ready access to the following for all appropriate staff: relevant federal laws and regulations; local ordinances; relevant state laws and regulations; manuals for relevant government programs; relevant support-center manuals; newsletters; information and referral manuals; and a law library.

(13) Legal-assistance providers shall demonstrate, as required in the OAA, the capacity to provide legal assistance in the principal language spoken by clients in areas where a significant number of clients do not speak English as their principal language. For purposes of this requirement, this means that the legal-assistance provider and elderly-benefit-specialist program in Milwaukee County shall be able to provide assistance in Spanish. This requirement may be met through the availability of interpreters or translation services.

(14) Legal-assistance providers shall provide clients with a mechanism for filing complaints or grievances about the operation of the program or about denial of service.

9.9.2 Staffing and Training

(1) With respect to training of elderly benefit specialists, the legal-assistance provider shall do all of the following:
   (A) provide elderly benefit specialists, within two months of being hired, written guidance or training on case-handling procedures and program procedures; and introductory training on public benefits within three months of being hired
   (B) develop an annual calendar that specifies which topics will be addressed subject to changes throughout the year and emergent needs. Prior to finalizing the calendar, the legal-assistance provider shall give both elderly benefit specialists and aging unit directors, or other agency director employing the EBS, the opportunity to suggest topics for future EBS training. Final decisions on training shall be the exclusive responsibility of the legal-assistance provider. The legal-assistance provider shall prepare and disseminate agendas of individual training programs to both the county aging unit directors, another agency director employing the EBS, and elderly benefit specialists prior to each training program. Training will be provided on legal/advocacy skills and on substantive areas of the law;
   (C) ensure that program staff receives orientation and training on the Wisconsin aging network and the Older Americans Act from the Bureau of Aging and Disability Resources.

(2) With respect to training of legal-assistance provider staff, the legal-assistance provider shall do both of the following:
   (A) ensure that all staff has experience and training in the priority areas of law set forth in Section **9.5** of this chapter or propose a plan for obtaining such training
   (B) develop mechanisms for keeping provider staff current in the priority areas of law indicated in Section **9.5** of this chapter

(3) With respect to staffing, legal-assistance providers shall do all of the following:
   (A) have the capacity to provide advice and representation in the areas of law outlined in Section **9.5** of this chapter
   (B) have lawyer staff licensed to practice law in the State of Wisconsin and carry adequate malpractice insurance
   (C) have lawyer/paralegal staff that have experience and training, or propose a plan for obtaining training, in the priority areas of law set forth in Section **9.5** of this chapter

9.9.3 Planning and Coordination

(1) The legal-assistance provider shall have primary responsibility for the development and expansion of pro-bono legal resources for the elderly and shall work cooperatively with the county's elderly benefit specialists and AAA in this effort.

(2) Legal-assistance providers shall work with the AAA, the counties, and the elderly benefit specialists and shall obtain input from the state legal-services developer to assess and develop local program plans for reaching the target populations and for addressing the priority needs set forth in Section **9.4** and Section **9.5** of this chapter.
(3) Legal-assistance providers shall develop written protocols for coordination of services with the local Legal Services Corporation (LSC) program if the provider is not an LSC-funded program.
(4) Legal-assistance providers shall coordinate with the Board on Aging and Long Term Care's ombudsmen in order to reach and provide services to residents of long-term-care institutions and long-term-care programs consistent with the division of responsibility provided in Section **9.12** of this chapter.
(5) Legal-assistance providers shall coordinate with the Board on Aging and Long Term Care's Medigap Helpline to ensure appropriate referrals between the Medigap Helpline and the EBS program, consistent with the division of responsibilities provided in Section **9.13** of this chapter.

9.9.4 Monitoring and Quality Assurance

(1) Legal-assistance providers shall have primary responsibility for review of EBS programs, with program reviews to occur annually for each local program, unless the legal-assistance providers and aging unit director agree that less frequent review is appropriate.
(2) Whenever an EBS program is assessed or the performance of an individual EBS is reviewed, a report shall be given to the county aging unit director (and/or other agency director employing the EBS) and to the elderly benefit specialist(s). The report on the annual performance review shall be in writing. To the extent possible, the timing of the review shall be coordinated with the county aging unit or other agency director employing the EBS; this will ensure that the EBS's results are available for performance review by the county agency or other agency director employing the EBS.
(4) The legal-assistance provider shall keep the county aging unit director informed of substantive performance problems or concerns regarding the operation of the EBS program; and shall consult with the aging unit director (or other agency director employing the EBS) regarding problem resolution, as consistent with the applicable rules of professional conduct.

9.9.5 Program Integrity

Legal-assistance providers shall do all of the following:

(1) abide by Wisconsin's Rules of Professional Conduct for Attorneys, adopted by the Wisconsin State Supreme Court to regulate the practice of law (see Chapter 20 of the Wisconsin Supreme Court Rules)
(2) have a protocol and a program policy for referral of fee-generating cases

(3) not represent a client if doing so entails a conflict of interest
(4) have a written conflict-of-interest policy which, at a minimum, shall include provisions for identifying and addressing conflicts for employment and other activity outside the EBS program that shall extend to all persons employed full-time or part-time or on a volunteer basis for the EBS program. The purpose of the policy shall be to protect clients from potential compromises of claims due to an inability to exercise independent professional judgment on behalf of a client as required by Wisconsin's Rules of Professional Conduct for Attorneys (see Chapter 20 of Wisconsin Supreme Court Rules).
(5) review all cases of the EBS which involve the county and are likely to be particularly high-impact or controversial cases within the county, and shall alert the county aging-unit director to such cases consistent with applicable rules of professional conduct. The legal-assistance provider shall also determine if the supervising attorney needs to take over the handling of the case so that the EBS is not in a conflict-of-interest situation.
(6) consult with BADR on BADR's development and issuance of policies.
(7) maintain confidentiality of all records and information, including identities of clients, in accordance with Wisconsin's Rules of Professional Conduct for Attorneys, the Older Americans Act and applicable federal and state case law.

9.10 Responsibilities of County Aging Units

The county aging unit, aging and disability resource center (ADRC), human-services agency or other agency either employs or contracts for EBS services and, as such, plays an integral part in the EBS program. The ADRC, human-services agency or other agency provides supervision of the elderly benefit specialist(s) on all issues related to compliance with county and agency work rules and on issues regarding worker efficiency and task management. The director shares with the supervising attorney supervision regarding caseload size and methods of obtaining stated program objectives. In this section, when the EBS program is contracted out, the term "county aging director" means the person with supervisory responsibility in the contract agency.

9.10.1 County Program Operation, Staffing and Training

(1) County aging units shall have responsibility for hiring and firing elderly benefit specialists, and when there is a competitive process, shall consult with the legal-assistance provider (and may consult the AAA) in hiring. The county aging unit director shall inform the legal-assistance provider and the legal-services developer at the state level within two weeks after hiring a new EBS.
(2) When hiring new elderly benefit specialists, county aging units and contract agencies shall select a person who meets the qualifications in Section **9.11.3** (1) of this chapter.

(3) With respect to supervision of the elderly benefit specialists, both the county aging unit director and legal-assistance provider have certain responsibilities. Supervision regarding all client-related, substantive legal/advocacy work and case supervision of the individual elderly benefit specialists shall be the sole responsibility of the legal-assistance provider. County aging units shall do all of the following:
   (A) supervise the daily job performance of the individual elderly benefit specialist(s)
   (B) supervise all issues regarding worker efficiency and task management
   (C) County aging unit director and the supervising attorney will jointly supervise issues concerning caseload size and methods of obtaining stated objectives.
   (D) supervise how the elderly benefit specialists are allocating their overall time on cases, other functions, and other issues which can reasonably be assessed using only non-confidential material, such as proficiency in various substantive areas, scope of outreach/education activities and overall productivity
   (E) supervise the EBS regarding adherence to agency work rules, consistent with these policies
   (F) supervise and complete regular reviews and complete employee performance appraisals

(4) County aging units shall ensure that all elderly benefit specialists are covered by appropriate and adequate liability and malpractice insurance.

(5) County aging units shall, in consultation with their legal-assistance provider and AAA, ensure that a policy and protocol are developed for elderly benefit specialists to close case intake, to implement a waiting-list system, and to implement a system for referral of urgent cases to other providers or *pro bono* attorneys if necessary.

(6) County aging units shall employ, at minimum, a full-time EBS, or one that is as close to full-time as possible within the limits of their state EBS funding. Elderly benefit specialists' funding includes earmarked OAA Title III-B funding of 5 percent. It may also include, at the county's discretion, a county levy. At the state's discretion, EBS funding may include state health insurance assistance program (SHIP) funding. In allowable situations, a state waiver of required OAA funding may be granted to implement 100 percent Medicaid time reporting. In this instance, Title III-B funding and/or county levy supporting the EBS program may be used elsewhere, within the restrictions that apply to these funding sources. If a county has received a waiver of the state requirement that at least 5 percent of its OAA III-B allocation be used for the EBS, the county shall ensure that the total funding to support the EBS program does not decrease. Full-time means the following:
   (A) The number of hours is considered full-time by the county or contract agency's personnel policies.
   (B) Clients have access to EBS services five days per week during normal business hours.

(C) The person(s) providing these services must be fully trained and supervised as an EBS and cannot be assigned other permanent responsibilities outside the scope of the EBS program, if such duties are supported with these earmarked program funds.

(7) County aging units shall ensure that each elderly benefit specialist has access to the Internet and has a private e-mail address which is accessible from their desktop.

(8) County aging units may require the elderly benefit specialists, when making home visits or otherwise away from the office on business, to leave written information regarding where they can be contacted (name, address, and phone number). This information is only for contacting the EBS in an emergency and may not be used for any other purpose. Providing this information does not waive a client's right to confidentiality; alternatively, county aging units are encouraged to provide elderly benefit specialists with cellular phones so they can be contacted when out of the office on business.

(9) The county aging unit director may decide to serve a limited number of persons under age 60 in its EBS program using non-OAA resources. If resources are adequate and the supervising attorney determines the case has merit, the EBS may serve any of the following:

(A) a person age 58 or older who is requesting assistance with a disability application or appeal, because the appeal process takes so long that the person is likely to be age 60 by the final resolution

(B) a person under age 60 who may need assistance with an issue where providing such assistance would also benefit a spouse over age 60 (e.g., making an SSI-E application)

(C) a person age 55 or older whose situation the aging unit director determines presents other compelling circumstances

(10) If funds are insufficient for an EBS to attend all regional trainings and case discussions organized by the legal-assistance provider, the aging unit director shall ask the AAA and legal-assistance provider for technical assistance aimed at adjusting program operations in order to free up sufficient funding.

9.10.2 Planning and Coordination

(1) County aging unit directors shall consult with the legal-assistance provider (and may consult the AAA) in the hiring of elderly benefit specialists in competitive situations, including having them review the EBS job description, and including them in the applicant screening or interview process when permitted under county personnel rules. The decision to hire and fire rests with the county.

(2) County aging unit directors shall coordinate with legal-assistance providers to provide periodic performance reviews of each EBS.

(3) County aging unit directors shall receive timely notification from the legal-assistance provider of EBS cases that involve the county and are likely to be particularly high-impact or controversial cases within the county; such

notice being limited to the fact that such cases have commenced (without disclosing the substance of the case or identifying information), consistent with applicable rules of professional conduct.

(4) Counties shall ensure that their elderly benefit specialists receive required training in office/program procedures within the first month of employment. Counties shall also ensure that new elderly benefit specialists attend the introductory training provided by the legal-assistance provider and that all elderly benefit specialists attend the regional trainings and case discussion sessions conducted by the legal-assistance provider, unless the EBS is absent from work or has been excused by the supervising attorney.

(5) Counties shall consult with the AAA's, legal-assistance providers, elderly benefit specialists and the legal-services developer on development of plans for targeting EBS services to appropriate groups of elders.

(6) County aging unit directors shall be given the opportunity to suggest topics for future regional EBS training consistent with the legal-assistance provider's need for determining the training schedule prior to the beginning of the calendar year.

9.10.3 Monitoring and Quality Assurance

(1) Counties shall cooperate with the legal-assistance provider and AAA in receiving a periodic program review of their EBS programs. Client confidentiality shall be maintained in all program reviews.

(2) The aging unit director shall receive reasonable advance notice from the legal-assistance provider regarding an upcoming on-site review of the EBS. The director shall have an opportunity to meet with the supervising attorney to discuss issues and concerns.

(3) Whenever the EBS program is assessed or the performance of an individual EBS is reviewed, a report shall be given to both the county aging unit director and involved elderly benefit specialist(s). The report on the periodic performance review shall be in writing.

(4) Where the aging unit director has concerns about the substantive performance of the EBS or operation of the program, the director shall bring such concerns to the attention of the supervising attorney. Together they shall attempt to formulate a mutually agreeable resolution. They may consult with the AAA and the state legal-services developer. Issues that cannot be resolved shall be brought to the attention of the legal-services developer and the AAA.

(5) Counties shall comply with federal and state reporting requirements applicable to the EBS program.

(6) The aging unit director or commission/committee on aging may request non-confidential information from the EBS about program operations. Such requests shall be reasonable as to the type and amount of information requested and the time given for response, and shall take into account the workload of the EBS.

(7) Prior to development of the county aging plan, the county aging unit shall survey client satisfaction with EBS services as well as opinions about

service needs and program improvements, ensuring client confidentiality in the process.

9.10.4 Program Integrity

County aging unit directors shall do all of the following:

(1) ensure that the needs and preferences of the client are the paramount responsibility of the EBS; that is, an EBS is first and foremost an advocate
(2) ensure that the EBS is neither fired nor removed from his/her position nor penalized in any manner for responsibly carrying out his/her duties as specified in the job description and these policies
(3) ensure in any case involving the county as a service provider or party in interest that the county refrains from attempting to influence the actions of elderly benefit specialists in any manner adverse to the interests of the client. (In such cases it is always advisable to contact the legal-assistance provider.)
(4) avoid conflicts of interest in relation to or involving their EBS programs, paying particular attention to cases in which the county is a party
(5) ensure that elderly benefit specialists are provided with the following: a private space for interviewing clients; locked filing cabinets; access to their own telephone; and a computer with its own e-mail address and with broadband access to the Internet. Also, if client-confidential information is stored within the agency's computer system, access shall be limited through password protection and/or other means.
(6) adhere to the client-confidentiality requirements of these standards, and may not view client case files containing any client-identifying information, except when requested to consult on a case by an EBS or supervising attorney and after permission has been obtained from the client
(7) maintain a strict standard of conduct regarding access to client information, including adhering to the following requirements:
    (A) The EBS may consult with the county aging unit director or supervisor about an individual's case but may not identify the client unless and until the client voluntarily consents to this.
    (B) If, after a client has given consent, the EBS contacts or consults the county aging unit director/supervisor about a client's case, the county aging unit director shall then be bound by the same rules of client confidentiality as the EBS.
    (C) The county aging unit may not use a blanket-style, open-ended waiver of confidentiality in its EBS program; nor may it condition receipt of EBS services on the client's willingness to waive confidentiality.
(8) not require or attempt to influence the EBS to reveal confidential client information to any other county employee or official
(9) not use the EBS to perform elder-abuse investigations because of the potential for serious ethical conflicts between the two roles

(10) not designate or use the EBS as the lead information and assistance worker for the agency

9.11 Responsibilities of Elderly Benefit Specialists

The elderly benefit specialists are the community-level, frontline, primary service providers of the EBS program and are responsible for assisting older persons in gaining access to benefits, entitlements and legal rights. Since persons may come into the EBS job with different levels of skills and abilities, they may not be immediately or even quickly proficient at the more challenging aspects of the job, such as the intricacies of disability cases, or hearings before a Social Security Administration administrative law judge. Nevertheless, there is an expectation of steady progress toward mastery of all aspects of the job. The goal is to have elderly benefit specialists spend the majority of their time and effort on high-level advocacy for which they are uniquely well-trained and for which other resources do not exist.

Concomitantly, where other resources exist to handle some of the informational, advisory and more routine tasks of the job, the expectation is that those resources should be used first. Examples include AARP tax aides, and volunteers handling medical-bill sorting, while the EBS maintains a backup role somewhat analogous to the role the supervising attorney plays in relation to the EBS. However if those other resources are unavailable, these tasks may be an important part of the job, depending upon workload and local needs. The goal of the program is that every EBS shall become a skilled and effective advocate.

9.11.1 Elderly Benefit Specialist Role Defined

(1) Undertake outreach, conduct home visits and provide information to alert older persons to their rights, benefits and entitlements.
(2) Assist older persons in selectively preparing applications for some benefits as set forth in Section **9.5** of this chapter.
(3) Assist older persons in identifying benefits, entitlements or reimbursements which involve health insurance or coverage, or involve payment for or access to health care services.
(4) Handle individual case intakes and, when appropriate, referrals.
(5) In areas permitted by law for non-attorneys, provide advice to older individuals on issues involving rights, benefits or entitlements.
(6) Spot issues/problems that older individuals are encountering and make referrals to supervising attorneys or other appropriate resources.
(7) Provide direct advocacy under the supervision of the supervising attorney on behalf of older persons in cases involving rights, benefits or entitlements.
(8) Under the supervision of the legal-assistance provider, represent older clients in appeals or disputes including, but not limited to, priority areas as specified in Section **9.5** of this chapter.
(9) Provide advocacy on elder rights issues which directly affect older persons in the county and the state.

(10) Provide public education and/or training on issues affecting the rights, benefits or entitlements of older persons.
(11) Assist in the recruitment, training and development of community volunteers of all ages to serve the legal-advocacy/benefits-assistance needs of older persons.
(12) Ensure that all volunteers participating in the program are adequately trained to perform their roles and are fully informed about rules regarding confidentiality and conflict of interest.

9.11.2 Program Operation

(1) With respect to supervision, elderly benefit specialists shall receive supervision from both the legal-assistance provider and the county aging unit director. Benefit specialists shall do all of the following:
   (A) receive supervision on all substantive legal issues and client-related matters from the legal-assistance provider
   (B) review with the legal-assistance provider and receive supervision on the following: case acceptances, individual case handling, and the closing of cases
   (C) review with the legal-assistance provider all cases involving the county which are likely to be high-impact or controversial, to examine any existing or potential conflict of interest and to determine if the legal-assistance provider should assume responsibility for the case. High-impact cases are those which have consequences of broad significance to older persons.
   (D) review with the legal-assistance provider all client notices of adverse action including denials of program or benefit eligibility or coverage; and terminations
   (E) receive supervision from both the aging unit director and supervising attorney on issues concerning caseload size and methods of obtaining stated objectives
   (F) receive supervision from the county aging unit director on non-casework aspects of daily job performance
   (G) receive supervision from the county aging unit director on issues of worker efficiency and task management
   (H) receive supervision from the county aging unit director on how the elderly benefit specialists allocates their overall time on cases and other functions; and other issues which can reasonably be assessed using only non-confidential material, such as proficiency in various substantive areas, scope of outreach/education activities and overall productivity
   (I) receive supervision from the county aging unit regarding adherence to agency work rules consistent with these policies
   (J) receive regular reviews and performance appraisals from the county aging unit director. Reviews may include evaluative statements provided by legal-assistance providers or consumers.

(2) In determining whether to accept a case, the EBS shall take into account whether it fits in the priority issue areas in Section **9.5** of this chapter and the populations in Section **9.4** of this chapter, as well as the following factors:
   (A) whether the issue presented affects client's access to food, housing, basic income and/or health care or long-term care or significantly impacts the client's safety or well-being
   (B) whether the case is meritorious
   (C) potential benefit to client (as opposed to family members, providers or others)
   (D) benefit to client versus resources expended
   (E) potential benefit to larger client population
   (F) staff (and other) available resources
   (G) availability of evidence/documentation.
   (H) availability of other assistance (e.g., Legal Services Corporation agency, other agencies, volunteers, private lawyer)
   (I) the priorities of the county aging unit
   (J) cooperation of the client (Note: There may be evidence from past representation to consider.)
   (K) ability of the client to participate in case (Note: There may be evidence from past representation to consider.)
   (L) whether representation will jeopardize safety of the client or staff. (Note: There may be evidence from past representation to consider.)
   (M) if the issue is outside the priority areas listed in Section **9.5** of this chapter, and whether the EBS is knowledgeable in the area
   (N) legal-assistance provider's knowledge of substantive law involved. The EBS shall consult with the legal-assistance provider as needed in interpreting these criteria in individual situations and whenever there is doubt about whether a case should be accepted.

(3) Elderly benefit specialists may not condition the provision of services to any person 60 years of age or older based on her or his financial status. They may question a client about financial circumstances as part of the process of advocating on the client's behalf and for the purpose of identifying additional resources to which the client may be entitled.

(4) Elderly benefit specialists shall give clients a voluntary opportunity to contribute to the program while ensuring privacy with respect to the contribution. When done through individual client contact, the opportunity to contribute shall be indicated only after services have been completed. The method of announcing the opportunity to contribute shall make clear that the elderly benefit specialist's efforts are in no manner contingent on a contribution. The method of announcing may not discourage future utilization of the service by the client or other potentially eligible individuals.

(5) Elderly benefit specialists shall provide clients with a mechanism for filing complaints or grievances about the operation of the program; or about

denial of service; utilizing the standard grievance procedure required of county aging units for this purpose.

(6) Elderly benefit specialists shall follow the policies and protocol for closing case intake, if necessary, and if intake is closed shall implement the waiting-list system and the system for referral of urgent cases to other providers or *pro bono* attorneys.

(7) Elderly benefit specialists shall follow the guidelines of the legal-assistance provider and these policies concerning when the legal supervising attorney should be contacted. They may contact the supervising attorney in other situations as they believe reasonable and necessary.

(8) Pursuant to OAA regulations, elderly benefit specialists may not accept fee-generating cases unless other adequate representation is unavailable. Fee-generating cases are those taken by attorneys on a contingent fee basis rather than the client paying the fee. Social security disability cases are exceptions to this rule. Elderly benefit specialists shall follow the policy of the legal-assistance provider for determining when other legal representation is unavailable in social security disability cases. In other types of cases (even where other representation is unavailable), before providing representation, benefit specialists shall first consider the factors in (2) above and whether the case falls within the issue areas listed in Section **9.5** of this chapter. They may contact the legal supervising attorney for assistance in making these determinations.

(9) If an EBS receives a referral from another employee within the same agency (e.g., the ADRC, the county aging unit, or the human services agency); and this occurs after an individual has interacted with said employee; and said individual has expressed an interest in receiving services provided by the EBS, the EBS should feel comfortable contacting the individual because they have affirmatively demonstrated interest in the EBS services.

If an EBS receives a referral from someone other than an ADRC employee, and if the referrer believes that it would be difficult for the person to initiate contact, the EBS shall make reasonable attempts to contact the person, provided that the referring individual has informed the potential client and has received verbal consent from them prior to the EBS making contact. The aging unit may limit the program's responsibility to respond to referrals based on workload considerations.

When it is difficult for an EBS to decide whether or not to initiate contact with a client who was referred by a third party (i.e. not an ADRC employee), the supervising attorney should be consulted for guidance.

(10) Elderly benefit specialists shall use formal representation agreements if required by the program in which they are assisting the client (e.g., social security) or if required by a policy or rule of a funding source or by their employing agency. In other situations they may use representation agreements if they wish. Where they do not, elderly benefit specialists shall

make reasonable efforts to ensure through verbal explanation or written communication or both that the client understands all of the following:

(A) that the EBS program is a legal-services program, which means that the EBS represents and advocates for the wishes of the elder client, not the wishes of family members or others having an opinion about the client's best interests; that the elderly benefit specialist's work for the client is supervised by an attorney; and that the EBS is bound by the same rules of conduct as the attorney

(B) the scope of services the EBS will provide

(C) that there is no charge for services, and though voluntary contributions to the Program are welcome, they do not in any way affect the elderly benefit specialist's efforts on behalf of the client

9.11.3 Staffing and Training

(1) Any EBS hired after the effective date of this chapter shall either:

(A) have a bachelor of arts or bachelor of science degree (preferably in a health or human services-related field); or

(B) if the person does not meet the requirements under (A), the hiring or supervising agency may submit a request for a waiver form provided by BADR. Approval is at the discretion of BADR and shall be based upon a determination of the comparability of the person's education and experience to that under (A).

(2) Newly-hired elderly benefit specialists shall participate in initial training on office/program procedures as soon as practicable after being hired, and in introductory training on public benefits as soon as offered by the legal-assistance provider.

(3) Newly-hired elderly benefit specialists shall participate in the county's new-hire orientation if they were not already a county employee.

(4) Elderly benefit specialists shall attend all regional training sessions on legal/advocacy skills and on substantive areas of the law, as well as roundtable case discussions that are announced at the start of each year and conducted by the legal-assistance provider, unless they are excused by the supervising attorney or they are unavailable due to illness or unavoidable scheduling conflicts.

(5) Since BADR-sponsored training at the aging network conferences has come to replace some of the training provided by legal-assistance providers, each EBS shall attend these conferences unless (1) the EBS and supervising attorney agree that the EBS need not attend, or (2) there is an unavoidable schedule conflict, or (3) there is insufficient funding to attend. In the latter circumstance the EBS shall consult with the AAA and with BADR about other sources of funding including scholarships.

9.11.4 Planning and Coordination

(1) The EBS shall work with the legal-assistance provider and AAA in the development and expansion of *pro bono* legal resources for the elderly.

(2) The EBS shall work with the legal-assistance provider, the AAA, and his/her county aging unit director in consultation with the state legal-services developer to assess and develop local plans for reaching the target populations and for addressing the priority needs set forth in Sections **9.4** and **9.5** of this chapter.

(3) The EBS shall coordinate with the Board on Aging and Long Term Care's ombudsman program in order to reach and provide services to residents of long-term-care institutions and participants in long-term-care programs based on the policy in Section **9.12** of this chapter.

(4) The EBS shall coordinate with the Board on Aging and Long Term Care's Medigap Helpline counselors to ensure appropriate referrals between the helpline and the EBS program based on the policy in Section **9.13** of this chapter.

(5) When the EBS believes a client may gain from other services offered by the aging unit, the EBS shall refer the client to those services if the client consents. The benefit specialist shall inform the client that refusing to consent will not affect benefit specialist services. If the person receiving the referral requires additional information, the benefit specialist shall release the information only if that person provides a written release signed by the client.

9.11.5 Monitoring and Reporting

(1) The EBS shall cooperate with the AAA and the legal-assistance provider in their performance/program reviews while maintaining client confidentiality.

(2) The EBS shall comply with state and federal reporting requirements while maintaining client confidentiality.

(3) When requested, the EBS shall provide reasonable, non-identifying summary data regarding operation of the EBS program, either to the aging unit director or to the agency board, if such data are available and can be compiled with reasonable effort considering the elderly benefit specialist's workload.

(4) The EBS shall (with necessary assistance from other aging unit staff) survey client satisfaction, and shall solicit written opinions about service needs and program improvements no less than once every county-OAA planning cycle; and shall use the results while writing the county aging plan.

9.11.6 Program Integrity: Confidentiality

9.11.6.1 Basis

The confidentiality standards for Wisconsin's EBS program derive from two primary sources: the Older Americans Act (OAA) and Wisconsin's (Supreme Court) Rules of Professional Conduct for Attorneys. The standards in the OAA are based on the belief that older persons may be

hesitant to seek legal assistance if others would have access to their identifying information. This is clearly stated in the legislative history to the OAA:

> *"..., The Committee understands that some legal assistance providers may be reluctant to contract with area agencies without this assurance. Many older individuals might be hesitant to ask for the legal advice and counsel they need if they thought others would have access to their identifying information. This assurance of confidentiality makes it easier for older persons to seek the assistance they need to resolve their legal problems, and makes it easier for legal assistance providers to serve them in good faith."*
> (REP. No. 97, 100th Cong., 1st Sess. 122 (1987))

The standards set forth in the Wisconsin Supreme Court's rules are based both on the ethical duty to maintain client confidences and on the principle of "attorney-client privilege," which protects attorneys and clients from being compelled to testify about communication between the attorney and client. The underlying premise is that effective assistance and representation require clients to disclose financial, medical and personal information, and that without the guarantee of confidentiality they will be reluctant to fully do so.

9.11.6.2 General Standard of Confidentiality

An EBS or any person appointed to engage in EBS duties may not reveal to anyone information relating to representation of a client, unless the client consents after consultation. Waivers of confidentiality must be knowing and voluntary and limited in scope as the client prefers.

9.11.6.3 Exceptions to the Standard of Confidentiality

9.11.6.3.1 Communication with Supervising Attorney

The principle of attorney-client privilege applies to all communication between supervising attorneys and elderly benefit specialists relating to benefit specialist cases. This means that an EBS may share all client information with his or her supervising attorney without violating the confidentiality standards.

9.11.6.3.2 Disclosure to Persons Necessary to Provide Services to Clients

It is permissible to disclose client information to a person, such as aging unit support staff or volunteers, for the purpose of providing client services. For example, an EBS may have a support person assist with entering data in the reporting system, or have a volunteer

assist with a screening for benefit eligibility. These individuals should only have access to client information to the extent it is necessary to perform their employment/volunteer functions. Any aging-unit employee whose services are used to support the EBS's representation of clients is subject to the same confidentiality standard as the EBS.

9.11.6.3.3 Disclosure Implicit in the Representation

There are situations in which, by the very nature of the services the EBS is providing, it will be implicit that the EBS is authorized to disclose client information. For example, if the client asks the EBS to negotiate the repayment of a past medical debt on his or her behalf, it is implicit that the EBS will be discussing the client's matters with the creditor. As another example, if the client requests the elderly benefit specialist's services in a social security disability appeal, it is implicit that the EBS will be disclosing information about the client's personal, educational, work and medical histories with Social Security Administration personnel.

9.11.6.3.4 Disclosures with Specific Permission from the Client

Whenever a client authorizes the EBS to communicate with someone about his or her case, the EBS may do so without violating confidentiality rules. The best course of action is to obtain a signed release from the client for each person or agency with which the EBS has permission to talk. If time does not permit the EBS to obtain a signed release, the EBS shall document in the client's file that the client has given permission to speak to specific persons or agencies.

9.11.6.3.5 Criminal Activity

It is permissible to disclose a client's intended criminal or fraudulent activity if said activity is likely to result in death, substantial bodily harm, or substantial injury to the financial interest or property of another. This should be discussed immediately with the elderly benefit specialist's supervising attorney before disclosure. However, if the EBS witnesses a crime or believes one is imminent, they shall contact the police by calling 911.

9.11.6.4 Standard of Confidentiality as Applied to Aging Units

Aging unit staff, including the director, is not excepted from the confidentiality standard except as one or more of the exceptions in Section **9.11.6.3** above apply. However, when the EBS makes a home visit they shall, if requested by the aging unit director, leave written information

regarding where they can be contacted (name, address, and phone number). This information is only for contacting the EBS in an emergency and may not be used for any other purpose. Clients' right to confidentiality is not waived by providing this information.

If questions or conflicts arise regarding the applicability of confidentiality standards to aging unit staff, the EBS shall notify the supervising attorney and the situation shall be discussed between the attorney and the aging unit director.

9.11.6.5 Standard of Confidentiality as Applied to Reporting of Elder Abuse

While changes in Wisconsin law have made attorneys and persons working under them direct supervisors or permissive reporters, an EBS may not report suspected elder abuse or neglect of their client if the client is competent and has not consented to the report, unless required by law or after obtaining the permission of the legal-assistance provider. However, the EBS can and should provide information to the client that may encourage the client to accept services or other intervention. If the EBS believes that the client's competence is questionable, the EBS shall contact the supervising attorney to discuss the situation.

9.11.6.6 Standard of Confidentiality as Applied to Clients Who Violate Benefit-Program Rules

Violation of benefit-program rules by a client is not an exception to the confidentiality standard. Elderly benefit specialists may not report such violations to the agency administering the benefit program. In such circumstances the EBS shall immediately contact the supervisory attorney for direction before doing additional work for the client on the issue. If the violation is intentional, the EBS shall follow the policy specified in Section **9.11.9** (5) of this chapter.

9.11.7 Program Integrity: Avoiding Conflicts of Interest

9.11.7.1 Background

Conflicts of interest are competing interests which affect or may affect the ability of an advocate to act appropriately on behalf of their client. Although such conflicts are relatively rare, the ability to spot a conflict of interest and act appropriately is of great importance to ensure effective advocacy. Moreover, it is important to avoid not only actual improprieties, but also the appearance of improprieties.

The duty to avoid conflicts of competing interests derives from another ethical rule applicable to attorneys and to elderly benefit specialists

providing services under their supervision: the duty to advance the wishes of their clients, even when others disagree, such as adult children or even the EBS. This is referred to as the duty of loyalty. There are limits to this duty which are specified in other ethical rules, such as not facilitating criminal conduct; but absent such considerations, the rule applies. It is in carrying out this duty of loyalty to clients that certain conflicts of competing interests may arise.

9.11.7.2 Policy

An EBS may not represent a client if the EBS has a conflict of interest. If the EBS believes there may be a conflict that would prohibit her or him from representing a client, or when a conflict arises in the course of representation, the EBS shall immediately contact the supervising attorney to inform them of the conflict and discuss how to proceed. In some cases, the situation can be remedied by turning the case over to the legal-assistance provider to handle. In other cases the legal-assistance provider might also have the same conflict-of-interest concerns. In these situations the supervising attorney shall advise the EBS how to proceed. As soon as the EBS identifies a conflict or the potential for a conflict, it is critical that the EBS contact the legal-assistance provider so appropriate steps may be taken. Elderly benefit specialists shall be particularly careful to avoid conflicts of interest in cases involving the county as a party in interest.

9.11.7.3 Categories of Competing Interests

Conflicts may occur for an EBS within the following categories of competing interest:

(1) **responsibility to a Current Client**: Representation of the client conflicts with the specialist's ability to represent another of their current clients.
(2) **responsibility to a former client**: Representation of a new client would create conflict with a former client.
(3) **responsibility to any third person or party**: Representation of a client is compromised because of a pre-existing duty that the specialist personally made to a third party.
(4) **specialist's personal interest**: Representation of a client is compromised because of a personal interest in the outcome of the representation.
(5) **any similar interest of someone with whom a specialist may work**: Representation of a client would be compromised because the specialist is aware of a competing interest between a client and someone with whom they work; thus potentially causing an adverse impact on the duty of loyalty owed the client.

9.11.8 Program Integrity: Elderly Benefit Specialist Role in Elder-Abuse Situations

(1) Because of the potential for serious ethical conflicts when a current or former client is involved in an abuse investigation, an EBS may not perform elder-abuse investigations under Wis. Stats. s. 46.90.

(2) Except as provided in (3) below, an EBS may not report suspected elder abuse or neglect (including self-neglect) of a current or former client when that person is competent and will not consent to the report, unless required by law or after obtaining approval from the legal-assistance provider. However, if the EBS believes the decision is not in the client's best interests, the EBS shall provide information that may change the person's mind or attempt to convince the person to accept services to address the situation.

(3) An exception to the policy in (2) above is when the EBS reasonably believes that reporting is necessary to prevent the client from committing a criminal or fraudulent act that the EBS reasonably believes is likely to result in death or substantial bodily harm or in substantial injury to the financial interest of another. If the EBS witnesses a crime in this situation or believes it is highly likely that a crime is about to be committed, the EBS should call the police (i.e. dial 911). Otherwise the EBS shall expeditiously contact the legal-assistance provider to discuss the situation before disclosing confidential information without consent.

(4) If the EBS reasonably believes that a client is not consenting to a report of elder abuse because mental disability is preventing the client from adequately acting in the client's own interest, the EBS shall contact legal assistance to discuss the situation and determine whether some form of protective action is warranted. This policy also applies generally to such situations regardless of whether an elder-abuse report is contemplated. Because taking protective action is permissive rather than mandatory and requires a careful balancing of different ethical considerations in a case-specific fashion, elderly benefit specialists shall always contact the legal-assistance provider before initiating or participating in any protective interventions without client consent.

(5) Where confidential information about an elderly benefit specialist's client is requested by a person engaged in an elder-abuse investigation under Wis. Stats. s. 46.90, or by any other party involved in or responding to elder abuse, the person requesting the information shall provide a written release from the client before the EBS may share information. In other words, the general rule of confidentiality applies. If such a request comes from the police or from a court, or if the EBS receives a subpoena, the EBS shall immediately notify the legal-assistance provider before taking any other action.

(6) Elderly benefit specialists are encouraged to participate and share their knowledge as a member of an elder-abuse interdisciplinary team ("I-team"). While they may bring up or participate in I-team discussions involving an elderly benefit specialist's client, they may not disclose

information about the client without the client's permission. Instead, they shall pose the issues involved in a client's situation in a hypothetical or general fashion that will not identify the client. If this is not possible, either because someone else has brought up the name or the circumstances are such that discussing the issue would effectively disclose the client's identity, they may not participate in the discussion of the case.

9.11.9 Program Integrity: Other Issues

(1) Elderly benefit specialists shall be provided with the following: a private space in which to interview clients; locked filing cabinets; access to their own telephone and to a fax machine; and access to private e-mail and the Internet at their desk. Electronic records of EBS clients shall be password-protected to protect confidentiality.

(2) Elderly benefit specialists shall be protected against harassment, firing or removal from their position for responsibly carrying out their duties as specified in their job descriptions and this chapter.

(3) The EBS shall be protected from a county influencing or attempting to influence the EBS to act in a manner detrimental to the EBS's client in any case involving the county as a party in interest.

(4) If the EBS reasonably believes that a client is acting in a manner adverse to the client's own interest because a mental disability is preventing the client from acting in their own interest, the EBS shall contact the supervising attorney to discuss the situation and determine whether some form of protective action is warranted. This includes, but is not limited to, a situation where a disabled client who is a victim of abuse refuses to consent to an abuse report.

(5) If an EBS discovers that a client is committing or thinking of committing some type of fraud regarding public benefit programs or insurance, the EBS shall do both of the following:

   (A) contact the legal-assistance provider immediately to discuss the situation and receive instruction on how to proceed

   (B) inform the client that the client's conduct likely constitutes fraud; explain the potential consequences; and inform the client that the EBS may not assist in anything related to the matter until fraud is no longer an issue, and that while the EBS will not report the fraud (unless in the attorney's judgment the confidentiality exception under Section **9.11.6.3.2** of this chapter applies), the EBS recommends that the client do so

(6) An EBS may not honor a request for confidential client information accompanied by a blanket release-of-information form. The EBS shall honor a bona fide request to release information, when signed by a client or former client, which specifies the information to be disclosed. If the EBS questions whether the request is bona fide, the client shall be contacted for verification prior to releasing information.

(7) If the EBS receives a request for confidential client information from the police, or from a court, or from an attorney; or if the EBS receives a

subpoena, the EBS shall notify the legal-assistance provider immediately before taking any other action.

9.12 Coordination Between the Elderly Benefit Specialist Program and the Board on Aging and Long Term Care's (BOALTC's) Long-Term Care Ombudsman Program

The Board on Aging and Long Term Care (BOALTC) operates the long-term-care ombudsman program under contract with the Wisconsin Department of Health Services (DHS) to satisfy requirements of the OAA. The goal of the ombudsman program is to resolve complaints filed by or on behalf of the residents of long-term-care facilities or participants of the Community Options Program (COP) and/or home and community-based long-term care Medicaid waiver programs. The ombudsman program also handles complaints about the administration of long-term-care services by government agencies at the state and local level. Complaints are investigated in an impartial and unbiased manner and resolutions are negotiated, as the ombudsman program has no enforcement powers. Where the enforcement of a state or federal law or rule is necessary, the ombudsman will work on behalf of the consumer to involve the proper enforcement authority. Legal counsel, available through BOALTC or through the EBS program, can pursue unresolved cases as outlined below.

9.12.1 Responsibilities of the Ombudsman Program and the Elderly Benefit Specialist Program in Nursing-Home Settings

(1) The role of the EBS program in a nursing-home setting is to provide residents (age 60 and older) with assistance regarding benefit issues including, but not limited to, SSI, social security, Medicare and Medicaid. This includes disputes/appeals involving whether a resident meets the financial and non-financial eligibility criteria for initial and continuing coverage of nursing-home care by a particular payment source (e.g., Medicaid). Assistance with Medicare Part D is an exception to this general policy; this is the responsibility of the nursing home.

(2) Elderly benefit specialists may not complete or file initial applications for residents of nursing homes; this is the role of the nursing home. If there is any barrier to the application process, then either the EBS or ombudsman assumes responsibilities, described as follows:

   (A) If the barrier exists because of problems with outside agencies (e.g., county economic support), the EBS shall assume lead responsibility.

   (B) If the barrier exists because nursing-home staff (e.g., social worker or business office personnel) fail to perform their function, the ombudsman is to serve as lead in resolving the difficulty.

(3) The role of BOALTC ombudsmen in a nursing-home setting centers on safeguarding residents' rights, including the quality of residents' care.

9.12.2 Responsibilities of the Ombudsman Program and the Elderly Benefit Specialist Program in the Community Options Program and/or Home and Community-Based Long-Term Care Medicaid Waiver Programs

(1) The role of the EBS program in COP and/or the home and community-based long-term care Medicaid waiver program is, when requested, to provide assistance to persons 60 and above who have been denied or terminated for alleged failure to meet financial or non-financial eligibility criteria.

(2) The role of the ombudsmen in COP and/or the home and community-based long-term care Medicaid waiver program is to ensure that the quality of care and services delivered through the program are appropriate. Ombudsmen are available to monitor the care plan, ensure that case-management functions are performed properly and that the types, amounts, and quality of services are appropriate and meet the needs identified in the assessment and care plan.

9.12.3 Coordination of Referrals

(1) Referrals between the two programs shall be made within five working days after consent for the referral is received from the client.

(2) The referring agency shall, after securing the appropriate release from the client, include in its referral any information and records necessary for the receiving agency to effectively provide services. If the referral is for representation in an administrative hearing, the referral shall be made no later than 15 working days prior to the hearing date; if the referring agency learns of the hearing date after this 15-day mark has passed, the referral shall be made no later than the next working day.

(3) The receiving agency shall provide appropriate follow-up information to the referring agency upon closure of the case or resolution of the issue.

9.13 Coordination of the Elderly Benefit Specialist Program with BOALTC's Medigap Helpline

The Medigap Helpline is a statewide, toll-free telephone service staffed by trained counselors who primarily provide pre-purchase information to callers on Medicare supplement insurance, long-term care, and other types of health insurance. The Medigap Helpline counselors work closely with the Office of the Commissioner of Insurance, making referrals of inappropriate agent practices and commenting on proposed standards. The Office of the Commissioner of Insurance provides the helpline staff with up-to-date policy-comparison information and develops consumer informational materials which prominently display the helpline's phone number.

9.13.1 Roles and Responsibilities of the Medigap Helpline

(1) The Medigap Helpline provides pre-purchase or pre-enrollment information about insurance products; or provides such services when elders contemplate coverage changes. This includes giving advice on the purchase of a Medigap policy or evaluation of a current Medigap policy or similar assistance with respect to other insurance to supplement Medicaid and Medicare Advantage plan choices. Issues to be handled by the helpline shall include all of the following:
   (A) Medigap open enrollment (which policy to select)
   (B) selection of specific Medigap coverage riders
   (C) benefit and price comparison among Medigap policies
   (D) supplemental coverage for persons under 65 who are on Medicare by virtue of disability
   (E) suitability of coverage based on the person's needs, other coverage, and financial circumstances
   (F) explanation of mandated benefits
   (G) counseling about guaranteed issue of Medigap insurance
   (H) counseling about obtaining or maintaining employer-based retiree coverage
   (I) counseling about Medicare Advantage options
   (J) counseling about federal and state continuation and conversion coverage
   (K) counseling about whether currently employed persons over 65 or their spouses should enroll in Part B of Medicare
   (L) general counseling about Medicare Part D drug benefits
   (M) providing information and counseling on purchase and retention of long-term-care insurance as well as alternatives to long-term-care insurance
   (N) researching and responding to questions about third-party liability
   (O) counseling about the health insurance risk sharing plan (HIRSP), either as primary insurance or as a Medicare supplement

(2) The Helpline shall refer substantial complaints (e.g., abusive agent practices, agent conveying false information) to the Office of the Commissioner of Insurance for remedy.

(3) The Helpline shall respond to elderly benefit specialists' inquiries as priority calls; these calls are to be responded to within three working days.

(4) The Helpline shall refer cases which involve advocacy (e.g., Medicare appeals, denials of coverage/access or post-claim underwriting) to the appropriate benefit specialist for resolution.

(5) The Helpline may request elderly benefit specialists to conduct home visits on the Helpline's behalf in instances where a counselor determines that a face-to-face contact is needed to ensure understanding of information conveyed (e.g., consumer is deaf, blind, or illiterate). The EBS shall comply with the request if resources and time permit; if this is not possible, the EBS shall make a good-faith effort to find another person to perform the home visit.

(6) Whenever a mass change, such as a Medicare Advantage or employer's retiree plan termination, adversely affects the interests of a large group of beneficiaries, the Helpline counselor shall work with the EBS in the county to assist affected persons. This includes providing in-person education and assistance, if time and resources permit.

9.13.2 Roles and Responsibilities of the Elderly Benefit Specialist Program in Relation to the Medigap Hotline

(1) The EBS may explain a person's options for getting Medicare and supplemental coverage and considerations in making a change in these. In addition, benefit specialists may explain the differences between long-term-care insurance and Medicaid coverage of long-term-care.
(2) The EBS shall follow normal intake and case-handling procedures when handling post-enrollment advocacy matters referred by the Helpline.
(3) The EBS shall refer clients to the Office of the Commissioner of Insurance for any instance of abusive insurance-marketing practices which comes to their attention; the specialist shall also notify the Medigap Helpline and the legal-assistance provider.
(4) The EBS shall perform home visits for the Helpline or attempt to find someone else to do so under the circumstances specified in Section **9.13.1 (5)**.
(5) The EBS shall work with the Helpline to assist persons adversely affected by a mass change as described in Section **9.13.1 (6)**.

9.14 Advocacy and Lobbying

The following was, with permission, adapted from material developed by Attorney Betsy Abramson while director of the Elder Law Center of the Coalition of Wisconsin Aging Groups.

The Older Americans Act includes advocacy as part of the core mission of the aging network. [See OAA Secs. 305(a)(1)(D) and 306(a)(6)(B).] The Wisconsin Elders Act does likewise [s. 46.82(3)(a)(18)]. The Department of Health Services endorses this as state policy. Elderly benefit specialists and supervising attorneys can provide informed advocacy based upon their detailed knowledge of public benefits and the individual cases situations they see; this makes them perfectly situated to advocate for improved public policies affecting older persons. Such advocacy allows individual problems to be translated into systemic reform. However, the OAA also forbids lobbying. This section describes what benefit specialists and supervising attorneys may and may not do under the OAA; that is, when systems advocacy crosses the line to become prohibited lobbying. With respect to lobbying and advocacy, supervising attorneys at Legal Services Corporation-funded agencies shall follow the more restrictive LSC regulations instead of those below.

9.14.1 Permitted Activities

(1) The EBS may, with the written consent of the EBS's client, contact a legislator or other elected official, legislative employee, or agency official, to advocate for a change in law, rule or policy which would fix the client's problem.

(2) The EBS may testify about legislation or rules, or otherwise communicate with an elected official about some topic if representing a client affected by the topic, when the client has provided written consent; or if the official has requested that the EBS testify or respond.

(3) Even without a client or invitation from a legislator, the EBS may testify at any time for informational (educational) purposes. The EBS may only provide information and shall refrain from recommending a position on the matter under consideration.

(4) The EBS may contact legislators or public agency staff to inform them of and make available the results of non-partisan analysis, study or research.

(5) At the written request of a legislator, an EBS may provide in person or in writing a factual presentation of information on a topic directly related to the performance of a grant, contract or other agreement, including the OAA grant agreement provisions for EBS services and contracts for legal assistance services.

(6) The EBS may give talks or use communication media to reach older persons and inform them of actions they could, or even should, take to contact elected officials.

(7) As part of their job, the EBS may serve on a government-sponsored committee.

(8) The EBS may contact the state legislators in whose district they reside to advocate on an issue even if the EBS does not have an affected client or a request from the legislator.

(9) The EBS may furnish information to a state agency official in response to a request for information from that state agency official.

(10) The EBS may send communications to "members," the board, clients and constituents of her or his organization regarding legislation of interest to the organization and regarding actions these persons may want to take.

(11) The EBS may appear before or communicate with any legislative body, if related to a possible decision that might affect the existence of her or his organization, its powers and duties, tax-exempt status or the deduction of contributions to the organization. For example, if the federal government proposes a 50 percent reduction in the Older Americans Act to pay for heated toilet seats on the new FU60 attack aircraft, the EBS may contact federal legislators to remonstrate and may testify before a congressional committee on the matter.

(12) Elderly benefits specialists may engage in activities which would otherwise be considered lobbying if undertaken on behalf of an organization to which they belong (e.g., the Wisconsin Association of Benefit Specialists) when the position taken and the activity are both authorized by the organization

under its by-laws, and when the actions are undertaken outside of work time.

(13) Elderly benefit specialists may lobby on their own time, speaking for themselves, on an issue of their choosing.
Note: Except when advocating on their own time, the elderly benefit specialists should identify themselves by their position and organizational affiliation. If advocating on behalf of an organization, the EBS should make clear that they are speaking on the position of the organization; and that the EBS is not speaking for their employing agency.

9.14.2 Prohibited Activities

(1) The EBS may not use agency funds, position, title or organizational affiliation to influence any election or to foster or engage in any partisan or political activity. **Note:** This does not prevent an EBS from inviting all candidates for an office to a forum to discuss relevant issues, provided it is run in an even-handed manner, or from sending out candidate surveys and printing the results in an agency newsletter.

(2) The EBS may not use OAA funds for dues to any organization which has, as a purpose or function, engaged in activities that are prohibited under the OAA, unless the amount of dues per person per year is less than $100. This $100 limit does not apply to bar association dues.

(3) The EBS may not attempt to influence legislative or administrative action by oral or written communication with any elected official, agency official or legislative employee (i.e., engage in lobbying) unless permitted under Section **9.14.1** above.

9.14.3 Other Considerations

(1) Local governmental policies may place additional restrictions on the activities of elderly benefit specialists. Elderly benefit specialists shall, therefore, check with their director or supervisor for further guidance. As mentioned above, supervising attorneys at Legal Services Corporation-funded agencies shall follow LSC regulations with respect to lobbying and advocacy.

(2) While some amount of systems advocacy should be a part of every elderly benefit specialist's job, the amount of work time devoted to such tasks shall be determined among the EBS, the aging unit director and the supervising attorney as part of ongoing program planning and review.

Chapter 10. Information and Assistance

Information and Assistance (I&A) is a cornerstone service of the aging network. This section addresses policies and procedures specific to providing I&A, and supports the further development of this service. This section contains state and federal laws pertinent to I&A, the role of country/tribal plans and minimum service requirements (location and facility, staff, training, classification system, resource file/database, issue identification, information provision, referral and assistance provision, follow-up, outreach, advocacy, access standards, public information, funding, data collection and record-keeping and confidentiality).

The development and implementation of Aging and Disability Resource Centers (ADRC's) continues to support the value of a quality I&A program for older adults and their caregivers. Please note that references will be made to particular sections of this chapter that do not apply to aging units which reside in an area served by an ADRC. Aging units that are part of ADRC's fulfill Older American's Act and State Elders Act I&A requirements through the operation of the ADRC under contract with the Department of Health Services (DHS). Therefore, this section applies to stand-alone aging units and to locations where there is not yet an ADRC.

The National Association of State Units on Aging has developed the following purpose statement:
"The primary purpose of the Older Americans Act Information and Assistance System is to support all older persons and their caregivers in assessing their needs, identifying the most appropriate services to meet their needs and linking the older person and caregiver to the agencies providing these services. In addition, this service information and assistance system will collect and make available data to support community needs assessment and community planning activities."

10.1 Legislation

There are two different pieces of legislation that speak to the provision of Information and Assistance services. The following is taken from the Wisconsin Elders Act and the Older Americans Act.

10.1.1 1991 Wisconsin Act 235

Section 22. 46.82(3) Aging Unit: Powers and Duties (a.) duties. 3:
"Provide a visible and accessible point of contact for individuals to obtain accurate and comprehensive information about public and private resources available in the community which can meet the needs of older individuals."

10.1.2 Older Americans Act

(Definition of Information and Assistance Service)
Older Americans Act of 1965 as amended, Pub. Law 89-73 Section 102(29):

"31) The term "information and assistance service" means a service for older individuals that

(A) provides the individuals with current information on opportunities and services available to the individuals within their communities, including information relating to assistive technology;

(B) assesses the problems and capacities of the individuals;

(C) links the individuals to the opportunities and services that are available;

(D) to the maximum extent practicable, ensures that the individuals receive the services needed and are aware of the opportunities available, by establishing adequate follow-up procedures; and

(E) serves the entire community of older individuals, particularly

(i) older individuals with greatest social need; and

(ii) older individuals with greatest economic need."

10.2 Wisconsin Aging Network: Minimum Requirements for the Provision of Information and Assistance Services

Information and Assistance (I&A) services are a necessary element in a comprehensive and coordinated system of services. Its function is to support older persons and their families by providing accurate and up-to-date information about services and other resources which are available.

Aging units are required to ensure that I&A services are available to older persons and caregivers in the county or tribe served by the aging unit. ADRC's are charged with providing I&A to older adults and to adults with disabilities.

If an aging unit is located in an area also served by an ADRC, but the aging unit is not part of the ADRC, the ADRC will provide I&A services to older adults. In these instances the aging unit shall work with the ADRC to develop and implement referral protocols and memoranda of understanding that describe the partnership and collaboration to ensure that older adults have access to I&A services. In these situations sections 10.3 through 10.12 do not apply to the aging unit.

10.3 Location and Facility

(This section does not apply to aging units located in an ADRC service area.)

I&A service occurs over the telephone, over the Internet, or in person as in the case of a home or office visit by an older person, caregiver or family member. The county or tribal office on aging provides this service. However, outsourcing (subcontracting) is permitted. Subcontracting does not negate the aging unit's responsibility to ensure that all policies are followed, service standards are maintained and reporting requirements are fulfilled. The aging unit must be clearly identifiable and visible with its name, telephone number and appropriate signage. The aging unit must be located in a welcoming environment, accessible to persons with disabilities and must not be located behind locked doors with restricted access.

10.4 Staff

(This section does not apply to aging units located in an ADRC service area.)
Each county or tribal aging unit shall designate one staff member as the lead for provision of I&A services. The lead person's position description shall reflect tasks specific to the provision of I&A services. If the I&A service is subcontracted, the I&A lead staff member serves as a contact person for the subcontracted agency and the area agency on aging.

The lead staff person assigned to I&A, also known as the I&A specialist, shall be competent, ethical and qualified to deliver service. Aging units may consider the following standards when hiring an I&A specialist.

- I&A specialists may have a bachelor's or associate degree in social work or a human-service field, certification as an I&A specialist, or previous experience in providing I&A services and/or working with older adults or for an organization that serves older people.
- The preferred skill set includes effective listening, issue-identification and problem-solving, knowledge of issues related to aging and caregiving, excellent telephone skills, and the ability to advocate for older adults.

The number of staff dedicated exclusively to providing this service may be determined by the volume of requests for I&A received by the aging unit (number of contacts and contact-hours) and by demographic factors and community resources (number of local aging-service providers/resources and other information, and referral/assistance service providers).

The elderly benefit specialist shall not serve as the lead staff person for I&A services.

10.5 Training

(This section does not apply to aging units located in an ADRC service area.)
I&A specialists are encouraged to participate in local, regional, statewide and national opportunities for training to support skill development and program/service growth and improvement. Certification by the Alliance of Information and Referral Systems (AIRS) is encouraged. This includes, but is not limited to, Certified Information and Referral Specialist Aging (CIRS-A) and Certified Resource Specialist (CRS) certifications.

10.6 Classification System (Taxonomy)

(This section does not apply to aging units located in an ADRC service area.)
Each aging unit shall use a classification system to organize their resource file/database. A classification system (or service taxonomy) is used to index and access information in a systematic way. Depending on the size, complexity and diversity of the area served by the aging unit's I&A service, the classification system

may vary from a relatively simple list of services by major problem areas to more complex, multi-level hierarchical structures. Additional classification structures such as key words may supplement the classification system.

10.7 Resource File/Database

(This section does not apply to aging units located in an ADRC service area.)
Each county or tribal aging unit shall maintain and use an up-to-date resource file/database containing, at a minimum, areas related to the potential needs and problems of and opportunities for older persons. The resource file shall be updated at least annually and may exist in a computer database (I&A software) or paper file.

Supportive material such as videos, books, periodicals and brochures from different providers of aging services should be easily accessible and updated annually as well.

Aging units are encouraged to develop and implement inclusion/exclusion criteria for the inclusion or exclusion of agencies and programs in the resource file/database. These criteria should be uniformly applied and published so that staff and the public will be aware of the scope and limitations of the file/database.

Aging units are encouraged to use a style guide or manual to support uniformity in data entry, retrieval and sharing from the resource file/database. Data elements (i.e., name of agency, program/service description, etc.) should be uniform for all services listed.

Aging units are encouraged to produce material to give to inquirers. Service listings representing common requests, guidebooks, resource directories and tip sheets may be helpful for inquirers and support service delivery.

Please note: In instances where the aging unit resides within a service area of an ADRC, but where the aging unit is not part of the ADRC, the aging unit will work with the ADRC to ensure information regarding caregiver services and supports, as well as information regarding prevention activities, as contained in the ADRC resource database.

10.8 Issue Identification

(This section does not apply to aging units located in an ADRC service area.)
I&A service involves professional communication between a trained I&A service professional (I&A specialist) and the person inquiring. The I&A specialist will determine the needs or concerns of inquirers using active listening techniques/skills (encouraging, restating, reflecting, interpreting, probing and summarizing). I&A specialists use active listening techniques/skills (1) to build rapport, (2) to explore and identify current needs and any potential needs to support planning, and (3) to discuss options with inquirers. During the process of exploring the needs expressed by the inquirer, the I&A specialist may ask questions of the inquirer which reveal additional

areas of concern not initially expressed by the inquirer. These additional needs may be further discussed during the identification of referral sources or may serve as information for future planning and additional options counseling.

10.9 Information Provision

(This section does not apply to aging units located in an ADRC service area.)
The I&A service shall provide information to an inquirer in response to a direct request for such information. Information may vary from a limited response such as an organization's name, telephone number, address and contact person to a more detailed response such as explaining the service delivery process, intake practices, costs and potential funding for services along with any assistance for individuals that may have difficulty accessing services.

I&A service may be provided over the telephone or Internet, in person or during home visits or family meetings.

10.10 Referral and Assistance Provision

(This section does not apply to aging units located in an ADRC service area.)
The I&A service shall provide referral and assistance services for inquirers. This activity includes assessing the needs of the inquirer, identifying and evaluating appropriate resources, providing enough information about each organization to help inquirers make an informed choice, helping callers for whom services are unavailable by locating alternative resources, and actively participating in linking the inquirer to the needed services.

Referral and assistance provision may include initial service plan development and service coordination.

10.11 Follow-up

(This section does not apply to aging units located in an ADRC service area.)
The purpose of providing follow-up is to learn if the individual's needs were met, if anything has changed and if the inquirer has additional needs. Follow-up is different from assessing the inquirer's satisfaction with services provided by the aging unit. Aging units are encouraged to develop processes to assess customer satisfaction. These activities may include surveys, interviews and focus groups. However, these activities are not considered follow-up.

The I&A service shall have a policy which addresses the conditions under which follow-up shall be conducted. Follow-up can take place in person (in the office or during a home visit), over the phone, or by a letter sent to the individual.

Each aging unit is encouraged to offer follow-up to inquirers whenever feasible and practical with special attention given to endangerment situations and situations where

the I&A specialist believes that inquirers do not have the necessary capacity to follow through and resolve their problems.

10.12 Outreach

Aging units are encouraged to provide outreach to individuals who are not aware of services. Outreach is an intervention initiated by an agency or organization for the purpose of identifying potential clients (or their caregivers) and encouraging their use of existing services and benefits. Outreach is referred to as a one-on-one interaction between a service provider and an elderly client or caregiver. It is important to note that several visits are often needed to build trust and rapport with the older person and the caregiver.

Please note: In instances where the aging unit resides in a service area of an ADRC, but where the aging unit is not part of the ADRC, the aging unit is expected to provide outreach services. The staff of the aging unit will want to encourage and potentially facilitate older adults and their caregivers to connect with staff at the ADRC to receive I&A services and other services of the ADRC.

10.13 Advocacy

I&A service shall offer advocacy on behalf of an individual or group of individuals when needed services are not being adequately provided by an organization within the delivery system or when an individual is having difficulty accessing the needed services.

10.14 Access Standards

I&A service shall be available (by telephone or in person) during normal working hours at no cost to the caller. The county and tribal aging unit should try to make older persons aware of an emergency answering service or 24-hour information service if such exists. Information shall be provided free of charge to inquirers. Where toll-free service is not available, a call-back protocol should be in place.

10.15 Public Information

County and tribal aging units must develop a plan designed to ensure broad public awareness of aging services, including I&A service provision and the availability of other services and opportunities for older persons and caregivers.

Such a plan may include, but is not limited to, the following:

- talks, presentations and orientations to agencies and groups (i.e., public information)
- collaboration activities, if feasible, including staff from other agencies on a cooperative or coordination basis

- advertising the telephone number in the local aging newsletter, if available, and the local telephone book (yellow-pages listing under senior services, aging organizations preferred)
- informing the communities through a variety of informational aids and the media as appropriate and feasible

Please note: In instances where the aging unit resides in a service area of an ADRC, but where the aging unit is not part of the ADRC, the aging unit will want to support older adults and their caregivers, among others, to contact the ADRC to receive I&A services and other services of the ADRC.

10.16 Funding

I&A services can be funded using Older Americans Act dollars including Title III-B, Title C-1 and National Family Caregiver Support Program (Counties- Title III-E, Tribes- Title VI-C), donations and local support or grants. Additionally, funds from the State Senior Community Services Program may be used to fund I&A.

10.17 Data Collection and Record-Keeping

(This section does not apply to aging units located in an ADRC service area.)
Whenever possible and appropriate, the I&A service provider should gather client-specific information including, but not limited to, the following:

- date of birth
- gender
- racial/ethnic heritage
- poverty status
- living alone
- first-time user of the service
- last four digits of social security number or unique client identifier

This information is gathered in the course of providing service but does not determine if the service is provided. Information can be gathered in a manner that allows the inquirer to remain anonymous. Specific reporting requirements may vary from year to year based on changes in federal reporting.

The minimum record-keeping should include information on requests for which:

- no service exists
- the existing service was not accessible
- the existing service met only part of the need

Records must be kept on people in need of services and opportunities. Providing follow-up could be helpful in obtaining the information listed above.

Please note: In instances where the aging unit resides in a service area of an ADRC, but where the aging unit is not part of the ADRC, the aging unit shall identify and

communicate unmet needs of older adults and their caregivers to the ADRC and other appropriate agencies.

10.18 Confidentiality

Information on persons using the services through the county or tribal aging unit or the area agency on aging may not be made available to anyone other than staff unless permission to share information is obtained from the older person or caregiver.

Chapter 11. National Family Caregiver Support Program (NFCSP)

11.1 Purpose and Legislation

Title III, Section 316 of the Older Americans Act creates the National Family Caregiver Support Program (NFCSP) (Title III-E). In Wisconsin, services are to be provided by or contracted through the local aging unit. The program provides for multifaceted systems of support services for the following:

(1) **Family Caregivers**
Priority is to be given to the following:
- family caregivers of people who have been diagnosed with Alzheimer's disease and other dementia, including persons below 60 years of age with Alzheimer's disease
- family caregivers who are older individuals caring for people, including children with severe disabilities
- family caregivers who are older individuals with greatest social and economic needs

(2) **Grandparents or older individuals that are relative caregivers of children under 19 years of age**

(3) **Grandparent or relative caregivers providing care for adult children with a disability who are between 19 and 59 years of age**
These caregivers must be age 55 years of age and older and cannot be the child's parent(s). Services provided to these caregivers shall not be counted against the 10 percent ceiling for grandparents and other caregivers. Priority is to be given to family caregivers providing care for an adult child with severe disabilities.

The intent of the program is to provide information, support and assistance to family caregivers. No more than 20 percent of this funding may be used to provide supplemental direct services to the individual needing care. Temporary respite is not included in the 20 percent for direct services. By definition, temporary respite cannot be provided on an ongoing basis.

Wisconsin's Alzheimer's Family and Caregiver Support Program (AFCSP) is one of the programs used as a model for the NFCSP. It is the intent of the Older Americans Act that information and services are provided to family caregivers in a direct and helpful manner. It is, therefore, in the best interest of family caregivers that Title III-E and AFCSP both be administered by the same agency. At a minimum, coordination of these two programs is essential to maximize the dollars available for family caregivers and to avoid duplication of services.

11.2 Definitions

(1) "**Child**" means an individual who is not more than 18 years of age or who is an individual with a disability.

(2) "**Family Caregiver**" means an adult family member, or another individual, who is an informal provider of in-home and community care to an older individual or to an individual with Alzheimer's disease or a related disorder with neurological and organic brain dysfunction. (A minimum of 90 percent of the county's NFCSP allocation shall be spent serving family caregivers.)

(3) "**Grandparent or Older Individual who is a Relative Caregiver**" means a grandparent or step-grandparent of a child, or a relative of a child by blood, marriage, or adoption who is 55 years of age or older and for whom all of the following are true:

(A) lives with the child

(B) is the primary caregiver of the child because the biological or adoptive parents are unable or unwilling to serve as the primary caregiver of the child

(C) has a legal relationship to the child, as such legal custody or guardianship, or is raising the child informally

(A maximum of 10 percent of the county's NFCSP allocation may be spent serving older relative caregivers.)

(4) "**Disability**" means a disability attributable to mental or physical impairment or a combination of mental and physical impairments that result in substantial functional limitations in one or more of the following areas of major life activity:

- self care
- receptive and expressive language
- learning
- mobility
- self direction
- capacity for independent living
- economic self sufficiency
- cognitive functioning
- emotional adjustment.

(5) "**Severe Disability**" means a severe, chronic disability attributable to mental or physical impairment; or a combination of mental and physical impairments which is likely to continue indefinitely, and which results in substantial functional limitation in three or more of the major life activities specified above.

(6) "**Information**" means group services, including public education, provision of information at health fairs, expositions and other similar events.

(7) "**Outreach**" means interventions for the purpose of identifying potential caregivers and encouraging their use of existing services and benefits.

(8) "**Assistance**" means one-on-one contact to provide one of the following:

(A) "**Information and Assistance**" means a service that provides current information on opportunities and services available; assesses the problems and capacities of the individuals; links the individuals to the opportunities and services available; and to the maximum extent practicable, ensures by

establishing adequate follow-up procedures that the individuals receive the services needed and are aware of the opportunities available to them.

(B) "**Case Management**" means assistance either in the form of access or care coordination in circumstances where the older person or their caregivers are experiencing diminished functioning capacities, personal conditions or other characteristics which require the provision of services by formal service providers. Activities of case management include the following as required: assessing needs, developing care plans, authorizing services, arranging services, coordinating the provision of services among providers, follow-up, and reassessment.

(9) "**Counseling / Support Groups / Training**" means the provision of advice, guidance and instruction about options and methods for providing support to caregivers in an individual or group setting.

(10) "**Respite**" means services which offer temporary, substitute supports or living arrangements for care recipients in order to provide a brief period of relief or rest for caregivers. Respite care includes the following:

(A) in-home respite (personal care, homemaker and other in-home respite)

(B) respite provided by attendance of the care recipient at an adult day center or other nonresidential program

(C) institutional respite provided by placing the care recipient in an institutional setting for an overnight stay on an intermittent, occasional or emergency basis, including summer camps for grandparents/relatives caring for children, including the following:

(i) "**Personal Care**" means providing personal assistance, stand-by assistance, supervision or cues for people having difficulties with one or more of the following activities of daily living: eating, dressing, bathing, toileting and transferring in and out of bed.

(ii) "**Homemaker**" means providing assistance to people having difficulty with one or more of the following instrumental activities of daily living: preparing meals, shopping for personal items, managing money, using the telephone or doing light housework.

(iii) "**Chore**" means providing assistance to people having difficulty with one or more of the following instrumental activities of daily living: heavy housework, yard work or sidewalk maintenance.

(iv) "**Adult Day Care/Adult Day Health**" means the provision of care for dependent adults in a supervised, protective, congregate setting during some portion of a 24-hour day. Services offered in conjunction with adult day care / adult day health typically include social and recreational activities, training, counseling, meals for adult day care, and services such as rehabilitation, medications assistance and home health-aide services for adult day health.

Agencies providing either respite or supportive services shall use a functional screen document that is able to capture the required information. See Section **11.6**(3) of this chapter.

(11) "**Temporary**" means up to 112 hours (14 days x 8 hours) for any and all respite services provided in a calendar year.
(12) "**Limited Basis**" means not more than once per week (or a total of eight hours per week).
(13) "**Supplemental Services**" means services provided on a limited basis to complement the care provided by caregivers, as follows:
  (A) "**Nutrition Counseling**" means the provision of individualized advice and guidance to individuals or family caregivers who are at nutritional risk because of their health or nutritional history, dietary intake, medication use or chronic illness. Counseling may include options and methods for improving nutritional status performed by a health professional in accordance with state policy.
  (B) "**Assisted Transportation**" means the provision of assistance, including escort, to a person who has difficulties (physical or cognitive) using regular vehicular transportation.
  (C) "**Transportation**" means the provision of a means of transportation for a person from one location to another. This does not include any other activity.
  (D) "**Other**" means all services other than those listed above, but not limited to, home modifications, adaptive aids, assistive technologies, emergency response systems, incontinence supplies or professional visits by an RN, PT or OT.

Agencies providing either respite or supportive services shall use a functional screen document that is able to capture the required information. See Section **11.6**(3) of this chapter.

11.3 Minimum Service Requirements

The services may be provided directly by the aging unit or may be purchased through a contract and shall include all five of the minimum requirements for services, as follows:

(1) information to caregivers about available services
(2) assistance to caregivers in gaining access to the services
(3) individual counseling, organization of support groups, and training to caregivers to assist in making decisions and solving problems relating to their caregiver roles
(4) respite care to enable caregivers to be temporarily relieved from their caregiving responsibilities
(5) supplemental services, on a limited basis, to complement the care provided by caregivers. *These services are not to exceed 20 percent of the county expenditure*. Aging units may use funds for hiring staff to provide the five services to caregivers. Staff or subcontractors funded with these resources shall work on behalf of family caregivers.

11.4 Coordination of Services

To ensure coordination of caregiver services in the county, the aging unit shall convene or be a member of a local family-caregiver coalition or coordinating committee with other local providers who currently provide support services to family caregivers. The aging unit shall coordinate the activities under this program with other community agencies and voluntary organizations providing services to caregivers. Funding under this program gives aging units an opportunity to advocate with other provider agencies about expanding and enhancing existing services in order to better meet the needs of family caregivers. Every effort must be made to integrate or closely coordinate the National Family Caregiver Support Program and the Alzheimer's Family and Caregiver Support Program, preferably with other Title-III programs.

When there is a concern over the use of limited resources for respite care and supplemental services, aging units may, with the advice and consultation of their controlling committee and/or a coordinating committee or coalition of family caregivers, further limit the amount of services provided to an individual caregiver. This local policy decision should be in writing and applied uniformly for all caregivers.

Aging units may contract for all or part of the services required under the NFCSP. If the aging unit contracts for caregiver-support services, formal contracts should be used which meet the contract requirements found in **Chapter 13** (Contract Administration) and **Chapter 12** (Fiscal Management) of this manual, which ensure all of the following:

(1) The contract agency can demonstrate interagency coordination.
(2) The contract agency has in place a mechanism for targeting individuals in the greatest social and economic need.
(3) The contract agency has the capacity to collect necessary data to demonstrate that persons receiving direct services under Section **11.3**(4) and Section **11.3**(5) meet the eligibility criteria in Section **11.6**(3).
(4) The contract agency has a procedure in place to report and manage generated program income.

In instances where the aging unit contracts for all or part of the services, they must still ensure that all five of the minimum requirements for services are met, either by a single contract or a combination of direct-service provision and contracts.

11.5 Maintenance-of-Effort: Non-Supplanting

The intent of the maintenance-of-effort provision under Section 374 of the Older Americans Act is for Title-III-E funds to be spent in addition to and not supplant any federal, state or local government funds (including an area agency on aging) currently being used to provide services to caregivers as described in OAA Section 373. (Maintenance-of-effort provision shall be met by money, not in-kind.)

The maintenance-of-effort date, for purposes of this program, is any funding used to support caregivers as of November 12, 2000, for services described under "Minimum Requirements for Services", Section **11.3** of this policy manual (i.e. county match, AFCSP, COP and waivers).

11.6 Restrictions on Use of Funding

(1) No more than 10 percent of this funding may be used to support grandparents (55+) and older individuals who are relative caregivers providing care for their grandchildren/children (under 19 years of age).

(2) No more than 20 percent of this funding may be used for supplemental services.

(3) To be eligible to receive respite care and supplemental services, family caregivers must be providing in-home and community care to older individuals who meet the following definition of "frail" as outlined in subparagraph (A)(I) or (B) of Section 102(28) of the Older Americans Act, as follows:

"The term "frail" means that the older individual is determined to be functionally impaired because:

a) he/she is unable to perform at least two activities of daily living without substantial human assistance, including verbal reminding, physical cueing or supervision; or

b) due to cognitive or mental impairment, the individual requires substantial supervision due to behavior that poses a serious health or safety hazard to the individual or another."

Agencies providing either respite or supportive services shall use a functional screen document that is able to capture the required information.

NOTE: The functional screen provision does not apply to grandparents or other older individuals who are relative caregivers of children not more than 19 years of age and who are requesting respite care and/or supplemental services.

(4) Priority shall be given to individuals who are currently *not* receiving caregiver-support services under the Wisconsin Alzheimer's Family and Caregiver Support Program (AFCSP).

(5) Funding shall not be used to provide adult day care on a regular, ongoing basis.

(6) Funding shall not be used to provide respite or day-care services for individuals currently receiving other home and community-based services funding (COP, Family Care, etc.) which can pay for respite and day care.

11.7 Distribution of Funds

Distribution of these funds will be under the current Title-III intrastate funding formula.

11.8 Waiver

In an emergency situation, an aging unit may request a waiver to exceed the time limits as defined by "temporary" and "limited basis." This waiver request must be in writing to the area agency on aging. In requesting a waiver, the aging unit shall demonstrate that no other source of funds is available to provide the necessary services. The area agency on aging may grant a waiver to an aging unit to exceed the limitations of temporary or limited services on a case-by-case basis.

11.9 Outcome Measures / Reporting Requirements

Reporting requirements will be the same as for other Title-III-funded services and reporting formats.

11.10 Required Match

This program requires a match of 25 percent non-federal dollars. State and local funding not currently used to match other programs may be used as match. The state Alzheimer's Family and Caregiver Support Program (AFCSP) money may be used as match to this program. Match may also be in the form of in-kind.

11.11 Cost Share / Program Income

There will be no cost-share provision for caregiver programs; participants may donate toward the cost of services provided. Older-Americans-Act requirements for program income shall apply to Title-III-E donations.

11.12 Staff Training and Development

Staff training and development is an allowable cost. This may include the cost of training (registration, mileage, meals and lodging), purchase of training materials and resources.

11.13 Plan Requirements

Aging units will be required to include caregiver services in their county plan indicating the proposed use of Title III-E funds. Area agencies on aging will be expected to provide technical assistance to aging units on how to develop caregiver-support programs. Aging units will be expected to demonstrate how they coordinate their efforts with other provider agencies that also serve family caregivers.

This will be a program priority in aging plans. Area agencies on aging and aging units should plan accordingly.

11.14 Tribal Aging Units

Tribal Aging Units will be eligible to receive caregiver program money under Part C of Title VI the Native American Caregiver Support Program.

Chapter 12. Fiscal Management

This chapter outlines the policies and procedures governing the receipt, obligation and expenditure of Older Americans Act and state-aging funds by an area agency or aging unit under an approved plan.

12.1 Fiscal Management Terminology

Throughout this chapter the following terms are used to refer to the financial relationship between two parties.

12.1.1 Grants

When the relationship is one of financial assistance, a grant is awarded through a grant agreement by a grantor (or awarding agency) and received by a grantee or recipient. Grants are used to support endeavors of other public or private entities that further the public good, rather than to acquire services which DHS is required to provide. Grant funds are intended to benefit communities or population groups, and may go to county, tribal or municipal governments or to private organizations for both profit and non-profit organizations.

12.1.2 Contracts

When the relationship is one of procurement or the buying/selling of services, funds are awarded through a contract by the purchaser and received by a provider. Area agencies award contracts to agencies that provide attorney services for the EBS services. Aging units award contracts to service providers.

The above terms are used discreetly and consistently in this chapter. When a policy or procedure applies to both forms of a financial relationship, the terms are written jointly, e.g., grant agreements/contract, grantor/purchaser, grantee/provider.

Much of the information in this manual is based upon regulations outlined in the following documents: the Federal Health and Human Services Administration of Grants (Title 45 CFR, Part 74) and the Wisconsin Department of Health Services fiscal management and contracts administration requirements.

12.2 Award of Funds

12.2.1 Grant Agreements and Notification of Award

After aging plans are approved by the area agency or the Bureau of Aging and Disability Resources, grantees will receive a grant agreement indicating the amount and source of funds being awarded and any special conditions of the award.

The agreement will either refer to or have the approved plan attached.

12.2.2 Acceptance of Grant Agreements/Contracts

The grantee/provider shall indicate acceptance of the grant agreement/contract and any special conditions by returning a signed copy of the grant agreement/contract and, if required, a signed revised budget to the awarding agency.

When the agreement is signed by the grantee, it becomes the formal document obligating and reserving federal and state funds for use by the grantee. Area agencies and aging units may not finalize grant agreements/contracts with grantees/providers or encumber money until after receiving a grant agreement/contract from the awarding agency.

This signed agreement/contract obligates the grantee/provider to utilize funds for the purposes indicated in the award and to comply with all conditions, applicable requirements and regulations. Each agreement/contract will be numbered by the awarding agency and all future references to the document should include this number.

12.2.3 Amendments to Awards

In the event additional funds become available during a plan year, the Bureau of Aging and Disability Resources may offer amended awards to area agencies and through them to aging units. The Bureau of Aging and Disability Resources will inform area agencies and aging units of the specific amounts they are eligible to receive and the guidelines, if any, for the use of the funds.

Upon receipt of this information an area agency or aging unit shall, if required, submit a plan amendment proposal setting forth the new or expanded programs and revised budgets indicating the use of additional funds. The awarding agency will review the proposed plan amendments in accordance with the procedures set forth in **Chapter 4** of this manual. If the amendment is approved, the awarding agency will authorize the amended award.

An amended award is technically a modification of an agency's original documents and hence is subject to the same matching, budgetary and time limits of the original award.

12.2.4 Duration of Funding

12.2.4.1 State Grant Agreements

In accordance with federal and state law and regulations, grant agreements with area agencies and aging units to support plans will be approved for a

maximum of one year beginning the first day of the plan year. Area agencies and aging units use the calendar year for their plan year.

12.2.4.2 Area Agency and Aging Unit Grant Agreements/Contracts

An area agency or aging unit may not obligate federal or state funds through a grant agreement/contract under a plan for more than one year from the effective date of obligation, which is usually January 1.

12.2.5 Transfer of Funds

Area agencies and aging units may not transfer funds from one funding source to another with one exception. Aging units, with the approval of the area agency, may transfer up to 45 percent of Title III C-1/state/Indian-Gaming funds to the Title III C-2/state/Indian-Gaming program.

12.2.6 Redistribution of Funds

At the end of the contract period, area agencies may redistribute allocated funds within the planning and service area from one aging unit with unspent funds in a given program to another aging unit with a deficit in that program. In order to de-obligate and re-obligate funds, each aging unit will have to sign a contract addendum prior to the end of the contract period. The aging unit's future funding is not affected by this redistribution of current-year contract funds.

12.3 General Policies on the Obligation and Expenditure of Federal and State Funds under an Area or Aging Unit Plan

12.3.1 Contract Management Procedure

The Bureau of Aging and Disability Resources contract management procedure is part of the grant agreement and Community Aids Reporting System and is established to provide guidelines for the administration and control of the funds received through an award.

The contract management procedure provides for the maintenance of minimum federal and state cash balances at the area aging unit and service provider levels through the following process:

(1) An agency shall establish a standardized cash disbursement system permitting timely cash disbursement to the various recipients.
(2) An agency shall establish a uniform expenditure reporting system, as specified by the Bureau of Aging and Disability Resources. The Area Agency on aging (AAA) will use Form 600d of the Division of Management and Technology (DMT), Community Aids Reporting System

(CARS) to report expenditures to the State of Wisconsin for reimbursement. The county aging units (CAU's) and tribal aging units (TAU's) will use the Aging Programs Financial Reports to report expenditures to the AAA's for reimbursement.

12.3.2 Prepayment and Reimbursement Procedures

12.3.2.1 Process for Prepayments and Reimbursement

12.3.2.1.1 Community Aids Reporting System (CARS)

The Community Aids Reporting System is a payment system for agencies that contract with the Department of Health Services, Division of Long Term Care, Bureau of Aging and Disability Resources. For a detailed description of what the system can do, how it works and other information, please refer to the following web address: http://www.dhs.wisconsin.gov/bfs/cars

Introduction
The Community Aids Reporting System is a payment system for agencies that contract with the Department of Health Services. The Department of Workforce Development also uses CARS.

Agencies that receive payments made through CARS include providers, counties, tribes and boards. This document explains how CARS works for providers. While the underlying principles governing CARS are the same for all agencies, people who are familiar with CARS for local governments will note some differences in details such as the timing of reporting and the types of reports that are used.

The payment process starts with signed contracts.
The CARS payment process shall begin with a signed contract. Program units in DHS prepare, negotiate and eventually sign contracts with providers or local governments for services. Program staff sends signed contracts to the CARS unit for entry into the CARS system at least one month before the first payment to a provider.

Contract information is entered into the CARS system.
The CARS unit enters information on contracts totaling almost $1.2 billion (500+ providers) into CARS annually. Most of these contracts are calendar year contracts. The CARS unit quickly reviews, keys and proofs information to ensure timely and accurate payments.

Payments are made for the first three months of contracts, before expenditure reports.

Because of the time lag between when providers incur, report and are reimbursed for the contract-related costs, DHS makes prepayments for the first three months of most contracts. The prepayments improve cash flow to the providers.

Expenditure reports trigger reimbursements.
Providers must report costs incurred on signed expenditure reporting forms. The providers generally submit the forms to the CARS unit. Reports are normally due one month after the end of the month for which the report is being submitted (e.g., January's report is due March 1). Your contract will specify when your expenditure reports are due.

The CARS unit reviews, keys and proofs the information. Then CARS staff execute the monthly payment processing run. After the payment processing run is complete, DHS transmits payment data files to the Department of Administration (DOA) to cut checks. DOA mails the checks to the providers. The monthly distribution report for agencies (DMT 603) and contract summary report (DMT 620) provide detailed information about what is being paid on a particular check. Refer questions about payments to the contacts on the following CARS staff listing.

CARS (Community Aids Reporting System) Staff Contacts
Bureau of Fiscal Services

Mailing address:

Department of Health Services
Division of Enterprise Services
Bureau of Fiscal Services
P.O. Box 7850
Madison, WI 53707-7850

Fax Number:
608-266-0066

Chief, Processing Section:
Cindy Freidel: 608-266-0662

For information on contracts and expenses contact:
Debe Lavasseur: 608-267-9577
Patty Kusuda: 608-266-3603

Vicki Bavery: 608-267-9070

For information on Automated Clearing House (ACH) deposits contact:

Ron McCormick: 608-267-9561

Reconciliation of payments and reported expenditures

Providers should reconcile costs recorded on their books to the expenditure reports at least quarterly (monthly is recommended). DHS reconciles payments and reported expenditures when reimbursing the last three months of a contract. The effect of the reconciliation of payments and expenditures is to adjust prepayments and others to actual amounts. Providers will receive additional payments, up to the contract limit, if reported expenditures exceed payments previously made. If payments exceed reported expenditures, DHS will record an amount due (account receivable) on the CARS system. The amount due will be collected against subsequent expenditure reimbursements. When payments and expenditures have been reconciled and all amounts due are collected, the contract is closed on the CARS system.

Understanding prepayments

Prepayments are a tool for improving cash flow, and in many cases an agency will receive prepayments automatically. But prepayments are not "free" money. They count toward the contract's authorized payments, and the total payments an agency keeps shall be supported by its records and the costs it reports to the DHS department.

What if there are no prepayments?

Let's make up an agency. Our hypothetical agency has a 12-month contract with DHS beginning on January 1. The contract is for $132, and the agency's expenses each month are in the range of $7 to $16.

Because of the time required to report expenses and process payments, the contracted agency would not receive payment for the first three months (first quarter) of provided services (without prepayment) until the second quarter of the calendar year. Most agencies cannot afford to go that long without payment.

The three-month lag between when agency expenses are incurred and when DHS pays the agency means that the agency will receive payments in January, February and March of the following calendar year.

How do prepayments help contracted agencies?
Prepayments provide the agency with money to use for paying its costs during those first three months before payments based on reported expenses start. Each prepayment is for one month's estimated payments. For a 12-month contract, each prepayment will be for 1/12 of the contract. For a six-month contract, it will be for 1/6 of the contract, and for an 18-month contract it will be for 1/18 of the contract.

Our hypothetical agency has a 12-month calendar-year contract. So it receives prepayments in January, February and March, each for 1/12 of the contract or $11 a month. This provides the agency with operating capital at the beginning of the contract period when it is incurring expenses under the contract, but is not yet receiving payment.

Assume the Contract Amount Equals $132.
An agency shall spend its entire contract amount and report all of its expenses in order to be entitled to keep the prepayments. (Each payment is a combination of the prepayments and payments for reported expenses. Sometimes prepayments are greater than the earned expenses. When this happens, DHS will collect the unearned difference from the agency after the end of the contract period through deductions from the last three payments. (See **Figure 12.3.2.1.2** of this chapter.)

Figure 12.3.2.1.2 CARS Payment Pattern with Prepayments

Month (A)	Agency's Expenses (A)	Agency's Reported Expenses (B)	Agency's Payment Based on Reports Expenses (C)	Pre-payment (Add to Payment) (D)	Deduction of Pre-payment (Subtract from Payment) (E)	Agency's Payment Based on Reported Expenses and Prepayments/ Deductions (C+D-E)
JANUARY CY *	$10			$11		$11
FEBRUARY CY	$11	$10		$11		$11
MARCH CY	$10	$11		$11		$11
APRIL CY	$12	$10	$10			$10
MAY CY	$11	$12	$11			$11
JUNE CY	$12	$11	$10			$10
JULY CY	$10	$12	$12			$12
AUGUST CY	$12	$10	$11			$11
SEPTEMBER CY	$7	$12	$12			$12
OCTOBER CY	$13	$7	$10			$10
NOVEMBER CY	$16	$13	$12			$12
DECEMBER CY	$12	$16	$7			$7
JANUARY FY **		$12	$13		($11)	$2
FEBRUARY FY			$16		($11)	$2
MARCH FY			$12		($11)	$0
TOTAL	**$136**	**$136**	**$136**	**$33**	**($33)**	**$132**

* CY = Current Year
** FY = Future Year (CY + 1)

12.3.2.1.3 Department of Health Services Prepayments and Reimbursements to Area Agencies

In January, February and March for calendar year contracts, the Department of Health Services, Division of Management Technology through the Community Aids Reporting System (CARS) will forward to area agencies a prepayment which is 1/12 of the total award identified in the grant agreement. The 1/12 prepayments are given for each funding source, including the Nutrition Services Incentive Program (NSIP). Prepayments can be adjusted to fit any contract period. In subsequent months, area agencies will be reimbursed according to the policies specified in Section **12.3.2.2** of this chapter.

12.3.2.1.4 Area Agency Prepayments and Reimbursements to Aging Units

In most cases, area agencies will forward 1/12 of an aging unit's grant award in each of the first three months of the contract period (i.e., January, February and March). Subsequent payments will be made as monthly reimbursements for reported actual monthly expenditures, based on the modified accrual system, up to the amount of the award.

12.3.2.1.5 Area Agency Prepayments and Reimbursements to Special Project Recipients and Aging Unit Prepayments and Reimbursements to Contract Recipients

Area agencies may develop their own prepayment and reimbursement procedure for subgrants of special project funds. Aging units may develop their own procedure for contract recipients, although they are encouraged to reimburse expenditures with no initial cash prepayment.

12.3.2.1.6 Prepayments for Additional Funding

Additional prepayments may be provided to agencies that receive additional funds even though the agencies have already received an initial prepayment from the original award.

12.3.2.2 Reimbursement Policies

12.3.2.2.1 General Procedures

After initial prepayments, a grantee will report actual monthly expenditures and will be reimbursed monthly for those expenditures up to the amount of the award.

Toward the end of the grant agreement/contract period, the total of the prepayment and reimbursements to date may approach or be equal to the total award. In this case, the recipient should continue to request actual expenditures. In no case will the prepayment and the reimbursements received exceed the awarded amount. Prepayments must be earned by reporting expenditures against the prepayments.

If the grantee/provider receives funds from more than one state-controlled funding source, then this requirement applies separately for each funding source.

12.3.2.2.2 Deviated Payments

A recipient agency may submit a special request for a deviated payment, which is a request for more money than was actually spent in the month being reported. The reasons for this special request and a 12-month spending pattern shall be provided in writing to the awarding agency. A deviated payment will be approved only for extraordinary conditions.

12.3.2.2.3 NSIP Reimbursements

The NSIP reimbursements are based on expenditures reported on NSIP report form NSIP 105. The NSIP funds shall be used to cover expenditures for food purchased or related to the elderly nutrition program.

12.3.3 Obligation of Funds

Funds are obligated when there is a written contract to purchase goods or services. If the goods or services are to be purchased by contract, funds are obligated when that contract is signed by all participants. If the goods or services are not to be purchased from another agency, then the governing body obligates funds when it officially determines how the funds will be spent.

All funds for services shall be obligated within 90 days of receipt of the contract and award. This means that funds awarded to the area agency from the Bureau of Aging and Disability Resources (BADR) on January 1 should be obligated to grantee/providers by March 31 of any given contract year. Likewise, aging units should obligate funds to providers by March 31 of any given contract year. If the

provider provides direct services, the recipient should have an approved plan for expenditure of funds within 90 days of the effective date of the award.

If a grantee/provider has not completed plans for how awarded funds will be expended within 90 days of receiving the award, it must then notify the awarding agency in writing of the availability of these funds for re-obligation to other grantees/providers. The awarding agency will formally withdraw the funds from the grantee/provider and then has an additional 90 days to re-award the de-obligated funds.

In all cases, any change in the amount of the grant agreement/contract requires an amendment, a revised award and changes in service proposals or plans which are attachments to the agreement/contract.

12.3.4 Process of Closing out a Grant Agreement/Contract

12.3.4.1 Outstanding Obligations

All grantees/providers should submit allowable costs immediately after the end of the grant agreement/contract period, so that all payments allocable to that period can be paid promptly. All contracted services and activities must be provided or received by the last day of the grant agreement/contract period. Supplies and goods shall be ordered by the last day of the contract and must be received within a reasonable time period. This assumes a 90-day closeout on the grant agreement/contract with an end date of December 31.

If, at the end of a grant agreement/contract period, the grantee/provider has unreported allowable costs, the following applies.

12.3.4.1.1 Providers

All providers under grant agreement/contract shall pay outstanding obligations promptly and submit a final fiscal report to the awarding agency. All contracted funds not spent after all allowable costs are paid will be adjusted by the awarding agency from subsequent payments.

12.3.4.1.2 Aging Units

Aging units must pay allowable costs, reimburse contract providers within 75 days and submit a final fiscal report (Title III-B, Supportive Service, SS100; Title III C-1, Congregate Meals, CM110; etc.) to the awarding area agency by March 15. All contracted funds not spent after all allowable costs are paid will be adjusted by the awarding agency from subsequent payments.

12.3.4.1.3 Area Agencies

Area agencies shall pay all allowable costs and reimburse contract providers within 90 days of the year following the end of the grant agreement/contract period and submit a final fiscal report (Aging Expenditure Report 600d) to the DHS Division of Management and Technology by March 31. The Division of Management and Technology will adjust payments to actual expenditures through CARS. All unexpended funds will be returned to DHS through adjustments to subsequent CARS payments.

12.3.4.2 Final Reports

All final reports shall be dated and marked "final report." The timeline can be extended only with specific written approval of the awarding agency.

12.3.4.3 Other Procedures

12.3.4.3.1 Payment of Allowable Costs Following Closeout Period

If grantees/providers have not received and paid their allowable costs within the required agreement/contract closeout period, then they must receive written approval from the awarding agency to pay allowable costs after the closeout period. In this case the grantee/provider agency shall submit an amendment to the final report reflecting these changes.

12.3.4.3.2 Funds Remaining in Excess of Expenditures

At the time a final report is submitted, a grantee/provider agency may have received prepayments/reimbursements in excess of its reported expenditures.

In this case the awarding agency will provide instructions on final settlement. This could either be a check or an adjustment to subsequent payments.

Area agencies will return unspent grant agreement/contract funds to DHS based on adjustments in the contract. Unspent funds held by DHS become part of carryover following policies in Section **12.3.6** of this chapter.

In such a case, the amount to be re-awarded to the area agency will be based on the final reconciliation.

12.3.5 Forward Funding

Forward funding is not permitted.

Forward funding refers to the practice of obligating funds from one year that will be used for services and activities beginning in the following plan year and which may extend beyond the end of the following plan year.

12.3.6 Carryover

Carryover is the difference between the amount of money awarded to an area agency, an aging unit or a service provider for a given plan year and the allowable costs by that area agency, aging unit or service provider.

12.3.6.1 General

Carryover policies do not apply to two categories of money: program income and state funds. An exception is made for state funds to the Alzheimer's Family and Caregiver and Support Program. With that exception, state funds may never be carried over, and if not spent or obligated by the end of a grant agreement/contract year, shall be returned to the state.

Program income remaining at the end of an agreement/contract year is not considered carryover. Policies relating to program income are detailed in Section **12.5** of this chapter.

12.3.6.2 Causes of Carryover

Carryover may result from any or all of the following:

12.3.6.2.1 Actual Expenditures in Administrative Budget Categories Are Less Than Originally Estimated

An area agency or aging unit may expend less than originally anticipated for the development, administration and implementation of the plan.

Example: An aging unit budgeted $3,000 for printing. At the end of the year, it expended only $2,500. If the $500 difference has not been shifted to another budget category, the $500 may become part of the aging unit's carryover.

12.3.6.2.2 Funds Budgeted for the Support of Social Services that are Not Obligated by the End of the Plan Year

An area agency or an aging unit may fail to obligate some of the federal funds which it budgeted for services before the end of the plan year. This un-obligated amount may become part of the agency's carryover.

Example: An aging unit budgeted $5,000 federal dollars for personal care. By the end of the year, it has issued contracts to service providers amounting to $4,500. The remaining $500 may become part of the agency's carryover.

12.3.6.2.3 Obligated Funds that are Not Actually Expended Before the End of the Contract Period

An area agency or an aging unit provider may expend (or earn) less than the amount obligated to it during the period the contract is in effect. The unexpended amount at the time the contract is finished automatically becomes de-obligated and thus contributes to the area agency's or aging unit's total carryover.

Example: On January 1, an aging unit signed a 12-month contract with a transportation provider to provide rides for older persons at a cost of $2 per ride and with a maximum contract amount of $10,000. On December 31 of that year, the provider reports giving 4,000 rides during the year and has billed the aging unit $8,000.

The unexpended $2,000 contract balance is automatically de-obligated and becomes carryover.

12.3.6.3 Determination of Carryover

12.3.6.3.1 Basis for Determination

An area agency's or aging unit's carryover for a particular plan year cannot be determined until after the submission of the area agency's final fiscal report by March 15 of the following year. Any changes made after that date can be made as post-audit adjustments.

12.3.6.3.2 Skip-Year Carryover

Skip-year carryover provides a full year for an agency to complete and resolve the audit of the recipient's fiscal records in order to verify the amount of carryover.

Therefore carryover will not be awarded the year immediately after it was generated but will be awarded the second year after it is generated. For example, carryover generated in plan year 2003 will be awarded for plan year 2005. Alzheimer's Family and Caregiver Support Program (state funding) does not have a skip year. Underspent funds in plan year 2003 will be awarded in plan year 2004.

Unexpended agreement/contract funds for service providers, aging units, or area agencies will be adjusted by CARS and returned to DHS until they are re-awarded as carryover.

12.3.6.3.3 Amount of Carryover

Policies governing carryover allowances for Older Americans Act and selected state aging funds follows. Providers for aging units and area agencies will not be re-awarded carryover for unexpended contract funds.

Title III-B
Aging units will be re-awarded up to 10 percent of the total Title III-B supportive services (all federal) allocation for a given year (the base allocation plus any supplement).

Example: If the total Title III-B allocation to an aging unit is $30,000 and the carryover balance is $4,000, the aging unit will be re-awarded $3,000 or 10 percent of $30,000. The remaining $1,000 will be returned to DHS.

If more than 10 percent of an aging unit's contract remains unexpended, that amount will be retained by DHS until it is re-awarded to the area agency. In the above example the area agency would receive 15 percent of the $1,000, or $150; the remaining $850 would be divided equally among the area agencies to be used for legal services or advocacy.

Title III-C-1 / State / Indian Gaming
There is no carryover allowance for Title III-C-1 / State / Indian Gaming nutrition funds because when a congregate nutrition program does not spend at the authorized level, it is assumed that the unused funds are Indian gaming funds first and then state funds and unexpended funds will be returned to the state general fund.

Title III-C-2 / State / Indian Gaming
There is no carryover allowance for Title III-C-2 / State / Indian Gaming home-delivered-meal nutrition funds because when a home-

delivered-meal program does not spend at the authorized level, it is assumed that the unused funds are Indian gaming funds first and then state funds and will be returned to the state general fund.

Title III-D
Aging units will be re-awarded up to 10 percent of the total Title III-D preventive health allocation for a given year (the base allocation plus any supplement).

If more than 10 percent of an aging unit's contract remains unexpended, that amount will be retained by DHS and re-awarded to the awarding area agency for special Title III-D projects.

Title III-E
The carryover policy for Title III-E National Family Caregiver Support Program is the same as for Title III-D.

12.3.6.3.4 Notification of Carryover Amount

The awarding agency will notify its grantee agencies of carryover available for the next plan year upon completion and resolution of the grantee's audits. If so required, a grantee shall indicate how carryover funds will be spent through a plan or plan amendment.

12.3.7 Non-Supplanting Requirements

Federal or state funds shall not be used to supplant other federal, state or local funds.

As part of grant agreements/contracts signed by aging units and providers, area agencies and aging units should rely on written certifications stating that federal and state funds have not been used in place of local funds that would be available for aging programs if federal and state aid was not available.

Where the certification cannot be made and there is a reduced local investment in aging programs, there shall be an explanation demonstrating that the recipient's reduced commitment would have been necessary even if federal or state financial support had not been made available.

Grant agreements/contracts containing such certifications shall be held on file by area agencies and aging units for purposes of audit. Any certifications involving special explanations shall be forwarded to the Bureau of Aging and Disability Resources for information purposes within a reasonable period after receipt.

Recipient records in support of the certifications shall contain estimates of total funds made available annually for aging programs for the year of certification and shall identify the source or basis for such estimates.

The Older Americans Act requires that a minimum of 5 percent of Title III-B supportive services funds be used for the benefit specialist program. If Title III-B or state benefit specialist funding increases, the amount of local support cannot be decreased.

The Older Americans Act also has a non-supplanting rule for Title III-E funding. An agency may not supplant any federal, state or local funds used to support caregivers as of November 12, 2000.

12.3.8 Taxes

Older Americans Act programs and state aging programs shall comply with all federal and state laws regarding taxes. In most cases this simply means compliance with payroll taxes.

When an agency sells property or establishes a store for the sale of materials, such as a craft shop, the agency must comply with sales tax laws. Further information may be obtained from the following source:

Wisconsin Department of Revenue
Income, Sales, Inheritance and Excise Tax Division
125 South Webster
P.O. Box 8933
Madison, WI 53708-8933
(608) 266-1911

12.3.9 Allowable Cost Policies

The federal and state governments have developed regulations on program costs which may be paid for with federal and state funds (allowable costs) and program costs which cannot be paid for with federal and state funds (unallowable costs). A condition of every grant agreement/contract made by the Bureau of Aging and Disability Resources, area agencies, aging units and providers is that the standards and principles prescribed by the Federal Department of Health and Human Services (HHS) and the Wisconsin Department of Health Services (DHS) are met. The Allowable Cost Policy Manual can be found in **Appendix F** of this manual or online at the following web address:
http://www.dhs.wisconsin.gov/grants/administration/allowablecost/allowcost.HTM

12.3.10 Circular No. A-87

This circular establishes principles and standards for determining costs for federal awards carried out through grants, cost-reimbursement contracts, and other agreements with state and local governments and federally recognized

Indian tribal governments (governmental units). Circular A-87 can be found in **Appendix G** of this manual or online at the following web address:
http://www.whitehouse.gov/omb/circulars%5Fa087%5F2004/

12.3.11 Circular No. A-122

This circular establishes principles for determining costs of grants, contracts and other agreements with non-profit organizations. The principles are designed to provide that the federal government bear its fair share of costs except where restricted or prohibited by law. The principles do not attempt to prescribe the extent of cost sharing or matching on grants, contracts, or other agreements. However, such cost sharing or matching shall not be accomplished through arbitrary limitations on individual cost elements by federal agencies. Provision for profit or other increment above cost is outside the scope of this circular. Circular A-122 can be found in **Appendix H** of this manual or online at the following web address:
http://www.whitehouse.gov/omb/circulars%5Fa122%5F2004/

12.3.12 Cost Allocation

The total cost of a grant program is comprised of the following:

- allowable direct costs incident to its performance, plus
- its allocable portion of allocated and indirect costs, minus
- applicable credits

Direct costs, allocated costs, and indirect costs are defined in the following way:

12.3.12.1 Direct Costs

A direct cost is any cost that can be identified with a particular program or cost objective. For example, the entire salary of an individual who spends all of his or her time working on a single program can be charged as a direct cost to that program.

12.3.12.2 Allocated Costs

A direct cost can directly benefit more than one program or function and can therefore be allocated (or charged) to the benefiting programs or functions on some reasonable and equitable basis. For example, an individual spends time working on a number of different programs that the agency operates. Salary and related fringe benefits can be charged to the respective programs based on the number of hours reported to each program on employee timesheets.

12.3.12.3 Indirect Costs

Indirect costs are those costs that are incurred by an agency that are not readily chargeable to a particular program or function, but benefit all programs and functions operated by the agency. Indirect costs are

necessary to the overall operation of the agency, but a direct relationship to a specific program cannot be shown. An example of an indirect cost is the salary and related fringe benefits paid to the agency's accounting staff or the executive director. Generally, these kinds of costs are identified, pooled, and charged against individual programs or funding sources using a rate designed to recover the costs.

The same type of cost may be a direct cost in one agency and an indirect cost in another agency, because each agency has to determine for itself which costs are direct, which are indirect and how these costs can best be allocated to the benefiting programs. However, an agency shall treat each item of its costs consistently as a direct, allocated or indirect cost. Also, as noted under the general criteria, a cost may not be assigned to a program as a direct cost if under the same circumstances a cost has been charged to a program as an allocated or indirect cost.

Direct costs shall be claimed, whenever possible, based on the nature of the costs and the accounting system in place. When indirect costs are charged, they shall be accumulated by logical cost groupings and distributed equitably to all programs or functions of the agency using a rate designed to recover the costs of the pool established through the indirect cost plan. Costs shall not be charged to programs based on funds available or revenues received. The basis used shall be an equitable measure of the extent to which the cost incurred actually benefited the program to which it is charged. For example, the square footage of a building used by the various programs operated by the agency is an equitable basis to allocate the total rent or utility costs incurred by the agency. Costs that are part of the agency's indirect cost pool must not duplicate any costs that are charged directly, and total costs charged may not exceed the actual costs incurred.

General departmental policies governing the allowance of allocated direct and indirect costs are as follows:

12.3.12.4 County Agencies

Indirect costs for county agencies are allowable if the county develops and retains on file an approved countywide indirect cost allocation plan. Both plans shall be in accordance with the requirements of OMB Circular A-87. Cost principles for state and local governments must be reviewed by the county's independent auditor as a part of the annual single audit.

12.3.12.5 Tribal Governments

Indirect costs for the tribal governments are allowable based on the receipt of an approved indirect cost rate that has been negotiated with the United States Department of Interior's Office of Inspector General and is included

in the departmental/tribal contract. Any allocated cost shall be supported by a cost-allocation plan.

12.3.12.6 Other Agencies

Indirect costs for other agencies, such as non-profit organizations, for-profit businesses, local units of government (other than counties) and educational institutions, shall be reasonable; shall be documented in writing in an agency-wide, cost-allocation plan and an agency-wide indirect-cost plan; and shall be allocated in a manner consistent with the above plans. These plans shall be in accordance with the requirements of the applicable federal cost principles and shall be reviewed by the agency's independent auditor as a part of the annual audit.

12.4 Matching Share Requirements

Most state and federal funds may not be used to pay the entire cost of authorized programs and activities. In order to ensure that local agencies provide some support for activities that receive federal and state money, a prescribed formula is established. The grantee/provider portion of the cost is called the matching, non-federal or local share.

Title III-B, C and D require a matching share of 15 percent; and Title III-E has a 25 percent matching share requirement. The state contributes 5 percent of the matching share for grants to CAU's/TAU's for Title III-B, C and D and the CAU's/TAU's are responsible for 10 percent of the matching share. The CAU's are responsible for the entire 25 percent matching share for Title III-E. Area agencies on aging are responsible for the 25 percent matching share on administration funds from Title III.

Excess matching shares should be reported by the counties and tribes for any funds that require a matching share. It is easier to substitute excess matching share during audit resolution if some of the grant fund expenditures are disallowed during the annual audit.

12.4.1 Types of Matching Share Resources

Either cash or in-kind contributions of goods, facilities, services or combinations of these can qualify for and meet matching share requirements.

The Bureau of Aging and Disability Resources prefers and encourages programs to meet the required matching share with cash (cash match can include appropriated funds that are transferred through bookkeeping procedures, although no money is physically transferred).

12.4.1.1 Cash Match

Cash match refers to cash contributed by the grantee, as well as money contributed by third parties such as local governments, participants and providers.

12.4.1.2 In-Kind Match

In-kind match represents the value of goods or services contributed by the grantee or by third parties to support program activities for which the project would expend cash if not donated. In-kind contributions include the estimated value of donated goods and services and volunteer time, which directly benefit and are specifically related to federal or state-supported activities. The value of property acquired in whole or in part with federal or state funds may not be donated as an in-kind match. In-kind match should be recorded in the general ledger by journal entry. (See Section **12.4.4** of this chapter for details on in-kind match.)

12.4.2 Acceptable Match

All contributions from local sources, whether cash or in-kind, will be accepted as a match when such contributions do all of the following:

(1) are fully documented in agency records
(2) are not used as a match for any other federal or state grant
(3) are necessary for appropriate and proper agency activities
(4) are contributed (expended) only to cover allowable costs of the program (see allowable costs in **Appendix F** of this manual)
(5) are not program income generated by the use of aging funds
(6) are not federal funds or purchased with federal funds (except community development block grant funds), when matching other federal funds
(7) are not state funds or purchased with state funds, when matching other state funds

12.4.3 Match as Related to Other Programs

Costs used as in-kind or cash match for other federal programs may not be charged as matching contributions under Older Americans Act programs.

This does not preclude prorating or dividing match among more than one federal program.

Federal funds received under the Community Development Block Grant program may be used to match Title-III awards. However, recipients may not use federal funds, or goods purchased with federal funds, to provide the required matching share for Title-III funds. Likewise, state money, or goods purchased with state funds, may not be used to match other state funds.

12.4.4 In-Kind Match

12.4.4.1 In-Kind Match Guidelines

(1) In-kind match shall be valued at the actual cost that the program would pay for the goods or services if they were purchased by the program.
(2) In-kind goods or services shall be directly related to the funded activity. For example, volunteer labor for painting a senior center can be classified as match for center renovation funds, but not be classified as a match for center program funds.
(3) If goods or services are purchased at a reduced price, the difference between the full cost of the goods or services and the reduced purchase price cannot be considered a match.

12.4.4.2 Valuation of Donated Goods or Voluntary Services

Goods or property donated by private organizations may be counted as matching contributions to program costs if they do all of the following:

(1) are necessary for project purposes
(2) involve a fair valuation
(3) either will be consumed or have their useful life fully expended in project use, or the grantee/provider agency is given permanent title to the property

The value of services voluntarily given to a project by private businesses, agencies, associations, or firms which commercially perform the services donated may be counted as a matching contribution. The services donated must be necessary for the performance of the program and shall be valued at the costs to the donor who performed the service.

Extracurricular services, those lying outside the donor's regular duties or routine, voluntarily provided by organizations, individuals or groups of individuals may be valued only at the cost associated with purchase of the service being provided.

For example, if a lawyer donated time as a volunteer driver, the rate that the program may use to value the service is $5.15 an hour for a driver's time, not $100 an hour for a lawyer's time.

12.4.5 Matching Share Formula

Depending on the funding source from which an award is made, one of the following statutory ratios applies in determining the amount of matching share required.

12.4.5.1 Match Requirements for Older Americans Act Funds (Title III-B, Title III-C-1/State/Indian Gaming, Title III-C-2/State/Indian Gaming, Title III-D)

The Older Americans Act (OAA), as amended, provides that the matching share is one (1) dollar of cash or in-kind match for every nine (9) dollars of service and nutrition money. In other words, 10 percent of the combined federal, state, and local costs of the project must be matched. The state nutrition money which is provided for congregate nutrition services along with OAA funds requires the same ratio of match.

For example, if a grantee/provider has a program with a total cost of $10,000, the recipient would request $9,000 (90 percent) in federal funds and the matching share would be $1,000 (10 percent).

Total costs of program	$ 10,000	
Matching share (10 percent)	x .10	
	$ 1,000	Matching share

Total costs of program	$ 10,000	
Federal/state share (90 percent)	x .90	
	$ 9,000	Federal share

Matching share (10 percent)	$ 1,000
+ Federal share (90 percent)	+ $ 9,000
Total program costs	$ 10,000

From a different perspective, if a grantee/provider knows the amount of federal money available to the project and is developing a budget using that figure, the following process is used to determine the amount of matching share needed:

$ 9,000	Federal funds
÷ 9	Divided by 9
$ 1,000	Matching share

The matching share may be cash, in-kind or a combination of both.

Aging units are responsible for the match contributions for their allocation of state and federal money. The Bureau of Aging and Disability Resources recommends that these match requirements be passed on to all service providers supported by the aging unit.

12.4.5.2 Match Requirements for Title III-E National Family Caregiver Support Program and Area Agency Administration Funds

The only exception to the 90/10 match requirement for Title III of the act is the match requirement for funds used for Title III-E National Family Caregiver Support Program and administration by the area agency. The match requirement for this use of funds is 25 percent or one (1) match dollar for every three (3) federal dollars. For example, if the CAU uses $3,000 of federal money for Title III-E, the match requirement is $1,000 for a total cost of $4,000.

Total costs	$ 4,000	
Federal share (75 percent)	x .75	
	$ 3,000	Federal share
Total costs	$ 4,000	
Matching share (25 percent)	x .25	
	$ 1,000	Matching share
Matching share (25 percent)	$ 1,000	
+ Federal share (75 percent)	+ $ 3,000	
Total program costs	$ 4,000	
	$ 3,000	Federal funds
	÷ 3	Divided by 3
	$ 1,000	Matching share

The matching or non-federal share may be cash or in-kind or a combination of both.

12.4.5.3 Match Requirements for State Funds (Elderly Benefit Specialist Program, Senior Community Services Program and State Supplemental Funds for ACTION-Designated Volunteer Agencies)

Similar to federal Title III funds, the state funds for the EBS program, Senior Community Service Program and the state supplemental funds for ACTION-designated volunteer agencies require one (1) match dollar for every nine (9) state dollars. State and federal funds may not be used as a match for these programs.

12.4.6 Records of Match

Complete records shall be maintained showing the amount of the match and the hours and date of the contributions. These records are subject to audit and inspection in the same manner and to the same extent as books and records

dealing with the receipt and disposition of award funds. In-kind match should be recorded in the general ledger by journal entry.

The Bureau of Aging and Disability Resources will monitor its grantee's records relating to matching share requirements and area agencies will monitor the records of aging units. Such records shall be available to authorized state and area agency officials upon request.

12.4.7 Timing of Match

During the first months of program operation, the grantee/provider may spend a greater proportion of its matching funds to meet program expenditures than may be required, or it may spend a larger proportion of its award funds. However, the full grantee/provider matching share shall be generated and expended by the end of the grant agreement/contract period for which the match was required.

12.4.8 Failure to Obtain Match

A grantee/provider legally cannot use award funds without meeting the minimum match requirement. If at the end of the grant agreement/contract period, less match money has been generated and spent than required, the award will be reduced so that the award share does not exceed the statutory limit. The awarding agency may reduce the reimbursement amount so that it does not forward funds in excess of the amount for which there is match, or if the grantee/provider has received the full award, it may be required to return award funds that did not meet the match requirement.

12.5 Program and Interest Income

12.5.1 Program Income

12.5.1.1 Definition

Program income means gross income earned by a grantee/provider from activities which are partially or fully paid for by a grant agreement or contract.

It includes, but is not limited to, income obtained from donations, interest income or contributions for services performed during the grant agreement/contract period, proceeds from the sale of tangible personal or real property, usage or rental fees and patent or copyright royalties.

However, when such revenues are specifically earmarked for the program in accordance with the terms of the agreement/contract, the receipt and expenditure of such revenues shall be recorded as program income expenditures used for the program.

Revenues raised by a government grantee/provider under its governing powers, such as taxes, special assessments, levies and fines are not considered program income.

12.5.1.2 Use of Program Income

(1) Program income shall be spent on the program which generated the income or can be used for administration if additional staff is added.
(2) Program income shall be used to expand or improve the program which generated the income or to maintain the program at an expanded level.
(3) Program income in the form of gifts and donations may be given for a specific purpose that will improve the program which generated the income. Such donations shall be so designated by the governing body, shall be considered trust assets, and cannot be used as expenditure offset or lapsed.
(4) By written action of the policy-making body of the aging unit, program income may be placed in a restricted fund as a trust asset for a designated purpose (e.g., for a future capital expenditure, for a contingency fund, or for the expansion or improvement of the program). Program income may only be restricted if the following conditions are met:
    (A) The restricted fund will be used to maintain, improve or expand the program which originally generated the program income.
    (B) The restriction of funds will not reduce the current level of service.
    (C) The restriction shall have a definite end date (1-3 years is preferred).
    (D) The purpose and timeline for expenditure of the restricted funds is incorporated as amendments into the aging unit's three-year plan and annual budget.
    (E) An aging unit shall request and receive the written approval of the area agency prior to placing program income in a restricted fund. The area agency shall monitor the fund.
    (F) All expenditures made from program income are subject to the same allowable cost criteria as the award funds.
    (G) Program income shall not be considered or used as a matching contribution.
    (H) Another reference resource for program income is located here: http://frwebgate.access.gpo.gov/cgi-bin/get-cfr.cgi?TITLE=45&PART=74&SECTION=24&YEAR=2001&TYPE=TEXT

12.5.1.3 Time Period for Spending Program Income

(1) Program income should be reported and spent within the contract year that it is generated. Program income that is unspent at the end of a contract year may be carried into the next contract year for a period not to exceed 60 days.
(2) Program income generated during the prior contract year, unless restricted under Section **12.5.1.2** of this chapter, shall be spent before current year federal and state funds are disbursed.

12.5.1.4 Requirements Governing Contributions for Older Americans Act-Funded Services

Older Americans Act regulations (45 CFR, s. 1321.67) require service providers to do all of the following:

(1) provide each older person with a free and voluntary opportunity to contribute to the cost of the service
(2) protect the privacy of each older person with respect to his or her contribution
(3) establish appropriate procedures to safeguard and account for all contributions
(4) use all contributions to expand the services of the provider

12.5.1.5 Policies on Contributions

The opportunity to contribute to services is important both to maintaining the dignity of individual older persons and to increasing the resources available to aging programs. In view of this, the Bureau of Aging and Disability Resources urges area agencies, aging units and service providers to give careful consideration to the manner and method by which they fulfill this requirement.

12.5.1.5.1 Discretion of the Recipient

Each individual shall be allowed to determine what he or she is able to contribute toward the cost of a service received. No person may be denied a service or in any way penalized for his inability or failure to contribute.

12.5.1.5.2 Suggested Contribution Schedule

Each service provider may develop a suggested contribution schedule for services.

In developing a contribution schedule, the provider shall consider the income ranges of older persons in the community and the provider's other sources of income.

12.5.1.5.3 Non-Differentiation

Regard for dignity not only entails an opportunity to contribute by persons who are able, but also freedom from embarrassment for those who cannot. Accordingly, the methods for receiving contributions shall be handled in a manner that does not publicly differentiate between differing individual contributions.

12.5.1.5.4 Area Agency and Aging Unit Responsibilities for Contributions

Area agencies and aging units are responsible for providing the assistance and supervision needed to ensure that service deliverers under the area or aging unit plans provide an opportunity for contributions in accord with the policies set forth above.

12.5.2 Interest Income

Interest income shall be accounted for and disposed of as program income. Federal directives require that interest income be reported on fiscal reports and be identified and accounted for separately.

The use or disposition of interest income shall be clearly documented. The same policies which govern the funds from which the interest income was generated govern the use of the interest income.

12.6 Fiscal Management Procedures

12.6.1 General

Grantees/providers administering aging programs shall establish and maintain suitable accounting systems through which compliance with fiscal requirements of aging program funds can be verified. Audits of awards will be made and, unless generally accepted accounting principles (GAAP) have been followed these audits may result in the disallowance of expenditures. In such an instance, the recipient shall find funds, other than award funds, to pay for the expenditures.

12.6.2 Standards for Financial Management Systems

The Bureau of Aging and Disability Resources' minimum standards for the financial management of area agencies and aging units are based on those developed by the federal Department of Health and Human Services, Office of Human Development as published in 45 CFR 1234.20 (http://www.access.gpo.gov/nara/cfr/waisidx%5F02/45cfr1234%5F02.html), the HHS grants administration manual (http://www.hhs.gov/grantsnet/adminis/gam/gamanual.htm),

and the Financial Management Handbook for Human Service Agencies by the Wisconsin Department of Health Services (http://www.dhs.wisconsin.gov/Grants/Administration/OtherCAResources/CAResources.htm).
These standards require area agencies and aging units to establish and maintain financial management systems which include the following elements.

12.6.2.1 Fund Categories

Accurate, current and complete disclosure of the financial results of the following funding categories shall be maintained in accordance with federal reporting requirements, as follows:

- federal sources: Titles III-B, III-C-1, III-C-2, III-D, III-E, V and VII
- state sources
- NSIP
- program income
- interest income
- matching resources including state, cash and in-kind
- other resources

There shall also be separate accounting for area agency administration.

12.6.2.2 Fund Subcategories

Accounting shall be made for services within Titles III-B, III-C, III-D and III-E according to the following subcategories:

12.6.2.2.1 Title III-B (Supportive Services and Senior Centers), Section 321 of Older Americans Act

(1) Administration
(2) Personal Care
(3) Homemaker
(4) Chore
(5) Home-Delivered Meals
(6) Adult Day Care
(7) Case Management
(8) Congregate Meals
(9) Nutrition Services
(10) Assisted Transportation
(11) Transportation
(12) Legal/Benefit Specialist
(13) Nutrition Education
(14) Information and Assistance
(15) Outreach
(16) Public Information

(17) Counseling/Support Groups/Training
(18) Temporary Respite
(19) Medication Management/Screening/Education
(20) Advocacy/Leadership Development
(21) Other

County aging units shall use 5 percent of their base Title III-B allocation for benefit assistance. If a county aging unit has used more than 5 percent of the Title III-B base for benefit assistance they may not drop below that level.

12.6.2.2.2 Title III-C (Nutrition Services), Sections 331 and 336 of Older Americans Act

(5) Home-Delivered Meals
(8) Congregate Meals
(9) Nutrition Counseling
(10) Assisted Transportation
(11) Transportation
(13) Nutrition Education
(14) Information and Assistance
(15) Outreach
(16) Public Information
(21) Other

Home-delivered-meal funds cannot be used for congregate nutrition.

12.6.2.2.3 Title III-D (Preventive Health), Section 361 of Older Americans Act

(9) Nutrition Counseling
(14) Information and Assistance
(16) Public Information
(17) Counseling & Training
(19) Medication Management/Screening/Education
(21) Other

Health promotion funding guidelines require that approximately 24 percent of the gross funding shall be used for medication management, screening and education to prevent incorrect medication and adverse drug reactions.

12.6.2.2.4 Title III-E (National Family Caregiver Support Program), Section 371 of Older Americans Act

(2) Personal Care

(3) Homemaker
(4) Chore
(6) Adult Day Care
(7) Case Management
(9) Nutrition Counseling
(10) Assisted Transportation
(11) Transportation
(14) Information and Assistance
(15) Outreach
(16) Information
(17) Counseling & Training
(18) Temporary Respite
(19) Medication Management/Screening/Education
(21) Other

A brief description of each expenditure category is provided in Section **12.14.7.2** of this chapter.

12.6.2.3 Financial Records

Records shall be maintained which adequately identify the source and application of funds for agreement/contract-supported activities.

These records shall contain information pertaining to authorization, obligations, un-obligated balances, assets, liabilities, outlays and income. This information may be maintained directly in the books of account or in a series of subsidiary cost ledgers or records.

12.6.2.4 Internal Control

Effective control shall be maintained over, and accountability for, all program funds and personal property acquired for program use. This standard implements a requirement for a sound structure of internal control.

By definition, internal control includes all organizational means (operating controls, accounting controls, and compliance controls) adopted by the agency to safeguard its assets and ensure the reliability of accounting data and compliance with management policies and grant agreement/contract requirements.

These controls are explained further in Section **12.6.3.4** of this chapter.

12.6.2.5 Comparison of Budgets to Expenditures

Comparison of actual versus budgeted amounts for each program shall be conducted. When required, the agency shall relate financial information to performance data. This requirement essentially links an agency's financial management and management information systems.

12.6.2.6 Time Between Receipt and Reimbursement

Procedures shall be adopted to minimize the time between the receipt of funds from the awarding agency and the disbursement of those funds to the recipient agency.

12.6.2.7 Allowable and Allocable Costs

Procedures shall be utilized for determining the reasonable, allowable, and allocable costs in accordance with applicable cost principles. Allowable costs shall conform to OMB Circular A-122/, 45 CFR 74.27 Subpart C and to **Appendix F** (Allowable Costs Policy) of this manual.

12.6.2.8 Source Documentation

Accounting records which are supported by source documentation shall be maintained.

Adequate documentation may include all records (such as requests for proposal [RFP's], contracts, competitive bids, purchase orders) to establish legal obligations, staff time and attendance records, records or logs of activity (such as trip reports), delivery receipts or invoices and approvals of salary increases, travel prepayments, check requests, requests for contracts (RFC's), and other processing and payment documents, including vouchers and canceled checks.

12.6.2.9 Audits

Audits which analyze the fiscal and compliance integrity of grant recipients shall be performed by an independent certified public accountant (CPA) per OMB Circular A-133. Area agencies and aging units shall budget for and conduct annual audits as prescribed by OMB Circular A-133. The OPRA web site is a great reference for information on audits, including selecting an auditor (http://www.dhs.wisconsin.gov/GRANTS).

(See Section **12.8** of this chapter.)

Financial records shall be designed and maintained in order to observe a system of audit trails. Audit trails permit tracing financial statement balances through the agency's general ledger and any subsidiary ledgers, through the books of original entry, through the recording of the original accounting transactions, and then to their supporting documentation. This feature improves the control of the system and the internal or external review of reported financial transactions.

12.6.3 Accounting and Fiscal Practices

All recipients of aging grant agreement/contract funds shall comply with generally accepted accounting principles.

12.6.3.1 Account Structure

Accounting systems involve a series of operations relating to the classification, recording, summarizing and reporting of transactions performed. The financial management system used by the aging network shall include all of the following:

(1) a chart of accounts
(2) uniform accounting records (general ledger, general journal, cash receipts journal, cash disbursements journal, payroll journal, subsidiary ledger for subcontracts, in-kind journal)
(3) source documents (such as invoices, receipts, and canceled checks)
(4) a uniform financial reporting system
(5) uniform subgranting and contracting procedures
(6) an accounting manual/procedure that prescribes the manner in which financial management operations are performed
(7) an audit review procedure
(8) a fiscal review procedure

12.6.3.2 Double-Entry Bookkeeping

Area agencies and aging units shall establish and maintain a double-entry bookkeeping system. Aging units should use the county's or tribe's bookkeeping system and should maintain fiscal books in their own office if the county or tribal system does not perform all functions prescribed herein. Aging unit books of account should be reconciled monthly to the county or tribal clerk's records. This will enable the aging unit to always know its financial status as well as maintain internal control and the ability to satisfy federal and state reporting requirements.

12.6.3.3 Modified Accrual Basis of Accounting

Area agencies, aging units, and their grantees/providers are required to maintain a modified accrual system of accounting as a minimum. Aging units organized as non-profit corporations should maintain a full accrual system of accounting.

Area agency and aging unit awards are generally written for 12-month calendar-year periods. The calendar year should be adopted as the fiscal year for grant and contract accounting purposes.

12.6.3.3.1 Cash Versus Accrual Accounting

(1) The cash basis of accounting recognizes transactions only in which cash changes hands. This is the least desirable accounting method for financial transactions.
(2) The accrual basis of accounting requires that revenue be recorded in the accounting records when it is earned and

expenses be recorded when they are incurred. The accrual basis of accounting not only recognizes actual cash transactions, but also potential cash transactions associated with services delivered but not yet reimbursed and with liabilities incurred but not yet paid.

(3) The modified-accrual basis of accounting requires revenue to be recognized when it is available and measurable to finance expenditures of the current period. Expenditures are recognized when measurable and will be liquidated with current resources. Generally, the goods must be received or the services must be performed.

Program income donations from participants and non-federal in-kind match receipts are recorded on a cash basis when received and are not accrued at year end.

12.6.3.3.2 Payment of Outstanding Accounts

Service providers are required to pay all outstanding accounts payable promptly after the end of the fiscal year; submit a final financial report, and return any unearned revenues to the awarding aging unit. Aging units are required to pay all outstanding accounts payable in a timely manner after the end of the fiscal year and to submit a final financial report as directed by the area agency. The area agency will specify how unearned revenues are to be returned.

Area agencies are required to pay outstanding accounts payable in a timely manner after the end of the fiscal year and to submit a final financial report as required by the contract, reflecting the area agency's and subcontracted aging unit's fiscal status as a whole.

12.6.3.4 Internal Control

The accounting system shall be integrated with an adequate system of internal controls to safeguard funds and assets covered, to check the accuracy and reliability of accounting data, to promote operational efficiency and to encourage adherence to prescribed management policies.

Area agencies, aging units and providers shall establish and maintain internal control over resources through operating, accounting and compliance controls.

12.6.3.4.1 Operating Controls

Operating controls include all of the following:

(1) organizational charts and responsibility assignments for each functional activity of the agency

(2) budgeting system to keep track of expenditures and programmatic achievement of goals
(3) financial reporting and management information system to appraise managers of program performance
(4) financial reporting and management information system to account for or maintain secure custody of all documentation
(5) systems to ensure compliance with grant agreement/contract terms and conditions and other state and federal conditions

12.6.3.4.2 Accounting Controls

Accounting controls include all of the following:
(1) segregation of accounting duties to ensure that single employees do not authorize, execute and approve transactions
(2) authorization thresholds and limits to ensure that funds are expended by authorized personnel
(3) timely review of financial activity and an audit of area agencies and aging units every year

12.6.3.4.3 Compliance Controls

Compliance controls include all of the following:

(1) formal management reviews and assessments of performance against the award goals, standards, terms and conditions
(2) controls to ensure service accessibility and actual service to eligible and highest-priority clientele
(3) safeguards to ensure adherence to matching and maintenance-of-effort requirements
(4) adequacy of needs assessment and linkage of findings with project funding priorities

The Financial Handbook for Human Services Agencies has reference material for internal control. See Section **12.10** of this chapter and **Appendix F** of this manual.

12.6.3.5 Unearned Income

Prepayments received from all funding sources in excess of net reimbursable expenditures shall be set up as a liability to the funding source and not lapsed to the unrestricted fund. Therefore unearned revenue will not lapse at the close of the year.

12.6.3.6 Depreciation

12.6.3.6.1 Equipment and Other Capital Expenditures

Equipment and other capital expenditures with an acquisition cost of $5,000 or less may be expensed at the time of purchase. Except as provided under Section **12.6.3.6.2** (Equipment and Other Capital Expenditures Exempt from Depreciation Requirements) of this chapter, in general, the cost of equipment and other capital expenditures with an acquisition cost exceeding $5,000 is to be recovered through use of depreciation or allowances. (See the federal cost principles for a full discussion of the allowability of depreciation and use allowances.) However, under certain circumstances not already described under Section **12.6.3.6.2** of this chapter, and only with a written waiver from DHS obtained prior to making the purchase, equipment and other capital expenditures with an acquisition cost exceeding $5,000 can be expensed at the time of purchase. In keeping with the policy that costs cannot be charged to programs more than once, depreciation associated with equipment that was expensed at the time of purchase is not allowable for reimbursement.

12.6.3.6.2 Equipment and Other Capital Expenditures Exempt from Depreciation Requirements

An expenditure on equipment or another capital item which exceeds $5,000 and meets the following criteria does not need to be depreciated. Expenditures can be expensed at the time of purchase if the equipment or capital item does all of the following:

(1) is for the exclusive benefit of an eligible client in need of assistance to live independently in the community
(2) is owned and controlled by the client or by the family or guardian of the client who is intended to benefit from the purchase
(3) does not become part of the purchasing agency's assets

Examples of the types of equipment or other capital expenditures over $5,000 which can be expensed at the time or purchase include the following:

(1) the purchase or significant retrofit of a wheelchair
(2) construction of a wheelchair ramp to allow access to a client's home
(3) remodeling of a client's kitchen or bathroom to allow a client to live independently in the community

The Area Agency on Aging of Dane County and the Milwaukee County Department on Aging should submit their depreciation waiver requests to their regional office. Other county aging units and tribal aging units should submit their depreciation waiver requests to the area agency on aging (AAA) in their planning and service area.

12.6.3.7 Investments

Any payments of monies from the state shall be deposited in a bank with Federal Deposit Insurance Corporation (FDIC) insurance coverage. Any balance exceeding FDIC coverage shall be collaterally secured.

Due to the normal flow of federal and state funds between the state, area agencies and other non-profit organizations, area agencies and other non-profit organizations regularly have excess funds available for investment. Investments have been an important method for county aging units, tribal aging units, area agencies and other non-profit organizations to generate additional income for programs and operations.

The law allows county aging units, tribal aging units, area agencies and other non-profit organizations to engage in financial transactions in a public depository. A public depository is defined in Wisconsin State Statues 34.01(5) as a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, federal or state savings bank, or national bank in this state which receives or holds any public deposits.

It is imperative to first preserve the principal and to then achieve a reasonable rate of return. A guide to the type of investments that meet the above guidelines are found in Wisconsin State Statutes 66.0603 (Investments for Municipalities). Investments should be short-term and not obligate funds for time periods of several years as the statute allows. In the interest of preserving liquidity, a maximum investment period of one year is recommended.

12.7 Records and Reporting

12.7.1 Time Frame for the Retention of Records

12.7.1.1 Three-Year Retention of Records

Financial records, supporting documents, statistical records, correspondence and any other reports, documents, or material pertinent to the federal- and state-funded operations of the agency shall be retained for at least three years after all of the following are completed:

(1) the final payment is made under the grant agreement/contract
(2) audits are completed from the date of the submission of the quarterly or annual financial report
(3) all known pending matters have been closed

The recipient may dispose of records only with the awarding agency's written authorization.

12.7.1.2 Extended Retention of Records

Agencies are required to retain their records for longer than the routine three-year period in the following instances.

12.7.1.2.1 Audits, Litigations, and Other Actions

Any and all records dating from a fiscal period which has not been subject to a complete and satisfactorily resolved audit shall be retained until such an audit is performed and resolved. This applies to records that are more than three years old.

If litigation or other action involving the records is started before the end of the three-year period, the records shall be retained until all issues arising out of the action are resolved.

12.7.1.2.2 Property

Where an agency has acquired equipment with Title III or other federal and state funds, the records relating to such property shall be kept for at least three years after the final sale or disposition of the property.

12.7.1.2.3 Payroll

Some payroll records may need to be permanent. Use the Department of Administration's web site on records retention for detailed information (http://www.doa.wi.gov).

12.7.1.2.4 Title III Records

Area agencies and aging units shall retain grant records for three years from the date the Bureau of Aging and Disability Resources submits a final expenditure report for each grant award to the federal Administration on Aging.

For example, if the Bureau of Aging and Disability Resources submitted a final fiscal year 2000 report on December 31, 2002, area agencies and aging units would be required to retain the records until December 31, 2005.

12.7.1.2.5 Written Authorization

Records being retained for an extended period may not be disposed of until written authorization for disposition has been obtained by the awarding agency. Such authorization is necessary due to pending audits and other actions of which the recipient agency may not be aware.

12.7.1.3 Records to Be Retained

Materials subject to the records retention policy include the following:

(1) books of original entry
(2) receipts
(3) canceled checks
(4) bank statements
(5) vouchers
(6) purchase records
(7) property records
(8) payroll and personnel files (including time and attendance records)
(9) ledgers and journals
(10) program reports from grant agreement/contract recipients
(11) fiscal reports from grant agreement/contract recipients
(12) data on consumption of services
(13) source documents supporting accounting transactions
(14) correspondence
(15) agency fiscal and program reports to the awarding agency
(16) plans and other applications
(17) records relating to the receipt of contracts, such as notification of awards
(18) any other material pertinent to the grant agreement/contract-related activities of the agency

12.7.2 Access to Records

12.7.2.1 Access

The Bureau of Aging and Disability Resources or any of its duly authorized representatives and area agency staff shall have access to area agency, aging unit, and service provider books, documents, papers, records and other materials pertaining to its federal- or state-funded operations.

12.7.2.2 Public Access and Confidentiality

Under federal guidelines and Wisconsin law, the records of an area agency or an aging unit are public records and thus shall be available for public inspection, reproduction, and transcription during normal working hours.

Public access, however, may be limited in exceptional circumstances in order to prevent any of the following:

(1) an unwarranted invasion of personal privacy
(2) a disclosure of financial or commercial information that was acquired explicitly on a confidential basis
(3) the exploitation of information for personal gain

Section **7.4** of this manual contains information on confidentiality requirements.

12.7.3 Care of Records

Agencies are obligated to provide reasonable care for all records. Records of different periods shall be separately identified and maintained so that information can be readily located. When records are stored away from the agency's principal office, a written index of the location of records stored shall be on hand and ready access shall be ensured.

Area agencies and aging units are required to retain and dispose of records following records-management procedures established by state law and policy.

12.7.4 Fiscal and Program Reporting

12.7.4.1 General

Each grantee/provider which receives Older Americans Act and state aging funds is required to submit periodic reports to its awarding agency regarding the fiscal management and program administration of its operations. The reports also are used by the awarding agency for monitoring grant agreements/contracts, for identifying technical assistance needs and for planning purposes.

The format and instructions for such reports are developed by the Bureau of Aging and Disability Resources or the awarding agency.

12.7.4.2 Reporting Responsibility

The grantee/provider will be solely responsible for the fiscal and program reports. Incomplete and inaccurate reports will not satisfy the reporting requirements. Such reports will be returned to the appropriate agency for immediate completion/correction and then resubmitted.

12.7.4.3 Procedures Governing Late Reports

Each grantee/provider is expected to complete its reports in a timely and accurate manner. If a recipient is unable to meet the required reporting

deadlines, an extension should be requested from the awarding agency citing the reasons for the extension.

12.7.4.4 Report Amendments and Corrections

All corrections or changes to an earlier report should be reflected in the current report being submitted. For example, if the monthly expenditures in the January report were overstated by $100 and the error was discovered in February, then the February report should show a reduction to current month's expenditures of $100, thereby making the cumulative year-to-date figure accurate.

12.7.4.5 Fiscal and Program Report Review by the Awarding Agency

Fiscal and program reports will be reviewed carefully by the awarding agency, which is responsible for the verification of the fiscal and program reports it receives from its recipients. An awarding agency may exercise its right to withhold funds from a grantee/provider until it receives accurate program and fiscal reports.

12.8 Financial Audits

12.8.1 General

Annual financial and compliance audits are required of all area agencies and aging units. All CAU's, TAU's and AAA's shall comply with the Single Audit Act of 1984 (http://www.dhs.wisconsin.gov/grants/) and ensure that their funds are included in a single audit pursuant to OMB Circular A-133 and audit guidelines established by the Wisconsin Department of Health Services (DHS).

Any subcontractor of an aging unit with a total purchase of service contracts of more than $25,000, or any subcontractor that receives $25,000 or more in total from the county in a one-year period, is required to have an annual audit as specified below.

The subcontractor shall arrange for an independent financial and compliance audit in accordance with applicable federal guidelines and with those guidelines provided by the DHS Provider Agency Audit Guide (PAAG).

In certain instances an audit waiver may be obtained. Information on obtaining the waiver can be found in the DHS PAAG and in Section 46.036(4)(c), Wisconsin Statutes. The county/tribal aging units should follow the guidelines found in the PAAG for audit waivers. A narrative should be attached explaining why they want the waiver, documenting what they have done to ensure that the services have been delivered, attesting to the quality of the services, and attesting that the costs are appropriate.

The Area Agency on Aging of Dane County and the Milwaukee County Department on Aging should submit their audit waiver requests to their regional office. Other county aging units and tribal aging units should submit their waiver requests to the area agency on aging (AAA) in their planning and service area.

The regional offices and AAA's should review requests, make recommendations and submit the audit waiver requests they have approved to the Bureau of Aging and Disability Resources for its approval.

12.8.2 Audit Costs

Costs for all audits shall be borne by the agency that is being audited. Audit costs may be budgeted through the area plan, aging unit plan, or service provider proposal. Area agencies and aging units may find it cost-effective to jointly contract auditing services.

12.8.3 Policies and Procedures on Distribution, Resolution, and Clearance of Audit Reports

12.8.3.1 Purpose of Audit Report Policy

This policy statement formalizes procedures to be followed for the distribution, resolution and clearance of audit reports prepared for transmission to the awarding agency. It specifies to whom audit reports are to be directed and the normal distribution of such reports. It includes procedures for the following:

- responses to audit recommendations, internal and external
- appeal of audit recommendations by subcontractors
- appeal by BADR to DHS for support of recommendations

12.8.3.2 Audit Report Policy

12.8.3.2.1 Report Clearance

Audit reports shall be addressed to the director of the awarding agency and signed by the audit firm's authorized representative.

12.8.3.2.2 Report Content

Financial audit reports shall determine fiscal compliance with the act, state aging program policies, DHS policies, generally accepted accounting principles and award/contract conditions. Reports shall include recommendations and findings on the agency's financial management system, internal controls and compliance.

12.8.3.2.3 Distribution of Reports

Financial audit reports, including qualified opinions, shall be transmitted to the grantee/provider by the independent audit firm conducting the audit. Copies will be forwarded to the grantor/purchaser within 180 days after the close of the contract.

Aging units shall submit their audit reports to the awarding area agency. Area agencies shall submit a copy of their audit reports to the Bureau of Aging and Disability Resources and a copy to the Office of Policy Review & Audit (OPRA). This reporting package should include all of the following:

(1) all audit schedules and reports required for the type of audit applicable to the agency
(2) summary schedule of prior year findings and the status of addressing these findings
(3) a management letter (or similar document conveying auditor's comments issued as a result of the audit)
(4) management responses/corrective action plan for each audit issue identified in the audit

Audit reports are considered pubic information. As a general rule, they will not be distributed unless there is a special request. In addition, there may be situations where information included in work papers cannot be released, pending the resolution of audit recommendations, without violating trust or confidence. In such situations the confidentiality of the information shall be appropriately safeguarded.

12.8.3.3 Resolution of Audit Reports

The grantee/provider shall prepare a written response to all recommendations and findings in the financial audit that concerns funds awarded under their grant agreement/contract. A copy of this response shall be sent to the grantor/purchaser and will be the means for initiating any transactions required to resolve audit report recommendations.

The grantees/providers will be required to complete a plan of fiscal management resolution prepared by the awarding agency. In addition, they will be required to take the necessary action for transfer of funds in order to close out contracts (either requests for amounts due, or repayment of audit exceptions or over-prepayments).

The response from the grantees/providers shall be addressed to the director of the grantor/provider agency, who has the ongoing responsibility for agreement/contract administration. The awarding agency may on occasion

consult with the audit firm to determine if the responses adequately resolve audit recommendations.

The grantor/purchaser shall inform its awarding agency of the content of the audit report once it has been received. The grantor's/purchaser's awarding agency should be consulted about the appropriate response to the audit findings and should be kept informed of the audit's status during its resolution.

An area agency may consult with the Bureau of Aging and Disability Resources if there are issues regarding its aging units' audit reports. Likewise, an aging unit may consult with its area agency regarding its grantee/provider audit reports.

In addition, the area agencies shall keep on file a written audit resolution for each audit.

12.8.3.4 Timetable and Content for Responses to an Audit Report

12.8.3.4.1 Timetable

(1) A grantee/provider shall submit a copy of the audit report, management letter and corrective action plan to the awarding agency within 30 days of the audit's completion.
(2) The awarding agency will perform a desk review of the audit report, management letter and corrective action plan within 90 days of the receipt of the audit report.
(3) The awarding agency will resolve the audit findings, send a final determination letter, collect any disallowed costs and ensure that corrective action is taken by the grantee/provider within six months from the receipt of the audit report.
(4) A grantee/provider will be permitted to request any funds due it as a result of the audit if within the contract closeout period.
(5) The awarding agency will make adjustments to payments for any funds not earned by the grantee/provider as a result of the audit.

12.8.3.4.2 Audit Report Response Content

(1) Grantees/providers will respond to recommendations in the plan of fiscal management resolution based on recommendations contained in the financial audit report.
(2) The response shall contain definitive statements as to what action they have taken or will take on each recommendation.
(3) If disagreement occurs on audit findings and recommendations, the response shall cover each pertinent fact presented in the

audit report, specifically stating the reason for disagreement and including adequate support and documentation.

12.8.3.5 Response Review

Responses will be reviewed by the grantor/purchaser for either the following reasons:

- to verify that specific and appropriate corrective action has been taken
- where corrective action was not taken, to ensure that the justification for such was fully satisfactory

12.8.3.6 Appeals of Audit Report Recommendations

A grantee/provider may appeal audit report recommendations by following these steps:

(1) If additional information is available that may change the recommendations, this information should be transmitted to the grantor/purchaser, which will review the information and confer with the audit firm for a determination of whether adjustments to the report are appropriate.
(2) If Step (1) leaves the report unchanged, the grantee/provider may bring the information before the director of the granting/purchasing agency for a hearing. The appropriate audit firm personnel will be required to attend the hearing to provide support for the audit report.
(3) After reviewing information and evidence presented at the hearing, the director of the granting/purchasing agency will make a final award decision, which will be transmitted in writing to the contract recipient.
(4) If disagreement still exists, the grantee/provider may request a review by the grantor's/purchaser's awarding agency.

12.9 Property Management

Policies and procedures governing equipment and depreciation are listed in **Appendix H** of this manual.

12.10 Reference Material

- Office of Policy Review & Audit (OPRA):
  This site includes financial management information regarding Internal Control, Cost Allocation Methodology, Provider Agency Audit Guide, Allowable Cost Policy Manual:
  http://www.dhs.wisconsin.gov/grants

- Older Americans Act:
  http://www.aoa.gov/AoARoot/AoA%5FPrograms/OAA/

- Title 45 CFR, Part 74 - Administration of Grants:
  http://www.access.gpo.gov/nara/cfr/waisidx%5F01/45cfr74%5F01.html

- Title 45 CFR, Part 1321 - Grants to State and Community Programs on Aging:
  http://www.access.gpo.gov/nara/cfr/waisidx%5F02/45cfr1321%5F02.html

- Department of Administration Records Retention:
  This site has much more detail than the section in the financial manual. For specific documents, use this site as a reference. The Wisconsin School District is a good reference:
  http://www.doa.state.wi.us

- Community Aids Reporting System Manual (CARS):
  http://www.dhs.wisconsin.gov/bfs/CARS/

- Circular A-122 Cost Principles for Non-Profit Organizations:
  http://www.whitehouse.gov/omb/circulars/a122/a122.html

- Circular A-87: Cost Principles for State, Local and Indian Tribal Governments:
  http://www.whitehouse.gov/omb/circulars%5Fa087%5F2004

- Financial Management Manual for Counties, Tribes and 51 Boards:
  http://www.dhs.wisconsin.gov/Grants/Administration//FMM/FMMTOC.htm

- Contract Administration:
  http://www.dhs.wisconsin.gov/Grants/Administration/OtherCAResources/CAResources.htm

Figure 12.11 AAA County and Tribal Aging Unit Fiscal Assessment on Compliance with the Older Americans Act

Name of County or Tribal Aging Unit
Address
Executive Director
Staff Involved in Completing this Assessment
Date of Assessment

Please complete as much of this document as possible prior to the arrival of the assessment team. Some of the responses may require more space than required. Use additional paper for responses requiring additional space.

		Yes	No	N/A	Other
CASH RECIEPTS & DISBURSMENTS					
A-1	Are all persons receiving/disbursing cash bonded?				
A-2	Is all incoming mail opened by an employee who neither prepares, deposits nor has access to the accounting records?				
A-3	Is a list of incoming monies prepared by the employee opening the mail?				
A-4	Is the list compared against the deposit made by the bookkeeper and/or county/tribal treasurer?				
A-5	Are incoming monies deposited the day they are received?				
A-6	Are receipts written for all monies received?				
A-7	Is the cash receipts journal set up to distribute all receipts by source of funds?				
A-8	Is the cash receipts journal reconciled to the accounting records?				
A-9	Are all bank accounts reconciled on a monthly basis by someone who is not in the receipt or disbursement cycle?				
A-10	How are canceled checks filed?				
A-11	Are outstanding checks listed monthly?				
A-12	Is a check protector used when issuing checks?				

		Yes	No	N/A	Other
A-13	Are checks signed by more than one person?				
A-14	If multiple signatures are required, does one of the persons signing the checks not have access to the fiscal records?				
A-15	Is a signature plate used?				
A-16	Is the signature plate secured in a safe location when not in use?				
A-17	Do the minutes of the agency reflect who has authority to sign checks?				
A-18	Are cash disbursements distributed by line item in accordance with contract detail and agency budget?				
A-19	Are county/tribal aging unit records reconciled to the county clerk or tribal accounting records?				
A-20	Is the disbursement ledger reconciled to the contract control subsidiary ledger on a monthly basis?				
SALARY & TRAVEL					
B-1	Is the payroll based on approved time reports?				
B-2	Are payroll costs distributed to the appropriate programs?				
B-3	Are all pay levels approved and documented by the county, tribe or aging unit committee?				
B-4	Is a procedure in place for handing out the payroll checks?				
B-5	Are all withholding amounts reported to the proper agencies and disbursed as required by law?				
B-6	Are W-4s current?				
B-7	Is there a written policy on travel reimbursement and approval process?				
B-8	Are travel vouchers audited for accuracy and compliance with agency travel regulations?				
B-9	Are travel vouchers approved by authorized persons in accordance with agency requirements?				
REPORTS TO AAA					
C-1	Are 100ss through 190alzh expenditure reports based on general ledger totals?				
C-2	What form does your aging unit use to report USDA (NSIP) expenditures?				
C-3	Are the NSIP meal counts compiled from reports from the dining centers?				
C-4	Are the NSIP meal counts reviewed at the county level for accuracy?				

FISCAL ADMINISTRATION					
D-1	Are the accounting and budget systems compatible so as to facilitate effective budget administration?				
D-2	Is the accounting system designed to facilitate preparation of financial statements and reports?				
D-3	Are financial statements prepared monthly?				
D-4	Is the most current financial statement information provided to the committee on a monthly basis?				
D-5	Are comparisons between actual and budgeted expenses and revenues determined, and are variances investigated?				
D-6	Is there a fiscal procedure manual?				
D-7	Is a chart of accounts maintained on a current basis?				
D-8	Do you use a double-entry bookkeeping system?				
D-9	Does someone approve all journal entries other than the bookkeeper/accountant?				
D-10	Are trial balances done each month?				
D-11	Please provide a copy of the most recent trial balance.	XX	XX	XX	XXXX
EQUIPMENT					
E-1	Are inventory control records maintained?				
E-2	At what dollar level do you maintain records?				
E-3	Does the inventory control record include:				
	Date of purchase				
	Amount of purchase				
	Item purchased				
	Source of funding				
	Inventory control #				
	Location of item?				
PETTY CASH					
F-1	Is there a petty cash fund?				

F-2	Are petty cash receipt forms used?				
F-3	Are restrictions placed on types of petty cash disbursements?				
F-4	Are petty cash receipts included in the voucher to replenish the petty cash funds?				
INVESTMENTS					
G-1	Do you have investments?				
G-2	What type of investments do you have?				
G-3	Are your investments in accordance with contract requirements?				
G-4	What is your policy on using interest income?				
G-5	Is the interest income earned on Title-III funds used for projects that are allowable for Title-III funding activities?				
AUDIT RESOLUTION					
H-1	Do you have a process for audit resolution for the providers?				
H-2	Please provide a copy of the instrument.	XX	XX	XX	XXXX
H-3	Are your audit resolutions current?				
H-4	Do you issue audit waivers?				
H-5	Are waivers issued according to current guidelines?				
OTHER					
I-1	What is your policy for reimbursing providers expenditures?				
I-2	What is your policy for prepayment to providers?				
I-3	Are you in compliance with match requirements?				

I-4	How do you value in-kind contributions?				
I-4	Are in-kind match contributions booked in the ledger?				
I-5	Do you routinely monitor prior year and current year program income to ensure that it is expended in a timely fashion?				
I-6	Have you established a trust with program income?				
I-7	Are the trusts established for special projects?				
I-8	Do the trusts have a specific ending date?				
I-9	How do you monitor transfers of funding between the congregate-nutrition and home-delivered-meal programs?				
I-10	Do you transfer funds in the other Title-III programs?				
CASH DONATIONS					
J-1	Do you have a written policy for collecting donations?				
J-2	How do you ensure that all donations are properly deposited?				
J-3	Do you use bank accounts at the dining centers?				
J-4	Are more than one person involved in the donation process at the dining centers?				
J-5	Are donations properly protected at the dining center?				
J-6	Are donations properly protected when received by a county or tribal employee?				
ALLOCATION METHODOLOGY					
J-1	Do you allocate payroll or other expenses to federal programs?				

J-2	What is the basis for you allocations?				
J-3	Is your allocation plan consistent for all programs in your agency?				
J-4	Does your agency have an approved cost allocation plan?				

Figure 12.12 Audit Review Checklist

Name of Agency _____

Audit Period _____

Section A -- Audit Standards And Report Elements

1. **Determine the applicable audit standards for the type of agency and nature of funding:**
   - *Provider Agency Audit Guide (http://dhs.wisconsin.gov/Grants/Audit/auditdept/PAAG/PAAG99.pdf) – What* was the *minimum* type of audit required by the granting agency: agreed-upon procedures, program audit, or agency-wide audit?
   - OMB Circular A-133 (http://www.whitehouse.gov/sites/default/files/omb/assets/omb/circulars/a133/a133.pdf) – Did the agency need an A-133 audit? Yes, if the granting agency knows that the provider was a non-profit or local government and that the provider expended more than $300,000 in federal awards as a recipient or subrecipient.

2. **Determine whether the audit materials show that the audit met the applicable standards:**

Report Element **Use the link to access information in chart.** http://dhs.wisconsin.gov/Grants/Audit/auditdept/PAAG/PAAG99.pdf	**Agreed-upon procedures Go to 4.3**	**Program audit Go to 4.4**	**Agency-wide audit Go to 4.5**
1. Opinion on Financial Statements and Supplementary Schedule of Expenditures of Federal and State Awards (Go to 7.2.1)	NA	NA	
2. Opinion on the Financial Statement of a Program in Accordance with the Program Audit (Go to 7.2.2)	NA		
3. Report on Results of Agreed-upon Procedures Engagement (Go to 7.2.3)		NA	NA
4. Financial Statements of the Overall Agency (Go to 7.1.1)	NA	NA	
5. Report on Compliance with Requirements Applicable to the Program and on Internal Control Over Compliance Performed in Accordance with the Program Audit (Go to 7.2.4)	NA		NA
6. Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards and the Provider Agency Audit Guide (Go to 7.2.5)	NA	NA	

Report Element **Use the link to access information in chart.** http://dhs.wisconsin.gov/Grants/Audit/auditdept/PAAG/PAAG99.pdf	**Agreed-upon procedures Go to 4.3**	**Program audit Go to 4.4**	**Agency-wide audit Go to 4.5**
7. Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 (7.2.6) (applicable only if the audit is also in accordance with OMB Circular A-133)	NA		
8. Schedule of Findings and Questioned Costs (7.2.7) (For Agreed-upon procedures engagements, findings are reported in the Report on Results of Agreed-upon Procedures Engagement (7.2.3))	NA		
9. Schedule of Prior-Year Findings (7.1.2)			
10. Corrective Action Plan (7.1.3)			
11. Schedule of Expenditures of Federal and State Awards (7.1.4)	NA		
12. Reconcile audited expenditures to agency payments.			
13. Reserve Supplemental Schedule (7.1.6)			
14. Additional Supplemental Schedules Required by Granting Agencies (7.1.7)			
15. Assurance the audit was performed in accordance with the *Provider Agency Audit Guide* (typically provided through reference to the *Guide* in the audit report)			

Section B -- Identification of Audit Issues Using the Schedule of Findings and Questioned Costs (http://dhs.wisconsin.gov/Grants/Audit/auditdept/PAAG/PAAG99.pdf) (for program and agency-wide audits only)

Audit Issue	PAAG only	PAAG and A-133	Issue No. (See Section C)
A. The Summary of Auditor's Results, which shall include:			
1. The type of report the auditor issued on the financial statements of the agency or of the program			
2. Where applicable, a statement that reportable conditions in internal control were disclosed by the audit of the financial statements of the agency or of the program and whether any such conditions were material weaknesses			
3. A statement as to whether the audit disclosed any non-compliance which is material to the financial statements of the agency or of the program			
4. Where applicable, a statement that reportable conditions in internal control over major program were disclosed by the audit and whether any such conditions were material weaknesses (A-133)	NA		
5. The type of report the auditor issued on compliance for major programs (A-133)	NA		
6. A statement as to whether the audit disclosed any audit findings which the auditor is required to report under section 510(a) of A-133	NA		
7. An identification of major programs (A-133)	NA		
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in section 520(b) of A-133	NA		
9. A statement as to whether the auditor qualified as a low-risk auditee under section 530 of A-133	NA		
B. Findings related to the financial statements of the agency or of the program which are required to be reported in accordance with GAGAS			
C. Findings and questioned costs for federal awards which shall include audit findings as defined in section 510(a) of A-133	NA		

Audit Issue	PAAG **only**	PAAG **and** A-133	**Issue No. (See Section C)**
C. Other issues			
1. Does the auditor have substantial doubt as to the agency's ability to continue as a going concern?			
2. Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned costs, material weakness, reportable condition, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the Provider Agency Audit Guide: Department of Health Services Department of Workforce Development Department of Corrections Other funding agencies (list)			
3. Was a management letter or other document conveying audit comments issued as a result of this audit? (yes/no)			
4. Name and signature of partner			
5. Date of report			

Section C -- Resolution of Audit Issues

(Use a separate sheet for each audit issue affecting granting agency's programs.)

Issue Number: _____

Type of issue:

- ☐ Material weakness
- ☐ Reportable condition
- ☐ Management letter comment
- ☐ Material non-compliance
- ☐ Non-material non-compliance
- ☐ Other

Program(s) affected by the audit issue:

Description of the audit issue and the agency's response and/or corrective action plan:

Granting agency's resolution of audit issue:

1. Does the agency's response/corrective action plan adequately address the issue?
   - Yes.
   - No. If no, what else is needed?
     - Repayment of disallowed costs ($_____).
     - Additional information from agency and/or auditor (describe):

2. What follow-up is needed to confirm implementation of the corrective action?
   - Rely on subsequent audit.
   - Request status report on corrective action in _____ months.
   - Perform site visit.
   - Other (describe):

12.13 Internal Control Practices

Suggested internal control procedures include the following:

12.13.1 Segregation of Duties

(1) The director shall co-sign all checks.
(2) Employees who handle, record, and bank incoming cash or who prepare vouchers, draw checks, and keep disbursement records, shall not have any duties related to performing bank account reconciliations.
(3) (A) Mail shall be opened by persons other than cash handlers. The mail opener should prepare a list of checks or cash received in the mail which is compared with cash receipt records.
(B) If mail must be opened by the cash handler, it should be in the presence of an official of the agency.

12.13.2 Authorization Thresholds

Authorization thresholds and limits shall be adopted to ensure that funds are expended by authorized personnel. These and other assignments of accounting responsibilities should be in writing.

Also, area agencies, aging units and service providers shall maintain a minute book or comparable log to record the fiscal actions by the governing body concerning the plan budget, appropriations for specific purposes, delegation of financial authority and all other fiscally-related authorizations. All fiscal transactions must have the clear authorization of the governing body.

12.13.3 Control of Cash Receipts

(1) (A) Agencies shall record all cash receipts of participant contributions immediately and maintain a daily receipts log or ledger. This record must agree with the day's bank deposit record.
(B) Nutrition programs, especially, shall use special safeguards for participant contributions including the following: two persons counting participant contributions; participant contributions kept in a locked box or safe until deposited; deposit slips compared with receipts; only bonded employees handling cash.
(2) All cash receipts or participant contributions should be deposited intact daily. In areas without banks, money orders should be purchased (e.g., from the post office) and immediately sent to the appropriate governing body. Records of deposit shall be obtained from the bank and filed.

12.13.4 Expenditure Check

(1) All payments shall be made by serially-numbered checks.
(2) All checks shall be safeguarded by the staff member responsible for books and records. Checks shall be kept in a controlled-access file. All numbered checks shall be accounted for, including any which are voided due to error.
(3) (A) Persons signing agency checks must be authorized in writing to do so by the governing body.

(B) Checks must be signed by two persons. Blank or incomplete checks should never be signed in advance.

(C) All expenditures shall be reviewed and approved before payment. Checks presented for authorized signatures should be accompanied by supporting documents for review by the signer.

(4) (A) All checks shall be issued to vendors only in payment of approved invoices which have been matched with purchase orders and receiving reports.

(B) Invoices, bills and other such primary records shall be routinely re-footed to confirm arithmetical accuracy and conformity to purchase order or contract specifications.

(C) Documentation for check payment should be marked paid at the time the check is signed.

(5) All expenditures shall be recorded on the cash disbursements record on the date the check is drawn.

12.13.5 Imprest Petty Cash Fund

(1) (A) All program expenditures should be paid by check. However, there are times when this is not possible. Therefore, an imprest petty cash fund may be established for a given amount which should not exceed 50 dollars or one month's expenses.

(B) An imprest petty cash fund entrusted to a single custodian for all payments other than those made by check should be used.

(2) Following is a summary of the method for establishing and using an imprest petty cash fund:

(A) A check should be drawn payable to the petty cash fund and cashed. The resulting money should be put into a metal cash box and, if available, kept in the safe. The check should be recorded in the cash disbursement record.

(B) When making payments from the fund, a petty cash slip shall be completed showing date, person paid, item purchased and amount paid. If an invoice or sales ticket is available, it should be attached to the petty cash slip. At all times, the cash in the box plus the paid out items listed in the petty cash slips should equal the original amount deposited to the fund.

(C) When the fund becomes depleted through payments, it should be reimbursed with another check to petty cash in the amount of the total of the petty cash slips in the box. The petty cash slips should be taken out of the box, totaled and filed in the paid bill file. The second check, in the amount of the total cash slips taken out, should be cashed and the cash put into the petty cash box. The check must be recorded in the cash disbursements record.

(D) This procedure is repeated whenever replenishment becomes necessary. In the event of small shortages, due to errors in payment, making change and other transactions, the reimbursement amount and a corresponding expenditure account can be adjusted accordingly.

12.13.6 Timely Transactions

A grantee/provider shall adopt procedures to minimize the time elapsing between the receipt of funds from the awarding agency and the disbursement of those funds to the recipient agency. Surplus cash on hand may be a sign of poor management by the agency.

12.13.7 Bank Reconciliation

Bank accounts shall be reconciled monthly and copies of the reconciliations retained in the files. This is accomplished through a comparison of the transactions shown on the bank statement with those entered in the cash receipts and disbursement record(s).

12.13.8 Serially-Numbered Documents

Serially-numbered revenue invoices, purchase orders and receiving reports shall be used.

12.13.9 Bonding

Agency employees who have any cash-handling duties shall be adequately bonded. In view of the small size of many aging agency staff, the Bureau of Aging and Disability Resources recommends that all regular employees of small agencies be bonded. Area agencies and aging units also are advised to encourage or require the bonding of service provider employees who handle aging funds.

12.13.10 Payroll Controls

Individual payroll records showing earnings and withholding shall be maintained for each agency employee. Changes in compensation rate should be fully documented, dated and included in the employee's personnel file.

Each pay period the director should review and approve the data used to compute compensation including hours worked, rate, special benefits and deductions. All paychecks should be reviewed by the director prior to issuance.

All payroll payments shall be made by check and undistributed checks held by an official of the agency.

Withholding statements shall be maintained and annually mailed to the employee.

Withholding amounts should be made to the authorized agent as required by law.

12.13.11 Balance Accounts

Subsidiary ledgers (subcontract accounts) shall be balanced with control accounts monthly.

Trial balances should be prepared monthly for submission of invoices and should be in sufficient detail to disclose significant variations on any category of revenues or expenses.

12.13.12 Inventory Record

An inventory record that identifies the item by name and serial number shall be maintained for all items of equipment and capital.

Depreciation for items should be recorded as part of the double-entry bookkeeping system.

12.13.13 Audits

A CPA firm shall conduct an annual audit of area agencies and aging units. Section **12.8** of this manual contains additional information about auditing.

12.13.14 Computers

The agency shall have an employee user manual for computers.

The computer system within an agency should be reviewed by a knowledgeable person/firm to make sure the system is adequately protected from unauthorized contamination.

12.13.15 Other References

http://www.dhs.wisconsin.gov/Grants/Administration/OtherCAResources/CAResources.htm

12.14 Wisconsin Aging Financial Reports

12.14.1 What Is New

(1) New expenditure category was added (#20): Advocacy / Leadership Development.
(2) Expenditure category 20 was changed to Advocacy / Leadership Development.
(3) Expenditure Category 21 was changed to Other.
(4) Expenditure Category 22 was changed to Elder Abuse.
(5) Expenditure Category 23 was changed to Program / Enrollee Wages.
(6) Expenditure Category 24 was changed to Program / Enrollee Fringes.
(7) Expenditure Category 25 was changed to Program / Other.
(8) Expenditure Category 26 is Alzheimer's FC Support.
(9) Form NSIP 105 has been added to record monthly expenditure information.
(10) Form FNS 386A has changed from a monthly to a quarterly report.

12.14.2 Forms

The forms at the end of this section are used by county and tribal aging units, and by area agencies on aging to report on financial activities involving aging funds granted through the Bureau of Aging and Disability Resources.

Do not alter these forms.

12.14.3 Acronyms and Abbreviations

Acronyms and abbreviations used in these instructions and on the financial reports are as follows:

AAA:	Area Agency on Aging
CAU:	County Aging Unit
CY:	Current Year
EA:	Elder Abuse
EBS:	Elderly Benefit Specialist
EXPEND:	Expenditure
F&C:	Family and Caregiver
FFY	Federal Fiscal Year
NAPIS:	National Aging Program Information System
NSIP:	Nutrition Services Incentive Program
PI:	Program Income
PY:	Prior Year
SCS:	Senior Community Services
SCSEP:	Senior Community Services Employment Program
SVS:	Services
TAU:	Tribal Aging Unit
YTD:	Year-to-Date

Figure 12.14.4 Report Summary Grid

This grid summarizes the various reports. Area agencies on aging determine the reporting deadlines they require of their aging unit.

Name of Form	Submitted by	Submitted to	Report Covers	Reporting Cycle	Due Dates
SS100	CAU's & TAU's	AAA's	Title III-B Expenditures	Monthly	Determined by AAA's
NSIP105	CAU's & TAU's	AAA's	NSIP Expenditures	Monthly	Determined by AAA's
CM110	CAU's & TAU's	AAA's	Title III-C1 Expenditures	Monthly	Determined by AAA's
HD120	CAU's & TAU's	AAA's	Title III-C2 Expenditures	Monthly	Determined by AAA's
FNS-386a	CAU's & TAU's	AAA's	NSIP Eligible Meals	Quarterly	Determined by AAA's
PH130	CAU's & TAU's	AAA's	Title III-D Expenditures	Monthly	Determined by AAA's
NFCSP140	CAU's & TAU's	AAA's	Title III-E Expenditures	Monthly	Determined by AAA's
SCS150	CAU's & TAU's	AAA's	SCS Expenditures	Monthly	Determined by AAA's
EBS160	CAU's & TAU's	AAA's	State EBS Expenditures	Monthly	Determined by AAA's
EA165	EA Lead Agencies	AAA's	State EA Expenditures	Monthly	Determined by AAA's
SCSEP170	CAU's & TAU's	AAA's	SCSEP Expenditures	Monthly	Determined by AAA's
FR180A	AAA's	BADR	Multiple	Two times per year.	04/20 CY 1/1-3/31; 04/20 PY 1/1-12/31 & 10/20 CY 1/1- 09/30
FAR180B	AAA's	BADR	Multiple	Annually	12/31 FFY 10/1-9/30
ALZH190	CAU's & TAU's	AAA's	F&C Expenditures	Monthly	Determined by AAA's

12.14.5 Format

These reports may be submitted by e-mail or on paper as directed by the AAA.

Copies of the reports are available in:

- Microsoft Excel 2003

Copies of the reports and the instructions are available from the AAA in your PSA and on the Badger Aging list (badgeraginglist@yahoogroups.com).

If the report is submitted using the Excel worksheet, certain totals, subtotals and the question on "match" are calculated by the spreadsheet.

CAU's and TAU's filing reports via e-mail shall include an originally-signed certification of claim. The "total reimbursable expenditures" item must equal the total amount of expenditures being claimed for all programs for the current month.

Area agencies must submit their final calendar year reports via e-mail. In addition, area agencies on aging must submit paper copies of all final year-end reports from aging units.

12.14.6 General Instructions for Forms SS100, CM110, HD120, PH130, NFCSP140, SCS150, EBS160, EA165, SCSEP170, and ALZ190

- **Name of County / Tribe**: Enter the name of the county or tribal aging unit completing the report.
- **Contract Period**: Enter the beginning and ending dates for which the period services are contracted.
- **Report for the Month of**: Enter the beginning and ending dates of the month covered by the report.
- **Base Contract Amount**: Enter the final allotment of funds (for example: Title III-B). Include carryover and special projects funds.
- **Is the Required Match Sufficient?** The adequacy of the "match" can be determined by adding "cash match expenditures YTD" and "in-kind match expenditures YTD." More information on calculating match can be found in Section **12.4** of this chapter.
- **Name**: Enter the name of the authorized agency representative who has completed the form.
- **Signature**: Enter the signature of the authorized agency representative who has completed the form.
- **Telephone #**: Enter the telephone number of the person who can answer specific questions about the form.
- **Date**: Enter the date the form was signed.

12.14.7 Instructions for Forms SS100, CM110, HD120, PH130, NFCSP140, SCS150, EBS160, EA165, SCSEP170, and ALZ190

12.14.7.1 Column Headings

- **Expenditures this Month**: Enter the amount of the particular funds (e.g., Title III-B supportive services) expended this month.
- **Expenditures YTD**: Enter the amount of the particular funds in question expended from the beginning of the contract up to and including the reporting month.
- **Cash Match Expenditures YTD**: Enter the amount of cash match expended from the beginning of the contract up to and including the reporting month. Excess match should also be reported.
- **In-Kind Match Expenditures YTD**: Enter the amount of in-kind match expended from the beginning of the contract up to and including the reporting month. Excess match should also be reported.
- **Other Federal Expenditures YTD**: Enter the amount of other federal (i.e. non-Older Americans Act) funds expended from the beginning of the contract up to and including the reporting month.
- **Other State Expenditures YTD**: Enter the amount of other state (i.e. non-state aging programs) funds expended from the beginning of the contract up to and including the reporting month.
- **Other Local Expenditures YTD**: Enter the amount of other local (excluding cash match) funds expended from the beginning of the contract up to and including the reporting month. This could be funds from a city, fraternal organization, charity or some other source.
- **Current Year Program Income YTD**: Enter the amount of program income generated from the beginning of the contract up to and including the reporting month.
- **Current Year Program Income Expenditures YTD**: Enter the amount of current year program income expended from the beginning of the contract up to and including the reporting month.
- **Prior Year Program Income Carryover**: Enter the amount of program income carried forward from prior contract years.
- **Prior Year Program Income Expenditures YTD**: Enter the prior year program income expended from the beginning of the contract up to and including the reporting month.

12.14.7.2 Row Headings

- **Administration**: general management functions of the agency that cannot be directly allocated to a cost center, related to the management and administration of funds from the Bureau of Aging and Disability Resources

- **Personal Care**: providing personal assistance, stand-by assistance, supervision or cues for people having difficulties with one or more of the following activities of daily living: eating, dressing, bathing, toileting or transferring in and out of bed
- **Homemaker**: providing assistance to people having difficulty with one or more of the following instrumental activities of daily living: preparing meals, shopping for personal items, managing money, using the telephone or doing light housework
- **Chore**: providing assistance to people having difficulty with one or more of the following instrumental activities of daily living: heavy housework, yard work or sidewalk maintenance
- **Home-Delivered Meals**: provision, to an eligible client or other eligible participant at the client's place of residence, of a meal which complies with the policies set forth by BADR
- **Adult Day Care / Adult Day Health**: provision of care for dependent adults in a supervised, protective, congregate setting during some portion of a 24-hour day. Services offered in conjunction with adult day care/adult day health typically include social and recreational activities, training and counseling, meals for adult day care and services such as rehabilitation, medications assistance and home health aide services for adult day health.
- **Case Management**: assistance either in the form of access or care coordination in circumstances where the older person and/or their caregivers are experiencing diminished functional capacities, personal conditions or other characteristics which require the provision of services by formal service providers. Activities of case management include assessing needs, developing care plans, authorizing services, arranging services, coordinating the provision of services among providers, follow-up and reassessment as required.
- **Congregate Meals**: provision to an eligible client or other eligible participant at a dining center, senior center or some other congregate setting, a meal which complies with the policies set forth by BADR
- **Nutrition Counseling**: provision of individualized advice and guidance to individuals who are at nutritional risk because of their health or nutritional history, dietary intake, medications use or chronic illness, about options and methods for improving their nutritional status, performed by a health professional in accordance with state policy
- **Assisted Transportation**: provision of assistance, including escort, to a person who has difficulties (physical or cognitive) using regular vehicular transportation
- **Transportation**: provision of a means of transportation for a person from one location to another. Does not include any other activity.
- **Legal / Benefit Assistance**: provision of legal or benefit advice, counseling and representation by an attorney or other person acting under the supervision of an attorney

- **Nutrition Education**: a program to promote better health by providing accurate and culturally sensitive nutrition, physical fitness, or health (as it relates to nutrition) information and instruction to participants, or participants and caregivers, in a group or individual setting overseen by a dietitian or individual of comparable expertise
- **Information and Assistance**: a service that provides current information on opportunities and services available; assesses the problems and capacities of the individuals; links the individuals to the opportunities and services available; to the maximum extent practicable, ensures that the individuals receive the services needed, and are aware of the opportunities available to the individuals by establishing adequate follow-up procedures
- **Outreach**: interventions initiated by an agency or organization for the purpose of identifying potential clients/caregivers and encouraging their use of existing services and benefits. Refers to individual one-on-one contacts between a service provider and an elderly client.
- **Public Information**: group services including public education, provision of informational health fairs, newsletters, brochures and other similar informational activities as determined by the state
- **Counseling / Support Groups / Training**: provision of advice, guidance and instruction about options and methods for providing support to caregivers in an individual or group setting.
- **Temporary Respite**: temporary, substitute supports or living arrangements to provide a brief period of relief or rest for caregivers. It can be in the form of in-home respite, adult day-care respite or institutional respite for an overnight stay on an intermittent, occasional or emergency basis.
- **Medication Management / Screening / Education**: activities regarding medication management, screening, and education to prevent incorrect medication and adverse drug reactions
- **Advocacy / Leadership Development**: activities to change laws, policies and service systems in order to improve the lives of older people. Also includes activities to enhance the ability of older people to advocate for themselves and for other older people.

  Note: This service category is only available as a Title III-B-funded service.
- **Other**: all services other than those listed above

Note: Service Definitions / Service Names / Best Fit - The service names used by AoA may not be the same names used by the various aging units in Wisconsin. It does not matter what a service is called. What does matter is what a service does. The AoA service definitions are fairly general. If an aging unit funds a service which appears to meet the general definition for one of the AoA service categories, the service should be reported in that category.

12.14.8 Instructions for Forms FR180A and FAR180B

These forms are summary forms. They are submitted by the area agencies on aging to the Bureau of Aging and Disability Resources.

12.14.8.1 Form FR180A

This form summarizes information from all of the forms submitted by aging units and lead agencies. It also adds information on AAA administrative expenditures. With the exception of the information on AAA administrative expenditures, the entries come directly from forms SS100, NSIP105, CM110, HD120, PH130, NFCSP140, SCS150, EBS160, EA165 and ALZ190. All information shall be year-to-date.

Form FR180A is submitted two times per year according to the schedule listed below:

Period of Time Covered by Report	Date Due at BADR
01/01-12/31 PY & 01/01-03/31 CY	04/20
CY 01/01-09/30	10/20

12.14.8.2 Form FAR180B

This annual federal fiscal year form provides an overall summary of expenditures by funding source and service for the year.

Administrative costs cannot be reported on Form 180B unless the costs have been allocated as a direct service.

12.14.8.2.1 Expenditures

Information on grant expenditures for the federal fiscal year are the cumulative totals from the forms SS100, CM110, HD120, PH130, and NFCSP140 submitted by aging units.

12.14.8.2.2 Total Title III Expenditures

This column reflects the total expenditures for the federal fiscal year for Title III-B, Title III-C-1, Title III-C-2, Title III-D, and Title III-E.

12.14.8.2.3 Program Income Expenditures

Information on program income expenditures for the federal fiscal year includes both of the following:

(1) current year program income expenditures for the federal fiscal year
(2) prior year program income expenditures for the federal fiscal year

Data comes from the forms SS100, CM110, HD120, PH130, NFCSP140, SCS150, EBS160, and EA165. Enter information from Form EA165 on the "Other" line.

12.14.8.2.4 Total Non-Title III Expenditures

Information on non-Title III expenditures includes all of the following:

(1) all federal fiscal year expenditures from forms NSIP105, SCS150, EBS160, and EA165
(2) cash match expenditures federal fiscal year (FFY)
(3) in-kind match expenditures FFY
(4) other federal expenditures FFY
(5) other state expenditures FFY
(6) other local expenditures FFY

Items 2-6 listed above come from forms SS100, CM110, HD120, PH130, NFCSP140, SCS150, EBS160, and EA165.

12.14.9 Nutrition Services Incentive Program (NSIP) Funding

The funding for the Nutrition Services Incentive Program (NSIP) that started on October 1, 2002 requires new reporting and accounting procedures. As of 2003 all references to USDA have been eliminated as this program has been phased out.

AAA's will contract with County Aging Units (CAU's) and Tribal Aging Units (TAU's) for the Federal Fiscal Year October 1, 20xx through September 30, 20yy.

For the NSIP funding, CAU's and TAU's should use the new NSIP report form (NSIP 105). Your CAU or TAU will be reimbursed for the expenditures that you report on NSIP 105. The meal counts that you submit quarterly will not be the basis for payment. The meal counts that you submit this year will determine the funding for next year.

The NSIP funding will not have any carryover provisions. The AAA's will contract with the CAU's and TAU's based on the number of eligible meals reported during the period of October 1, 20xx through September 30, 20yy as a percentage of the statewide total eligible meals reported. The calculated percentage will be multiplied by the total amount of grant funding received from NSIP.

For example, if the total state NSIP funding is $3,300,000 and the total meals served for the entire state is 4,800,000 and the total meals reported by the Lakes AAA is 750,000 and the total meals served by XYZ County is 70,000, the

calculation would be $3,300,000 divided by 4,800,000 times 750,000 equals $515,625 and then 70,000 divided by 750,000 times $515,625 equals $48,125. Thus $48,125 represents the amount of the contract from Lakes AAA to XYZ County. The county must report $48,125 in expenditures for the contract period in order to earn the contract amount. Any portion of the $48,125 not earned by XYZ County during the contract period will lapse to the State of Wisconsin.

The funds will be disbursed according to the policies and procedures of each of the individual AAA's.

(1) current AAA contract date 10/01/20xx through 09/30/20yy
(2) funds expended by September 30, 2003
(3) no carryover
(4) report expenditures on NSIP report Form NSIP 105

Figure 12.14.10 Title III-B Expenditures (Form SS100)

Wisconsin Aging Financial Reports | **Title III-B Supportive Services** | **Form # SS100 (05/02)**

Name of County/Tribe->

Contract Period->

Report for the Month of->

Title III-B Contract Amount->

Expenditure Category	Title III-B Expenditures This Month	Title III-B Expenditures Y-T-D	Cash Match Expenditures Y-T-D	In-Kind Match Expenditures Y-T-D	Other Federal Expenditures Y-T-D	Other State Expenditures Y-T-D	Other Local Expenditures Y-T-D	Current Year Program Income Y-T-D	Current Year Program Inc. Expenditures Y-T-D	Prior Year Program Income Carryover	Prior Year Prog. Inc. Expended YTD
1 Administration											
2 Personal Care											
3 Homemaker											
4 Chore											
5 Home Delivered Meals											
6 Adult Day Care											
7 Case Management											
8 Congregate Meals											
9 Nutrition Counseling											
10 Assisted Transportation											
11 Transportation											
12 Legal/Benefit Assistance											
13 Nutrition Education											
14 Information and Assistance											
15 Outreach											
16 Public Information											
17 Counseling & Training											
18 Temporary Respite											
19 Med. Mgt./Scr./Edu.											
20 Advoc/Lead Development											
21 Other											
Total											

Remaining Budget Balance

Is the Required Match Sufficient?

Legal/Benefit MOE

Under penalty of perjury, I certify the information reported here is true and correct.
I further certify the expenditures reported are accuracte summarizations of the
financial data contained on the county/tribal financial records.

Name->
Signature->
Telephone #>
Date->

Figure 12.14.11 NSIP Expenditures (Form NSIP105)

Wisconsin Aging Financial Reports	Form #NSIP105 (11/02)

NUTRITION SERVICES INCENTIVES PROGRAM (NSIP)

Name of County/Tribe _____

Contract Period 10/1_____through 9/30_____

Report for the Month of _____

NSIP Expenditure Category	Contract Amount	NSIP Expenditures This Month	NSIP Expenditures YTD	Contract Balance
8 Congregate Meals	$0	$0	$0	$0
5 Home Delivered Meals	$0	$0	$0	$0
Total	$0	$0	$0	$0

Under penalty of perjury, I certify the information reported here is true and correct. I further certify the expenditures reported are accurate summarizations of the financial data contained on the county/tribal financial records.

Name	
Signature	
Telephone #	
Date	

Figure 12.14.12 Title III-C1 Expenditures (Form CM110)

Wisconsin Aging Financial Reports **Title III-C1 Congregate Meals** **Form #CM110 (11/02)**

Name of County/Tribe->

Contract Period->

Report for the Month of->

Title III-C1 Contract Amount->

Expenditure Category	Title III-C1 Expenditures This Month	Title III-C1 Expenditures Y-T-D	Cash Match Expenditures Y-T-D	In-Kind Match Expenditures Y-T-D	Other Federal Expenditures Y-T-D	Other State Expenditures Y-T-D	Other Local Expenditures Y-T-D	Current Year Program Income Y-T-D	Current Year Program Inc. Expenditures Y-T-D	Prior Year Program Income Carryover	Prior Year Prog. Inc. Expended YTD
5 Home Delivered Meals											
8 Congregate Meals											
9 Nutrition Counseling											
10 Assisted Transportation											
11 Transportation											
13 Nutrition Education											
14 Information and Assistance											
15 Outreach											
16 Public Information											
21 Other											
Total											

Remaining Budget Balance

Is the Required Match Sufficient?

Under penalty of perjury, I certify the information reported here is true and correct. I further certify the expenditures reported are accuracte summarizations of the financial data contained on the county/tribal financial records.

Name->
Signature->
Telephone #->
Date->

Figure 12.14.13 Title III-C2 Expenditures (Form HD120)

Wisconsin Aging Financial Reports | **Title III-C2 Home Delivered Meals** | **Form #HD 120 (11/02)**

Name of County/Tribe->

Contract Period->

Report for the Month of->

Title III-C2 Contract Amount->

Expenditure Category	Title III-C2 Expenditures This Month	Title III-C2 Expenditures Y-T-D	Cash Match Expenditures Y-T-D	In-Kind Match Expenditures Y-T-D	Other Federal Expenditures Y-T-D	Other State Expenditures Y-T-D	Other Local Expenditures Y-T-D	Current Year Program Income Y-T-D	Current Year Program Inc. Expenditures Y-T-D	Prior Year Program Income Carryover	Prior Year Prog. Inc. Expended YTD
5 Home Delivered Meals											
9 Nutrition Counseling											
10 Assisted Transportation											
11 Transportation											
13 Nutrition Education											
14 Information and Assistance											
15 Outreach											
16 Public Information											
21 Other											
Total											

Remaining Budget Balance

Is the Required Match Sufficient?

Under penalty of perjury, I certify the information reported here is true and correct. I further certify the expenditures reported are accuracte summarizations of the financial data contained on the county/tribal financial records.

Name->	
Signature->	
Telephone #->	
Date->	

Figure 12.14.14 Title III-D Expenditures (Form PH130)

Wisconsin Aging Financial Reports | **Title III- D Preventive Health** | **Form #PH130 (05/02)**

Name of County/Tribe->

Contract Period->

Report for the Month of->

Title III-D Contract Amount->

Expenditure Category	Title III-D Expenditures This Month	Title III-D Expenditures Y-T-D	Cash Match Expenditures Y-T-D	In-Kind Match Expenditures Y-T-D	Other Federal Expenditures Y-T-D	Other State Expenditures Y-T-D	Other Local Expenditures Y-T-D	Current Year Program Income Y-T-D	Current Year Program Inc. Expenditures Y-T-D	Prior Year Program Income Carryover	Prior Year Prog. Inc. Expended YTD
9 Nutrition Counseling											
14 Information and Assistance											
16 Public Information											
17 Counsel. & Training											
19 Med. Mgt./Scr./Edu.											
21 Other											
Total	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

Remaining Budget Balance $0

Is the Required Match Sufficient?

Under penalty of perjury, I certify the information reported here is true and correct.
I further certify the expenditures reported are accuracte summarizations of the
financial data contained on the county/tribal financial records.

Name->
Signature->
Telephone #->
Date->

Figure 12.14.15 Title III-E Expenditures (Form NFCSP140)

Wisconsin Aging Financial Reports | **Title III-E National Family Caregiver Support Program** | **Form #NFCSP140 (05/02)**

Name of County/Tribe->

Contract Period->

Report for the Month of->

Title III-E Contract Amount->

Expenditure Category	Title III-E Expenditures This Month	Title III-E Expenditures Y-T-D	Cash Match Expenditures Y-T-D	In-Kind Match Expenditures Y-T-D	Other Federal Expenditures Y-T-D	Other State Expenditures Y-T-D	Other Local Expenditures Y-T-D	Current Year Program Income Y-T-D	Current Year Program Inc. Expenditures Y-T-D	Prior Year Program Income Carryover	Prior Year Prog. Inc. Expended YTD
Supplemental Services											
2 Personal Care											
3 Homemaker											
4 Chore											
6 Adult Day Care											
9 Nutrition Counseling											
10 Assist. Transportation											
11 Transportation											
21 Other											
Subtotal-Supp Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
7 Case Management											
14 Information & Assist.											
15 Outreach											
16 Information											
17 Counseling & Training											
18 Temporary Respite											
19 Med. Mgt./Scr./Edu.											
Total	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

Remaining Budget Balance $0

Is the Required Match Sufficient?

Under penalty of perjury, I certify the information reported here is true and correct. I further certify the expenditures reported are accuracte summarizations of the financial data contained on the county/tribal financial records.

Name->
Signature->
Telephone #->
Date->

Figure 12.14.16 SCS Expenditures (Form SCS150)

Wisconsin Aging Financial Reports | **State Senior Community Services** | **Form #SCS150 (05/02)**

Name of County/Tribe->

Contract Period->

Report for the Month of->

Senior Community Services Contract Amount->

Expenditure Category	Senior Comm. Services Expenditures This Month	Senior Comm. Services Expenditures Y-T-D	Cash Match Expenditures Y-T-D	In-Kind Match Expenditures Y-T-D	Other Federal Expenditures Y-T-D	Other State Expenditures Y-T-D	Other Local Expenditures Y-T-D	Current Year Program Income Y-T-D	Current Year Program Inc. Expenditures Y-T-D	Prior Year Program Income Carryover	Prior Year Prog. Inc. Expended YTD
2 Personal Care											
3 Homemaker											
4 Chore											
5 Home Delivered Meals											
6 Adult Day Care											
7 Case Management											
8 Congregate Meals											
9 Nutrition Counseling											
10 Assisted Transportation											
11 Transportation											
12 Legal/Benefit Assistance											
13 Nutrition Education											
14 Information and Assistance											
15 Outreach											
16 Public Information											
17 Counseling & Training											
18 Temporary Respite											
19 Med. Mgt./Scr./Edu.											
21 Other											
Total											

Remaining Budget Balance

Is the Required Match Sufficient?

Under penalty of perjury, I certify the information reported here is true and correct. I further certify the expenditures reported are accuracte summarizations of the financial data contained on the county/tribal financial records.

Name->
Signature->
Telephone #->
Date->

Figure 12.14.17 State EBS Expenditures (Form EBS160)

Wisconsin Aging Financial Reports **State Elderly Benefit Specialist** **Form #EBS 160 (07/01)**

Name of County/Tribe->

Contract Period->

Report for the Month of->

Elderly Benefit Specialist Contract Amount->

Expenditure Category	Elderly Ben. Specialist Expenditures This Month	Elderly Ben. Specialist Expenditures Y-T-D	Cash Match Expenditures Y-T-D	In-Kind Match Expenditures Y-T-D	Other Federal Expenditures Y-T-D	Other State Expenditures Y-T-D	Other Local Expenditures Y-T-D	Current Year Program Income Y-T-D	Current Year Program Inc. Expenditures Y-T-D	Prior Year Program Income Carryover	Prior Year Prog. Inc. Expended YTD
12 Legal/Benefit Assistance											

Remaining Budget Balance

Is the Required Match Sufficient?

Under penalty of perjury, I certify the information reported here is true and correct. I further certify the expenditures reported are accuracte summarizations of the financial data contained on the county/tribal financial records.

Name->
Signature->
Telephone #->
Date->

Figure 12.14.18 State EA Expenditures (Form EA165)

Wisconsin Aging Financial Reports **State Elder Abuse** **Form #EA165 (05/02)**

Name of County/Tribe->

Contract Period->

Report for the Month of ->

Elder Abuse Contract Amount->

Expenditure Category	Elder Abuse Expenditures This Month	Elder Abuse Expenditures Y-T-D	Cash Match Expenditures Y-T-D	In-Kind Match Expenditures Y-T-D	Other Federal Expenditures Y-T-D	Other State Expenditures Y-T-D	Other Local Expenditures Y-T-D	Current Year Program Income Y-T-D	Current Year Program Inc. Expenditures Y-T-D	Prior Year Program Income Carryover	Prior Year Prog. Inc. Expended YTD
22 Elder Abuse											

Remaining Budget Balance

Under penalty of perjury, I certify the information reported here is true and correct.
I further certify the expenditures reported are accuracte summarizations of the
financial data contained on the county/tribal financial records.

Name->
Signature->
Telephone #->
Date->

Figure 12.14.19 SCSEP Expenditures (Form SCSEP170)

Wisconsin Aging Financial Reports **Title V - Senior Community Services Employment Program** **Form #SCSEP170 (05/02)**

Name of County/Tribe->

Contract Period->

Report for the Month of->

Title V Contract Amount->

Expenditure Category	Title V Contract Amount	Title V Expenditures This Month	Title V Expenditures Y-T-D	Cash Match Expenditures Y-T-D	In-Kind Match Expenditures Y-T-D
1 Administration					
23 Program/Enrollee Wages					
24 Program/Enrollee Fringes					
25 Program/Other					
Total					

Remaining Budget Balance

Is the Required Match Sufficient?

Under penalty of perjury, I certify the information reported here is true and correct.
I further certify the expenditures reported are accuracte summarizations of the
financial data contained on the county/tribal financial records.

Name->
Signature->
Telephone #->
Date->

Figure 12.14.20 F&C Expenditures (Form ALZH190)

Wisconsin Aging Financial Reports **Alzheimers Family and Caregiver Support** **Form #ALZH190 (05/02)**

Name of County/Tribe->

Contract Period->

Report for the Month of->

Alzheimers Contract Amount->

Expenditure Category	Alzheimers Expenditures This Month	Alzheimers Expenditures Y-T-D
26 Alzheimers FC Support		

Remaining Budget Balance

Under penalty of perjury, I certify the information reported here is true and correct. I further certify the expenditures reported are accuracte summarizations of the financial data contained on the county/tribal financial records.

Name->
Signature->
Telephone #->
Date->

Figure 12.14.21 Fiscal Semiannual Report (Form FR180A)

Wisconsin Aging Financial Reports | **Fiscal Semiannual Report** | **Form #FR180A (05/02)**

Name of Area Agency on Aging->

Contract Period->

Report for the Quarter of->

Expenditure Category	AAA Administration Expenditures Y-T-D	Title III-B Expenditures Y-T-D	Title III-C1 State Expenditures Y-T-D	Title III-C2 Expenditures Y-T-D	Title III-D Expenditures Y-T-D	Title III-E Expenditures Y-T-D	Senior Comm. Services Expenditures Y-T-D	Elderly Ben. Specialist Income Y-T-D	Title III Elder Abuse State Expenditures Y-T-D	Alz. Family and Caregiver Expenditures Y-T-D	USDA/NSIP Expenditures Y-T-D
Grant Award Expenditures											
Cash Match Expend. Y-T-D											
In-Kind Expenditures Y-T-D											
Match is Sufficient											
Other Fed. Expend. Y-T-D											
Other State Expend. Y-T-D											
Other Local Expend. Y-T-D											
CY Program Income Y-T-D											
CY Prog. Inc. Expend. Y-T-D											
Prior Year Prog. Inc. Carryover											
Prior Year Prog. Inc. Expend. Y-T-D											
Total	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

Under penalty of perjury, I certify the information reported here is true and correct.
I further certify the expenditures reported are accuracte summarizations of the
financial data contained on the county/tribal financial records.

Name->
Signature->
Telephone #->
Date->

Figure 12.14.22 Fiscal Annual Report (Form FAR180B)

Wisconsin Aging Financial Reports **Fiscal Annual Report** **Form #FAR180B (05/02)**

Name of Area Agency on Aging->

Contract Period->

Report for the Year of->

Expenditure Category	Title III-B Expenditures Y-T-D	Title III-C1 Expenditures Y-T-D	Title III-C2 Expenditures Y-T-D	Title III-D Expenditures Y-T-D	Title III-E Expenditures Y-T-D	Total Title III Expenditures Y-T-D	Program Income Expenditures Y-T-D	Total Non-Title III Expenditures Y-T-D	Grand Total Expenditures Y-T-D
2 Personal Care						$0			$0
3 Homemaker						$0			$0
4 Chore						$0			$0
5 Home Delivered Meals						$0			$0
6 Adult Day Care						$0			$0
7 Case Management						$0			$0
8 Congregate Meals						$0			$0
9 Nutrition Counseling						$0			$0
10 Assisted Transportation						$0			$0
11 Transportation						$0			$0
12 Legal/Benefit Assistance						$0			$0
13 Nutrition Education						$0			$0
14 Information and Assistance						$0			$0
15 Outreach						$0			$0
16 Public Information						$0			$0
17 Counseling & Training						$0			$0
18 Temporary Respite						$0			$0
19 Med. Mgt./Scr./Edu.									
20 Advoc/Lead Development									
21 Other						$0			$0
Total	$0	$0	$0	$0	$0	$0	$0	$0	$0

Under penalty of perjury, I certify the information reported here is true and correct. I further certify the expenditures reported are accuracte summarizations of the financial data contained on the county/tribal financial records.

Name->
Signature->
Telephone #->
Date->

Figure 12.14.23 Aging Expenditure Report: Community Aids Reporting System (Form 80600D)

DEPARTMENT OF HEALTH SERVICES
Division of Enterprise Services
F-80600D (09/08)

AGING EXPENDITURE REPORT
Community Aids Reporting System
TITLE III
Wis. Stats. Sec. 46.036

STATE OF WISCONSIN

Agency Name and Address	Agency Number
	Agency Type
Name-Agency Contact / Contact Telephone Number	Report Period (mm / dd / yy) Begin End

CARS USE ONLY
Date Entered In CARS
Operator Initials

TYPE OF EXPENDITURE	PROFILE ID	CURRENT NET EXPENSE	YTD NET EXPENSE	TYPE OF EXPENDITURE	PROFILE ID	CURRENT NET EXPENSE	YTD NET EXPENSE
AAA Administration Title III-B	560300			Adult Protective Services	312		
Legal Services-State	560318			Relocation Worker	318		
Benefit Specialist-State	560320			COP	367		
Senior Comm Services-State	560330			Supportive Home Care	368		
Legal Services-Title III-B	560338			Alz Family Caregiver & Supp-State	381		
Special Projects-Title III-B	560339			COP-W	382		
Support Services-Title III-B	560340			CIP II	384		
Congre Meal-Title-III-C-1	560350			IMD Regular Relocations	559		
Home Delivered Meal-III-C-2	560360			Base Allocation	561		
Special Projects-III-C-2	560361			CIP-1B Federal	563		
In Home Services	560370			CIP-1B	564		
Special Projects	560371			CIP-1A	580		
Alz Family Caregiver & Supp-State	560381			State/County Match	681		
Alzheimer's Demo Grant	560384			DBS RC Medicaid I&A	560080		
Health Info Coun Assist	560430			ADRC Disability Ben Spec	560085		
Health Counseling	560431			Resource Ctr Medicaid I&A	560086		
Medicare Choice Training	560436			Resource Ctr LTCFS	560090		
Elder Abuse Services	560490			ADRC Other Expenses	560095		
Preventive Health-Title III-D	560510						
Nat'l Fam. Crgver Supp Prog -Title III E	560520						
Nutrition Services Incentive Program	560422						
TOTALS				**TOTALS**			
				GRAND TOTAL			

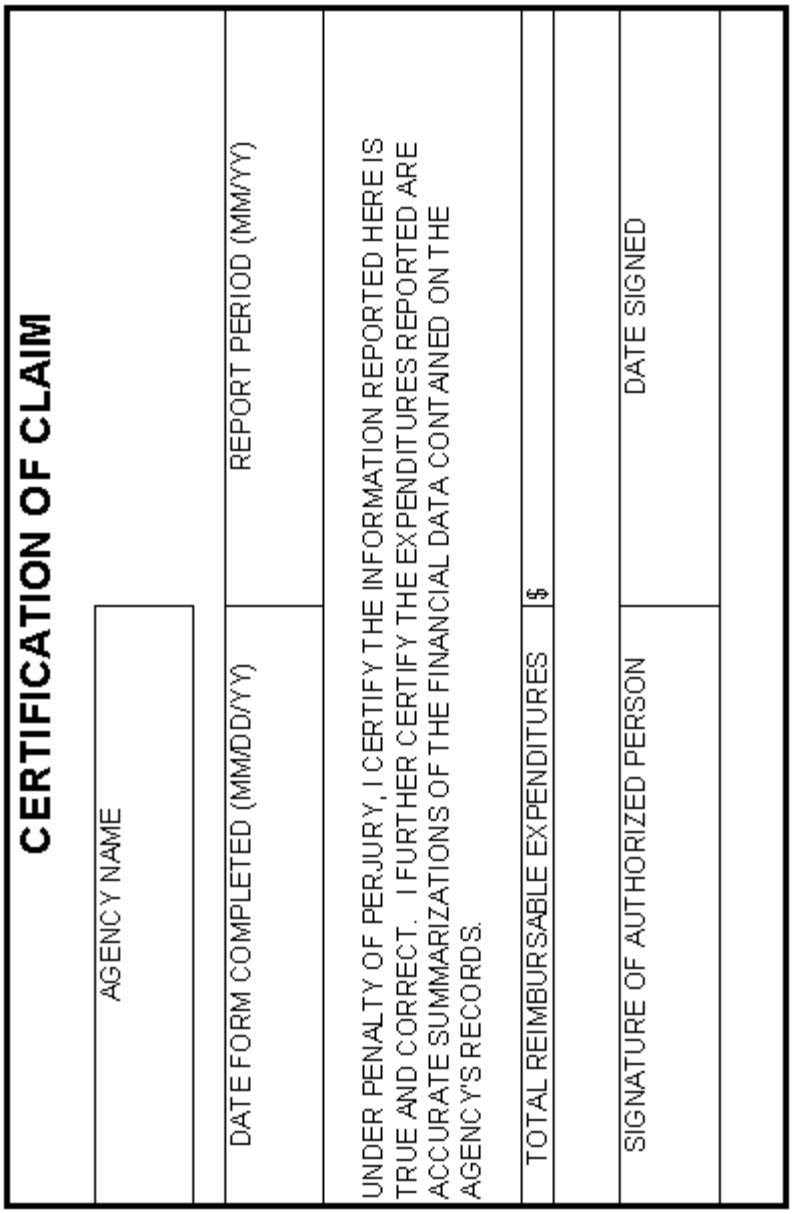
SEND ORIGINAL TO:
Division of Enterprise Services
Bureau of Fiscal Services
CARS Unit
P O Box 7850
Madison, WI 53707-7850

I certify that the expense and revenue identified hereon claiming federal and state reimbursement, pursuant to section 49.52, are just, true and correct in the amounts stated, have not been previously reimbursed, and represent actual necessary costs of administering the contract.

SIGNATURE - Authorized Agency Representative

Date Signed

Figure 12.14.24 Certification of Claim



CERTIFICATION OF CLAIM	
AGENCY NAME	
DATE FORM COMPLETED (MM/DD/YY)	REPORT PERIOD (MM/YY)
UNDER PENALTY OF PERJURY, I CERTIFY THE INFORMATION REPORTED HERE IS TRUE AND CORRECT. I FURTHER CERTIFY THE EXPENDITURES REPORTED ARE ACCURATE SUMMARIZATIONS OF THE FINANCIAL DATA CONTAINED ON THE AGENCY'S RECORDS.	
TOTAL REIMBURSABLE EXPENDITURES	$
SIGNATURE OF AUTHORIZED PERSON	DATE SIGNED

Chapter 13. Contract Administration

This chapter summarizes the standards, policies, procedures and recommended practices governing the working relationships among the area agencies or aging units and their providers funded under the area or aging unit plans.

13.1 Contract Compliance

Area agencies and aging units have the responsibility to be in compliance with all of the laws, regulations and policies detailed in the following documents:

(1) Federal Regulations 45 CFR Part 92 - Uniform Administration Requirements for Grants and Cooperative Agreements to State and Local Governments (Common Rule)
(See http://www.access.gpo.gov/nara/cfr/waisidx%5F00/45cfr92%5F00.html.)
(2) Federal Regulations 45 CFR Part 74 - Administration of Grants
(See Section **12.10** of this manual.)
(3) OMB Circular A-110 - Administrative Requirements, Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations
(See http://www.whitehouse.gov/omb/circulars/a110/a110.html.)
(4) State Statutes s. 46.036 - Purchase of Care and Services
(5) State Division of Long Term Care – Current Year Purchase of Services Model Contract and State Review Requirements
(6) State Department of Health Services – Allowable Cost Policy Manual (See Section **12.10** of this manual.)

13.2 Contracts for the Provision of Social Services

13.2.1 General Overview of Contracting

13.2.1.1 Purpose of Contracting

Area agencies and aging units award contracts to local agencies and programs to foster the development and implementation of programs for the elderly.

These awards are made under the authority and in accord with the provisions of the act, federal regulations and state statutes. Aging units provide services funded through their plans by the contracting procedure.

13.2.1.2 General Requirements and Responsibilities Regarding Contracts

Recipients of federal- or state-funded contract awards from an area agency or aging unit are subject to all provisions of applicable federal laws and regulations, applicable state and local laws and Bureau of Aging and Disability Resources policies. The Bureau of Aging and Disability Resources, area agencies and aging units share responsibility to ensure that federal and state funds awarded under area and aging unit plans are obligated and expended in accord with all the applicable laws, regulations and policies.

13.2.1.3 Relationship of Contracts to the Area or Aging Unit Plan

Contract awards made by an area agency or an aging unit shall be related to the purposes of the act or state statute and to the objectives and action plans set forth in the area agency's or aging unit's approved plan.

13.2.2 Contract Award Procedures

The following material describes recommended procedures and practices for area agencies and aging units to follow in awarding contracts. Area agencies and local units of government (counties and tribes) are responsible for developing their own purchasing procedures. These procedures shall comply with federal, state and local laws and with procurement standards.

13.2.2.1 Starting Point: The Area and Aging Unit Plan

The contract-awarding process begins with the development of the area or aging unit plan. Through its plan, an area agency or aging unit indicates both the service needs it has identified and the objectives or action plans it has developed to meet those needs. The contracts an agency subsequently awards are the mechanisms by which it fulfills its specific service goals.

13.2.2.2 Service Proposals

Area agencies and aging units solicit detailed program proposals from potential service providers or plans based on information, criteria and objectives provided by the area agency or aging unit. The proposals and plans should then be used as guidance in the design and development of the agency's final contract.

13.2.2.3 Written Award Procedures

All awarding agencies shall have written procedures for awarding contracts which include the components set forth in this chapter.

13.2.2.4 Eligibility of Contract Recipients

13.2.2.4.1 General

Area agencies and aging units are authorized to contract for the provision of services with public or governmental bodies, private non-profit organizations, profit-making corporations, individuals and sole proprietorships.

13.2.2.4.2 Incorporation

Non-profit and profit-making contracting organizations shall be incorporated in order to safeguard the interests of the area agency or aging unit, the recipient of the contract, and the people served in the program. The area agency or aging unit must verify incorporation before awarding a contract to an agency.

13.2.2.4.3 Capacity and Compliance

To be eligible for a contract, prospective agencies or organizations shall provide evidence of capacity to fully and competently deliver the proposed services and the capability and willingness to meet all the legal, fiscal and program requirements established by federal and state law, regulations and guidelines; and the policies of the Bureau of Aging and Disability Resources, the area agency, and when appropriate, the aging unit.

13.2.2.5 Contracting with Small and Minority Firms, Women's Business Enterprises, and Labor Surplus Area Firms

It is national policy to award a fair share of contracts to small and minority business firms. Affirmative steps shall be taken to ensure that small and minority businesses are utilized, when possible, as sources of supplies, equipment, construction and services. Affirmative steps shall include the following:

(1) including qualified small and minority businesses on solicitation lists
(2) ensuring that small and minority businesses are solicited whenever they are potential providers
(3) when economically feasible, dividing total requirements into small tasks or quantities so as to permit maximum small- and minority-business participation
(4) where the requirement permits, establishing delivery schedules which will encourage participation by small and minority business
(5) using the assistance of the Small Business Administration, the Office of Minority Business Enterprise of the Department of Commerce, as required

(6) if any subcontracts are to be let, requiring the prime contractor to take the affirmative steps in (1) through (5) above

Providers shall take similar appropriate affirmative action in support of women's business enterprises.

Providers are encouraged to procure goods and services from labor surplus areas.

13.2.2.6 Contract Cost and Price Analysis

The policies governing contract cost and price analysis are as follows:

(1) A cost or price analysis shall be performed in connection with every procurement action, including contract modifications by providers.
(2) For each contract in which there is no price competition and in all cases where cost analysis is performed, providers and their subcontractors shall negotiate profit as a separate element of the price.
(3) Costs or prices based on estimated costs for contracts under grants will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with federal and state cost principles.
(4) Methods of contracting shall not be used which involve the following: cost, plus a percentage of cost, plus a percentage of construction cost.

13.2.2.7 Contracting with a Profit-Making Organization

Area agency contracts with profit-making corporations must be approved by the Bureau of Aging and Disability Resources. Aging unit contracts with profit-making corporations must be approved by the area agency and by the Bureau of Aging and Disability Resources.

13.3 Procurement

Procurement is the process of buying services or property.

13.3.1 General Procurement Responsibilities

The general procurement responsibilities of area agencies and aging units are as follows:

(1) Area agencies and aging units are responsible for developing their own purchasing procedures which comply with federal, state and local laws, regulations and procurement standards.
(2) Aging units that are part of a local government shall comply with the county or tribal purchasing procedures.

(3) Where local government does not have procurement procedures, aging units shall follow the procurement procedures outlined in this chapter.
(4) Non-profit aging units shall develop their own purchasing procedures, which must comply with federal, state and local laws and procurement standards.
(5) Area agencies and aging units are responsible for developing contracts which comply with federal and state laws and standards.
(6) Area agencies and aging units are responsible for settling contractual and administrative disputes.

13.3.2 Federal Procurement Standards

Area agencies and aging units shall adhere to all of the federal procurement standards listed below. In awarding contracts, area agencies and aging units shall do all of the following:

(1) maintain a contract administration system which ensures that providers perform in accordance with the terms, conditions and specifications of their contracts
(2) maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts
(3) provide for a review of proposed procurements to avoid purchase of unnecessary or duplicate items
(4) make awards only to responsible providers possessing the ability to perform successfully under the terms and conditions of a proposed procurement
(5) maintain procurement records that include rationale for method of procurement, selection of contract type, provider selection and basis for cost
(6) have procedures to handle and resolve disputes relating to procurement
(7) make efforts to enter into state and local intergovernmental agreements for procurement or use of common goods and services for greater economy and efficiency
(8) make efforts to use federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces cost

13.3.3 Open Competition

The required policies governing open competition are as follows:

(1) Area agencies and aging units shall conduct all procurement transactions in a manner providing full and open competition consistent with the standards listed in this chapter.
(2) Area agencies' and local units' procurement procedures shall not restrict or eliminate competition. Examples of restricted competition include, but are not limited to, the following:

- unreasonable requirements on firms in order for them to qualify
- unnecessary experience and excessive bonding
- non-competitive pricing practices between firms
- non-competitive awards to consultants that are on retainer contracts
- organizational conflicts of interest
- specification of only a brand-name product instead of allowing an equal, non-brand-name product
- any arbitrary action in the procurement process

(3) Area agencies and aging units shall have written selection procedures for procurement transactions. These procedures will ensure that all solicitations do both of the following:

- incorporate a clear and accurate description of the technical requirements for the material, product or service to be procured
- identify all requirements which the firm shall fulfill and all other factors to be used in evaluating bids or proposals

(4) Awarding agencies shall ensure that all pre-qualified lists used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition; this includes lists of persons, firms or products.

13.3.4 Methods of Procurement

Procurement shall be made by one of the following methods, whichever is most appropriate for the situation.

13.3.4.1 Small-Purchase Procedures

13.3.4.1.1 General

Small-purchase procedures are those relatively simple and informal procurement methods for securing services and goods. Area agencies and aging units shall have "small-purchase procedures" for procuring a single item costing less than $5,000.

When the cost of a single item to be purchased is in excess of $5000, prior approval from the awarding agency is required. This approval is secured through the awarding agency's acceptance of a plan or plan amendment which contains information about the item to be purchased and about the procurement procedure to be utilized.

13.3.4.1.2 Procedures Governing Small Purchases

The following is a list of steps to use when purchasing equipment and services costing less than $5,000:

(1) Obtain approval (from commission, board or director as required in the agency) to purchase the item and to obtain quotes from vendors.
(2) Write down detailed specifications for what you want to buy.
(3) If required, obtain approval for the purchase from the Bureau of Aging and Disability Resources or area agency (e.g., for computer equipment).
(4) Find out the names of at least three vendors who are reliable based on past experience, reputation and technical resources. Obtain a list of minority-owned businesses, women-owned businesses and small businesses; add these to the list of vendors to be contacted.
(5) Call or write to the vendors on the list and give the same specifications to all of them.
(6) Upon receipt of their bids or quotes, compare their offers in writing. Make sure that staff that is comparing offers does not have a financial interest in the vendors submitting bids. Staff may not accept gratuities or favors from the vendors.
(7) Write down the criteria used to make the decision.
(8) Select a vendor and write down the reasons for selection.
(9) Obtain written approval from the board or commission to purchase the item from the selected vendor.
(10) Notify the vendor and either complete a purchase order or enter into a written agreement.

The above steps shall be in writing in the policies and procedures manual of the area agency or aging unit.

13.3.4.2 Competitive Sealed Bids (Formal Advertising)

Sealed bids can be used for procuring a specific item such as a van. Bids are publicly solicited; a fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid is lowest in price and conforms to all the material terms and conditions of the invitation for bids.

13.3.4.2.1 Necessary Conditions for Sealed Bidding

In order for sealed bidding to be feasible, all of the following conditions should be present:

(1) A complete, adequate and realistic specification or purchase description is available.
(2) Two or more responsible bidders are willing and able to compete effectively for the business.
(3) The procurement lends itself to a fixed-price contract and the selection of the successful bidder can be made principally on the basis of price.

13.3.4.2.2 Requirements Governing Sealed Bidding

If sealed bids are used, all of the following requirements apply:

(1) The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bids.
(2) The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond.
(3) All bids will be publicly opened at the time and place prescribed in the invitation for bids.
(4) A fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost and life-cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of.
(5) Any or all bids may be rejected if there is a sound documented reason.

13.3.4.3 Competitive Proposals: Request for Proposals (RFP)

This method is used when competitive sealed bids are not appropriate. If this method is used, the following requirements apply:

- Requests for proposals shall be publicized and shall identify all evaluation factors and their relative importance.
- Proposals shall be solicited from an adequate number of qualified sources.
- Awarding agencies shall have a method for conducting technical evaluations of the proposals received and for selecting contract recipients.
- Awards shall be made to the responsible firm whose proposal is most advantageous to the program with price and other factors considered.

13.3.4.4 Non-Competitive Proposals (Sole Source)

Non-competitive negotiation is procurement through solicitation of a proposal from only one source, which may occur when, after soliciting a number of sources, competition is determined to be inadequate.

Non-competitive negotiation may be used only when it is not feasible to use small-purchase procedures, sealed bids or competitive proposals and when any one of the following circumstances applies:

- The item is available only from a single source.
- A public emergency for the requirement will not permit a delay.
- The awarding agency authorizes non-competitive proposals.
- After soliciting a number of sources, competition is determined inadequate.

13.3.5 Written Contracts

Federal regulations do not specify when a contract is required for procurement. However, federal regulations imply the use of contracts.

State statutes require contracts for all purchase of care and services except for the following:

(1) care provided by foster homes licensed under s. 48.62, Wis. Stats.
(2) the Family Support Program

"Purchase of care and services" is interpreted to mean only the care and services provided to clients by licensed or certified (as required) providers. This excludes administrative contracts for such non-client-related items as office supplies, computer charges, waste disposal, etc.

For purchases of $10,000 or less, the requirement of a written contract may be waived by the area agency. However, the Bureau of Aging and Disability Resources encourages the use of contracts as good business practice.

13.4 Code of Conduct

The federal government requires that awarding agencies maintain a written code of standards of conduct which shall govern the performance of their officers, employees or agents engaged in the award and administration of contracts supported by federal funds.

No employee, officer or agent of the awarding agency shall participate in selection, award or administration of a contract if a conflict of interest, real or apparent, would be involved.

A conflict of interest would arise when an employee, officer or agent or any member of their immediate family, their partner or an organization which employs or is about to employ any of the above has a financial or other interest in the firm selected for the award.

The awarding agency's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors or potential contractors.

To the extent permitted by state or local law or regulation, such standards of conduct shall provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the awarding agency's officers, employees, or agents or by the contractors or their agents.

13.5 Contract Review Policies

13.5.1 Contract-Review Responsibility of Area Agency and Aging Unit

The area agency has the primary responsibility to develop, award, monitor and evaluate contracts issued in connection with its approved area plan. Likewise, the aging unit assumes primary responsibility for developing, awarding, monitoring and evaluating contracts issued in connection with its approved plan. Aging units should consult with their legal counsel when developing the contract format.

13.5.2 Contract Review by the Awarding Agency

The awarding agency will be responsible for review of the provider's contract and the contracting procedure. This review should consist of the following components.

13.5.2.1 Pre-Award Review by Awarding Agency

The Bureau of Aging and Disability Resources requires each area agency to submit one blank copy of its contract form prior to use. The Bureau of Aging and Disability Resources recommends that each awarding agency review its provider's contracts in a similar manner. These contracts should be reviewed for their completeness, conciseness and compliance with federal regulations. The awarding agency then will provide the recipient agency with comments regarding the compliance of the contract, suggest simplifying the contract, or ask the recipient to revise the contract form.

13.5.2.1.1 Pre-Award Review Requirements

The awarding agency's pre-award review and approval of its provider's proposed contracts and related procurement documents, such as requests for proposals and invitations for bids, is permitted only under the following circumstances. If the review of the procurement system indicates non-compliance with one or more significant aspects of this manual, the awarding agency will notify the subcontractor in writing, with a copy of such notification sent to the Bureau of Aging and Disability Resources.

At the request of the awarding agency, providers shall make available the technical specifications on proposed procurements where the

awarding agency believes that a review is necessary to ensure the item or service specified is the one being proposed for purchase.

For the awarding agency's pre-award review procurement, providers shall make available documents such as the following: requests for proposals, invitations for bids, independent cost estimates, etc., when so requested and when any one of the following is true:

(1) a provider's procurement procedures or operation fails to comply with procurement standards outlined in this chapter
(2) the procurement is expected to exceed $5,000 and is to be awarded either without competition or when only one bid or offer is received in response to a solicitation
(3) the proposed award over $5,000 is to be awarded to other than the apparent low bidder under a sealed bid procurement
(4) a proposed contract modification changes the scope of a contract or increases the contract amount to more than $5,000

13.5.2.1.2 Exemptions and Self-Certification

Policies governing exemptions from the pre-award review are as follows:

(1) The contract recipient will be exempt from the pre-award review if the awarding agency determines that its procurement systems comply with the standards outlined in this chapter.
(2) A provider may request that its procurement system be reviewed by the awarding agency to determine whether its system meets the standards outlined in this chapter.
(3) A provider may self-certify its procurement system. Such self-certification shall not limit the awarding agency's right to survey the system. Under a self-certification procedure awarding agencies may wish to rely on written assurances from the contract recipient that it is complying with these standards.

13.5.2.2 Monitoring

During the annual assessment of the provider, the contracting procedures which were utilized by that agency should be reviewed and evaluated by the awarding agency. A few contracts shall be examined, on a selected basis, for their completeness during the assessment. Any contracts found to be incomplete, as a result of on-site review, shall be required to be revised in accordance with BADR's standards and policy.

13.6 Single-Year and Multi-Year Contracts

13.6.1 Single-Year Contracts

Contracts made by an area agency or aging unit to support or conduct activities under an approved plan are limited to one year (12 sequential months), January 1 through December 31; with the exception of aging units, which may choose to enter into multi-year contracts under conditions described below in Section **13.6.2** of this chapter.

13.6.2 Multi-Year Contracts

(1) Aging units may award contracts on a multi-year basis (up to three years) if they so desire. There is no federal or state requirement that would prohibit such awards.
(2) Aging units may enter into annual contracts with provisions for extension.
(3) Aging unit contracts do not all need to be written for the same number of years.
(4) For a particular procurement, the maximum period between competitions is three years.
(5) Aging units are responsible for deciding whether to award multi-year contracts at their own risk. In making that decision, aging units should consider the following issues:
   (A) likelihood that funding will be available for more than one year. State funds and federal Older Americans Act Title III funds are only committed for one-year periods. Therefore, if a contract extends beyond one year, there is a risk that funding will be discontinued or decreased for the second year of the contract period. Contract language shall clearly state that funding is committed for one year only, and that future funding levels are contingent upon federal and state appropriations.
   (B) likelihood of new and potentially better providers coming into the market
   (C) possibility that the need for service will decline over a three-year period
   (D) fairness to competing providers of comparable quality
   (E) access by minority contractors
   (F) likelihood that the aging unit will be satisfied for three years with the provider most likely to win the contract
   (G) difficulty in amending the contract for new policies as they are established
   (H) opportunity to lock into a lower price over a longer period

   The aging unit shall continue to comply with federal regulations requiring local governments to follow procedures that guarantee fairness to all prospective providers and to the awarding agency.

(6) All contracts shall continue to be awarded on a calendar-year basis because that is the fiscal year used for administration of Older Americans Act funds and state aging program funds.
(7) All multi-year contracts shall require annual budgets. This will ensure that funds awarded for each calendar year within a multi-year contract are closed out at the end of each year, according to BADR's closeout policies and procedures.
(8) Procurement contracts should include provisions for early termination and for modification of the contracts due to unforeseen events, such as unsatisfactory performance, reduced funding, changed market conditions, mandated program requirements, etc. Terms and provisions for renewal, if any exist, shall be incorporated in the bid specifications and the contract document.
(9) Contracts shall clearly state that second- and third-year funding is contingent upon availability of funds.

13.7 Contract Elements

13.7.1 General Contract Elements

The following contract elements are included in the Division of Long Term Care model contract for counties and tribes. When preparing a contract document, refer to the model contract for specific wording.

(1) general provisions:
- beginning and ending date of contract
- description of services to be provided, such as number of clients, number of units, cost per service and unit rate
- legal name of contracting agencies

(2) total contract cost (maximum amount to be paid):
- billing and payment procedures
- dates when invoices are to be submitted and paid
- return of funds in excess of allowable costs
- surety bond if advance is paid

(3) participant contributions: provisions which are in compliance with federal laws and regulations
(4) reporting requirements
(5) prohibition of subcontracts unless prior approval is given
(6) compliance with federal and state laws, rules and regulations
(7) audit requirements
(8) maintenance of double-entry accounting system
(9) transfer of clients only with approval of purchaser
(10) eligibility standards for recipients
(11) right of client to appeal

(12) maintenance and retention of records required by federal, state and local laws and regulations
(13) access to fiscal and program records
(14) confidentiality of client records
(15) indemnity and insurance requirement
(16) compliance with Title VI of the Civil Rights Act of 1984 - Discrimination
(17) reasons for negotiation of changes to the contract:
- increased or decreased volume of service
- changes required by law
- funds available

(18) provision for contract revision and termination:
- provider convenience
- provider's inability to provide services
- failure to comply with terms of contract
- manner in which revision or termination will be accomplished, including number of days notice to be given
- termination due to lack of federal or state funds

(19) resolution of disputes: procedure for provider appeal
(20) special conditions:
- contract does not supersede lawful powers
- licensing and certification
- acceptance of terms in contract
- notify purchaser of complaints
- copy of licensing report to purchaser
- basis for settlement if contract is terminated

(21) witnessed signatures, date of contract execution, and titles of those signing contract
(22) additional contract elements for aging-program contacts:
- rights to inventions and materials
- disposition of program income
- non-federal matching requirements

13.7.2 Standard Assurances and Provisions

All recipients of federal or state funds shall include assurances of compliance with federal and state laws and regulations, as a part of or as an attachment to every contract. Required assurances are included with the area-agency and aging unit plans.

13.8 Payment of Funds to Contractors

13.8.1 General Standards

The area agency and aging units shall develop uniform payment procedures which do all of the following:

- minimize the time elapsing between the receipt of funds and disbursement of funds
- meet the cash needs of contractors on a prompt and timely basis
- conform to applicable federal cash management guidelines
- provide an effective cash control system

13.8.2 Methods of Payment

Area agencies may forward up to three prepayments to contract recipients at the beginning of a contract. Further payments shall be made on a monthly reimbursement basis. Aging units are not required to make any prepayment and may make all payments on a monthly reimbursement basis.

Contract language shall specify how the prepayments are to be recalled. One method would be to apply the first prepayment against the first month's actual expenditures and to adjust the payment accordingly.

13.8.3 Allowable Costs

Payments to contractors shall be limited to those costs which are allowable under federal and state regulations and which are directly related to performance of the contract. Particular reference should be made to the State of Wisconsin's Allowable Cost Policy Manual.

13.9 Revision, Suspension and Termination of Contracts

An area agency or aging unit shall include in every contract, provisions for the revision, suspension or termination of the contract in certain specified circumstances.

Described below are BADR's procedures and policies related to the alteration of contracts; some are mandatory and some are recommended.

13.9.1 Funding Contingency

All contracts made by the area agency or the aging unit are conditioned on the availability of funds. The unavailability of federal or state funds should be stipulated as sufficient justification to revise, suspend or nullify a contract.

13.9.2 Revisions and Amendments of Contracts

A contract modification, approved by the awarding agency, is required whenever there is a significant change in the program or in the administrative activities of a program funded under an approved plan.

13.9.3 Suspension or Termination of Contracts

13.9.3.1 General

Area agency and aging unit contracts shall include clear provisions for the suspension or termination of a contract under specified circumstances.

13.9.3.2 Circumstances Warranting Suspension or Termination of Contracts and Courses of Action

Suspension or termination of a contract may be warranted in either of the following instances:

- if funding under the area or aging unit plan has been suspended by the federal or state government, or by BADR, or by the awarding agency
- if a provider materially fails to comply with any term of an award stated in federal law, state law or regulation, in an assurance, in an area or aging unit plan or application or elsewhere

The awarding agency may take one or more of the following actions as appropriate to the circumstance:

- temporarily withhold cash payments pending correction of the deficiency by the contract recipient
- disallow funds for all or part of the cost of the activity or action not in compliance
- wholly or partly suspend or terminate the current award for the contract recipient's program
- withhold further awards for the program
- take other remedies that are legally available

13.9.3.3 Effects of Suspension and Termination

Provider costs resulting from obligations incurred during a suspension or incurred after termination of an award are not allowable unless the awarding agency expressly authorizes them.

Other costs during suspension or after termination which are necessary and not reasonably avoidable are allowable, if both of the following are true:

- The costs resulted from obligations which were properly incurred by the provider before the effective date of suspension or termination, were not in anticipation of it, and in the case of a termination are not cancelable.
- Had the award not been suspended or terminated, the costs would have been allowed.

13.9.3.4 Procedures for Suspension or Termination of Contracts

If a decision to suspend or terminate a contract is made after serious efforts have been undertaken to remedy the causes, the following procedures shall be followed:

- The provider shall be given written notification of the action, the reasons for the action, and the effective date of suspension or termination.
- The provider shall be informed of its right to an appeal hearing and the procedures to be followed.
- The provider shall be informed of any reports or materials required by the area agency or aging unit.

13.9.3.5 Termination for Convenience

The awarding agency and the provider may agree to terminate the contract. The two parties must also agree upon the termination conditions.

The provider may terminate the contract upon written notification to the awarding agency, setting forth the reasons for termination, the effective date and, in the case of partial termination, the portion to be terminated.

In the case of partial termination, if the awarding agency determines that the remaining portion of the contract will not accomplish the purposes for which the contract was made, the awarding agency may terminate the contract in its entirety.

13.9.3.6 Provider Appeals of Area Agency or Aging Unit Decisions

An area agency or aging unit provider has the opportunity to appeal a decision by its awarding agency to suspend or terminate.

13.9.3.6.1 Request for Appeal Hearing

The provider has 30 days to file a written request for a hearing following receipt of the notice of the adverse action.

13.9.3.6.2 Appeal Hearing Schedule

When the awarding agency receives a request for a hearing, it shall notify the provider of the date, time and location of the hearing. The awarding agency shall complete the hearing within 120 days of the date when the request for the hearing was received by an awarding agency. The awarding agency shall issue the hearing decision within 60 days after the hearing is completed.

13.9.3.6.3 Hearing Procedures

(1) The provider shall receive timely written notice of the reasons for the awarding agency's action being appealed, and shall receive the evidence on which the action was based.
(2) The provider shall have an opportunity to review any pertinent evidence on which the awarding agency's action was based.
(3) The provider shall have an opportunity to refute the decision's basis by appearing, in person or by representation, before the board or commission of the awarding agency, before a subcommittee thereof, or before an impartial decision-maker agreed to by both parties.
(4) The provider shall have an opportunity to be represented by counsel or other representative.
(5) As part of the hearing process, the provider shall have an opportunity to present witnesses and documentary evidence and to cross-examine witnesses.
(6) The provider will receive a written decision by the impartial decision-maker which sets forth the reasons for the decision and the evidence on which the decision is based.
(7) The awarding agency may terminate formal hearing procedures at any point, if the awarding agency and the provider who requested the hearing negotiate a written agreement that resolves the issue(s) which led to the hearing.
(8) After the appeal hearing, if the provider is dissatisfied with the decision resulting from the hearing, the provider may appeal the decision to the awarding agency's oversight agency. The appeal procedure outlined above must be followed.

13.10 Reporting Requirements for Contract Recipients

13.10.1 General Reporting Standards and Criteria

Area agencies and aging units shall require all providers funded under the area or aging unit plan to provide sufficient information to complete BADR's required reports. The required forms and instructions are issued by BADR.

13.10.2 Record-Keeping

All documents, records, and materials that support a provider's fiscal and program reports are to be retained in good order by the contractor for three years or pending an audit resolution on those records. If a provider agency ceases to exist, the records related to the contract revert to the awarding agency.

13.11 Monitoring and Assessment of Contractors

13.11.1 Monitoring of Contractors

Area agencies and aging units shall carefully examine their provider's fiscal and program reports to ensure accuracy and completeness. In addition to reviewing the regular fiscal and program reports, area agencies and aging units are expected to keep apprised of provider activities through periodic visits, phone contacts and routine correspondence.

13.11.2 Formal Assessment of Contractors

13.11.2.1 General

Assessment consists of at least one on-site appraisal of provider activities during the contract period. Said appraisal is related to objective, specific program performance criteria.

13.11.2.2 Procedure for Assessment of Contractors

Area agencies and aging units shall utilize established procedures for the assessment of their providers.

13.12 Technical Assistance and Training for Providers

Area agencies and aging units shall respond to the technical assistance and training needs of their providers. The kinds of technical assistance and training which area agencies or aging units provide will vary depending on the services being provided and the results of the monitoring and assessment activities.

Certain technical assistance and training needs are common to all contractors and include the following:

(1) assisting potential providers in the preparation of proposals and in the definition of service objectives or action plans
(2) informing providers of their compliance with all applicable laws, regulations, requirements and policies
(3) assisting providers in the preparation of required fiscal and program reports
(4) alerting providers to coordination opportunities
(5) helping providers to identify potential resources for ongoing financial support
(6) providing guidance for the conduct of ongoing programs

Chapter 14. NAPIS Report

14.1 Introduction

This chapter outlines the requirements for compliance with the National Aging Program Information System (NAPIS) report as required by the federal Administration on Aging (AoA).

The Bureau of Aging and Disability Resources (BADR) is required by the federal Older Americans Act to comply with the reporting requirements of the Administration on Aging (AoA). AoA requires that we submit an annual State Program Report (SPR). The SPR is part of the National Aging Program Information System (NAPIS).

The SPR requires that we supply AoA with information on the number and characteristics of people served, the nature and quantity of services provided, and the federal, state and local costs associated with the provision of services.

14.2 Report Period

AoA requires that this report be prepared on a federal fiscal year calendar (e.g. October 1 through September 30).

14.3 Report Deadline

Area agency on aging reports will be due to BADR by December 15 of each year.

14.4 SAMS

Aging agencies in Wisconsin have been provided with the SAMS participant tracking and reporting software. This software enables agencies to track participants and services, and to generate the information required for the NAPIS report.

The NAPIS report in SAMS can be generated based on the participant data in the SAMS database.

All aging units and area agencies on aging are required to use SAMS to comply with their reporting obligations to BADR.

14.5 Overview of the NAPIS Report

14.5.1 NAPIS Report, Section I: Elderly Clients and Caregivers

- **Subsection A**: Elderly Client Counts
- **Subsection B**: General Characteristics of Elderly Clients Receiving Registered Services and Those Receiving Cluster 2 Registered Services
- **Subsection C**: Detailed ADL Characteristics Of Elderly Clients Receiving Cluster 1 Services
- **Subsection D**: Detailed IADL Characteristics of Elderly Clients Receiving Cluster 1 Services
- **Subsection E**: Summary Characteristics of Caregivers Serving Elderly Individuals (National Family Caregiver Support Program - Title III-E)
- **Subsection F**: Summary Characteristics of Grandparents and Other Elderly Caregivers Serving Children (National Family Caregiver Support Program - Title III-E)

14.5.2 NAPIS Report, Section II: Utilization and Expenditure Profiles

- **Subsection A**: Title III Utilization, Expenditure Profile (except Title III-E)
- **Subsection B**: Title III-E Utilization, Expenditure, and Program Income Received Profile for Caregivers Serving Elderly Individuals
- **Subsection C**: Title III-E Utilization, Expenditure, and Program Income Received for Grandparents and Other Elderly Caregivers Serving Children

14.5.3 NAPIS Report, Section III: Network Profiles

- **Subsection A**: State Unit on Aging Staffing Profile - to be completed by BADR
- **Subsection B**: Area Agency on Aging Staffing Profile - to be completed by AAA's
- **Subsection C**: Provider Profile (Excluding Area Agencies on Aging providing direct services)
- **Subsection D**: Profile of Community Focal Points and Senior Centers

14.6 Definitions

The following definitions should be used when completing the NAPIS Report.

14.6.1 Characteristics of Elderly Clients

14.6.1.1 Race/Ethnicity

The following reflects the requirements of the Office of Management and Budget (OMB) for obtaining information from individuals regarding race and ethnicity. It constitutes what the OMB classifies as the "two-question format." When questions on race and ethnicity are administered, respondents should ideally be given the opportunity for self-identification, and are to be allowed to designate all categories that apply to them. Consistent with OMB requirements, the following are the racial and ethnic categories to be used for information collection purposes:

Race:
- American Indian or Native Alaskan
- Asian
- Black or African American
- Native Hawaiian or Other Pacific Islander
- White

Ethnicity:
- Hispanic or Latino
- Not Hispanic or Latino

American Indian or Alaskan Native: a person having origins in any of the original peoples of North America (including Central America), and who maintains tribal affiliation or community attachment

Asian: a person having origins in any of the original peoples of the Far East, Southeast Asia or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam

Black or African American: a person having origins in any of the black racial groups of Africa

Hispanic or Latino: a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race

Native Hawaiian or Other Pacific Islander: a person having origins in any of the original peoples of Hawaii, Guam, Samoa or other Pacific Islands

White: a person having origins in any of the peoples of Europe, the Middle East, or North Africa

14.6.1.2 Impairment Status

Impairment in Activities of Daily Living (ADL): the inability to perform one or more of the following six activities of daily living without personal assistance, stand-by assistance, supervision or cues: eating, dressing, bathing, toileting, transferring in and out of bed/chair, and walking

Impairment in Instrumental Activities of Daily Living (IADL): The inability to perform one or more of the following eight instrumental activities of daily living without personal assistance, or stand-by assistance, supervision or cues: preparing meals, shopping for personal items, medication management, managing money, using telephone, doing heavy housework, doing light housework, and transportation ability. (Transportation ability refers to the individual's ability to make use of available transportation without assistance.)

14.6.1.3 Poverty

Persons considered to be in poverty are those whose income is below the official poverty guideline (as defined each year by the Office of Management and Budget, and adjusted by the Secretary, HHS) in accordance with subsection 673 (2) of the Community Services Block Grant Act (42 U.S.C. 9902 (2)). The annual HHS poverty guidelines provide dollar thresholds representing poverty levels for households of various sizes.

14.6.1.4 Living Alone

A one-person household (using the census definition of household) where the householder lives by himself or herself in an owned or rented place of residence in a non-institutional setting, including board and care facilities, assisted living units and group homes.

14.6.2 Standardized Names, Definitions and Service Units

Personal Care (1 hour): personal assistance, stand-by assistance, supervision or cues for a person with an ADL impairment

Homemaker (1 hour): assistance such as preparing meals, shopping for personal items, managing money, using the telephone or doing light housework for a person with an IADL impairment

Chore (1 hour): assistance such as heavy housework, yard work or sidewalk maintenance for a person with an IADL impairment

Home-Delivered Meal (1 meal): a meal provided to a qualified individual in his/her place of residence. The meal is served in a program administered by CAU's/TAU's and/or AAA's and meets all of the requirements of the Older

Americans Act as well as state and local laws. Meals provided to individuals through means-tested programs such as Medicaid Title XIX waiver meals or other programs such as state-funded, means-tested programs are excluded from the NSIP meals figure. They are included in the meal total reported on line 4 of Section IIA. Certain Title III-E-funded home-delivered meals may also be included; see the definition of NSIP meals below.

Adult Day Care/Adult Day Health (1 hour): personal care for dependent elders in a supervised, protective, and congregate setting during some portion of a day. Services offered in conjunction with adult day care/adult day health typically include social and recreational activities, training, counseling, and services such as rehabilitation, medication assistance and home health aide services for adult day health.

Case Management (1 hour): assistance either in the form of access or care coordination in circumstances where the older person is experiencing diminished functioning capacities, personal conditions or other characteristics which require the provision of services by formal service providers or family caregivers. Activities of case management include such practices as assessing needs, developing care plans, authorizing and coordinating services among providers, and providing follow-up and reassessment, as required.

Congregate Meal (1 meal): a meal provided to a qualified individual in a congregate or group setting. The meal as served meets all of the requirements of the Older Americans Act as well as state and local laws. As noted in Section IIA, meals provided to individuals through means-tested programs such as Medicaid Title XIX waiver meals or other programs such as state-funded means-tested programs are excluded from the NSIP meals figure in line 8a; they are included in the meal total reported on line 8 of Section IIA.

Nutrition Education (1 session per participant): a program to promote better health by providing accurate and culturally sensitive nutrition, physical fitness, or health (as it relates to nutrition) information and instruction to participants, caregivers, or both; in a group or individual setting overseen by a dietician or individual of comparable expertise

Nutrition Counseling (1 session per participant): individualized guidance to individuals who are at nutritional risk because of their health or nutrition history, dietary intake, chronic illnesses, or medications use; or to caregivers. Counseling is provided one-on-one by a registered dietician and addresses the options and methods for improving nutrition status.

High Nutritional Risk (persons): an individual who scores higher than a six (6) on the nutritional risk checklist

NSIP Meals (1 meal): a meal served in compliance with all the requirements of the OAA, which means at a minimum all of the following:

(1) that it has been served to a participant who is eligible under the OAA and has *not* been means-tested for participation
(2) that it is compliant with the nutrition requirements
(3) that it is served by an eligible agency
(4) that it is served to an individual who has an opportunity to contribute.

Meal counts in 4, 4a, 8, and 8a include all OAA eligible meals, including those served to persons under age 60 where authorized by the OAA. NSIP Meals also include home-delivered meals provided as supplemental services under the National Family Caregiver Support Program (Title III-E) to persons aged 60 and over who are either care recipients (as well as their spouses of any age) or caregivers.

Assisted Transportation (1 one-way trip): assistance and transportation, including escort, to a person who has difficulties (physical or cognitive) using regular vehicular transportation

Transportation (1 one-way trip): transportation from one location to another. Does not include any other activity.

Legal Assistance (1 hour): legal advice, counseling and representation by an attorney or other person acting under the supervision of an attorney

Information and Assistance (1 contact): a service which does all of the following:

(1) provides individuals with information on services available within the communities
(2) links individuals to the services and opportunities that are available within the communities
(3) to the maximum extent practicable, establishes adequate follow-up procedures.

Internet web site "hits" are to be counted only if information is requested and supplied.

Outreach (1 contact): intervention with individuals initiated by an agency or organization for the purpose of identifying potential clients (or their caregivers) and encouraging their use of existing services and benefits

Note: The service units for I&A and for outreach are individual, one-on-one contacts between a service provider and an elderly client or caregiver. An activity that involves contact with multiple current or potential clients or

caregivers (e.g., publications, publicity campaigns, and other mass media activities) should not be counted as a unit of service.

Other Services: any other service provided using OAA funds, which does not fall into the previously defined service categories

14.6.3 Other Terms and Definitions

Planning: includes such responsibilities as needs assessment, plan development, budgeting/resource analysis, inventory, standards development and policy analysis

Development: includes such responsibilities as public education, resource development, training and education, research and development and legislative activities

Administration: includes such responsibilities as bidding, contract negotiation, reporting, reimbursement, accounting, auditing, monitoring, and quality assurance

Access/Care Coordination: includes such responsibilities as outreach, screening, assessment, case management, information and referral

Service Delivery: includes those activities associated with the direct provision of a service that meets the needs of an individual older person and/or caregiver

Clerical/Support Staff: all paid personnel who provide support to the management and professional staff

Provider: an organization or person which provides services to clients under a formal contractual arrangement with an aging unit. Under Title III-E, in cases where direct cash payment is made to a caregiver and the ultimate provider is unknown, the number of providers may be omitted.

Minority Provider: a provider of services to clients; which provider meets any one of the following criteria:

(1) a not-for-profit organization with a controlling board comprised at least 51 percent of individuals in the racial and ethnic categories listed below
(2) a private business concern that is at least 51 percent owned by individuals in the racial and ethnic categories listed below
(3) a publicly owned business having at least 51 percent of its stock owned by one or more individuals and having its management and daily business controlled by one or more individuals in the racial and ethnic categories listed below. The applicable racial and ethnic categories include the following:
    - American Indian or Alaskan Native

- Asian
- Black or African American
- Native Hawaiian or Other Pacific Islander
- Hispanic

Rural Provider: provider of services to clients who live in rural areas. Rural providers are not necessarily providers of services only to rural clients. They may also be providers of services to clients in urban areas. (See definition of rural.)

Total OAA Expenditures: outlays/payments made by the aging unit using OAA federal funds to provide an allowable service

Total Service Expenditure: OAA expenditures *plus all other funds* administered by the aging unit on behalf of elderly individuals and caregivers for services meeting the definition of OAA services, including services which are means-tested and those which are not

Program Income: gross income received by the aging unit and all providers, such as voluntary contributions or income earned only as a result of the grant project during the grant period

Rural: A rural area is any area that is not defined as urban. Urban areas include the following:

(1) urbanized areas (a central place and its adjacent densely settled territories with a combined minimum population of 50,000)
(2) an incorporated place or a census-designated place with 20,000 or more inhabitants

Appendix A Wisconsin Senior Employment Program (WISE) - (Title V)

The Older Americans Act (OAA) is the major vehicle for the organization and delivery of services to older persons. The OAA authorizes funding for programs that include the Senior Community Services Employment Program (SCSEP), also known also as Title V of the OAA.

According to the Older Americans Act the purpose of SCSEP is *"...to foster individual economic self-sufficiency and to increase the number of participants placed in unsubsidized employment in the public and private sectors, while maintaining the community service focus of the program."*

SCSEP is the only federally-sponsored job-creation program targeted to low-income older Americans. The State of Wisconsin's Title V Program is known as "The Wisconsin Senior Employment Program," which is referred to as the "WISE" program.

The purpose of the Wisconsin Senior Employment Program (WISE) is to provide training and useful part-time work experience, which is subsidized, to low-income people who are age 55 and older. Preference is given to those older persons whose prospects for employment are poor and who have the greatest social and economic need, especially someone who is age 65 years or older; is a veteran or spouse of a veteran; has limited English proficiency or low literacy skills; resides in a rural area; is disabled; could not find employment through WIA services; or is homeless or at risk of homelessness. Under WISE, classroom/workshop training and on-the-job work experience provide new skills and enhance old skills so that older persons can seek unsubsidized employment.

Older persons enrolled in the Wisconsin Senior Employment Program are referred to as "participants." Program participants work in a variety of community service assignments (jobs), e.g., as clerical workers, child/adult day-care assistants, teacher aides and librarians. The program benefits the older person as well as the community where the host agency is located and the older person works.

Provisions of the OAA amendments are designed to do all of the following:

(1) enhance employment and training opportunities for older persons by reinforcing connections with the broader workforce investment system
(2) establish an enhanced performance accountability system to hold each grantee accountable for attaining quality levels of performance with respect to core measures, such as customer satisfaction and placement in unsubsidized employment

(3) improve the ability of states to coordinate services, by providing for the broad participation of stakeholders in the development of an annual plan to ensure an equitable distribution of projects with the state
(4) strengthen administrative procedures by incorporating fiscal accountability provisions similar to the Workforce Investment Act (WIA) (the OAA amendments require integration with WIA, which supports the program but will help the workforce investment system prepare for the greater number of older workers it will serve outside of Title V), including definitions of administrative and programmatic costs and the application of uniform cost principles
(5) revise the distribution of funding

The Older Americans Act amendments strengthen the connection between Title V and WIA in order to provide older persons with easier access to appropriate services while minimizing overlap of services. In 1998 WIA included the Title V program as a required partner in the one-stop delivery system to ensure that older workers have access to information about the range of employment services available to them.

A.1 Goal

The goal of the Wisconsin Bureau of Aging and Disability Resources is to assist each WISE (Title V) participant to reach his or her employment potential. The WISE program is a means to provide participants with the skills, training, and experience necessary to obtain gainful employment. WISE assists older persons who are found to be ineligible for the program by providing them with employment resources and directing them to the nearest job center.

A.2 Eligibility Requirements

Participants applying for WISE must meet all of the following requirements in order to be eligible for the program:

(1) be 55 years of age and older
(2) be income eligible, meaning a participant must have an annual income that is at or below the federal poverty level (125 percent)
(3) be a resident of Wisconsin

There are enrollment priorities for which preference is given, as follows:

(1) individuals who are at least 65 years and older
(2) a veteran or spouse of a veteran (Jobs for Veterans Act)
(3) limited English proficiency or low literacy skills
(4) resident of a rural areas
(5) disabled
(6) poor employment prospects
(7) could not find employment through WIA services
(8) homeless or at risk of homelessness

A.3 What Is Offered?

(1) no less than the federal minimum hourly wage (minimum wage is $7.25)
(2) an average of 20 hours of work per week
(3) fringe benefits as required by law (FICA and Workers' Compensation)
(4) a physical examination offered annually. The participant may exercise his or her right to waive the physical examination.
(5) Permissible training activities such as community service job training, skills training, classroom instruction, lectures, seminars, individual instruction, on-the-job experience, self-development training, training through other employment and training program and/or colleges will be provided to enhance the participant's skills.
(6) supportive services such as transportation, telephone, work-related items, clothing, etc.
(7) Community service assignments are developed to provide participants with valuable training and practical work experience consistent with their employment goals (individual employability plan) as well as provide a benefit to the general welfare of the community.

A.4 Individual Assessment Requirement

(1) Each participant will be assessed by the project sponsor to determine individual needs and potential for unsubsidized placement.
(2) Participant will be given an employability plan (individual employability plan) that requires their participation.
(3) The participant will be reassessed "no less frequently than two times during a 12-month period" to determine individual needs and potential for unsubsidized placement and to apply different strategies for achieving a placement outcome.

A.5 Retention

The program is designed to assist low-income, older individuals to improve their quality of life through gainful and meaningful employment. Although participants are paid for their participation, the program is not to be considered permanent, subsidized employment. To ensure that other persons may have the opportunity to benefit from the program, the Reauthorization of the Older Americans Act of 2006 added durational limits. Participants have a 27-month cap to remain with any one grantee and 48 months lifetime in the aggregate. Under certain circumstances the Department of Labor can increase the cap from 27 to 36 months.

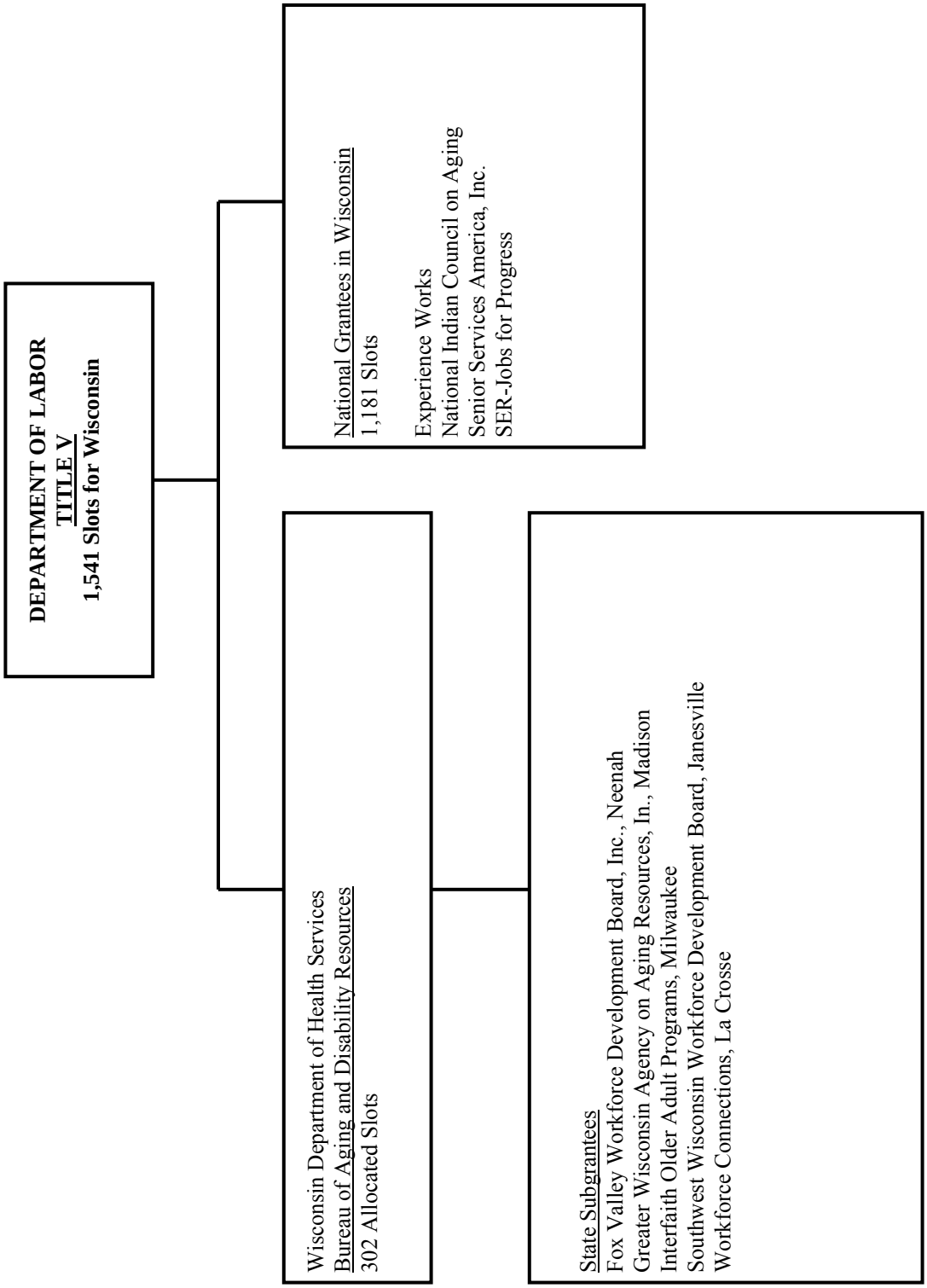
A.6 Allocation of Slots

Wisconsin is allocated 1,483 authorized positions from the U.S. Department of Labor. Of the 1,483 authorized positions, the Department of Health Services (state grantee) was awarded 302. The remaining 1,181 authorized positions are divided among four other national grantees that administer the Title V program in Wisconsin.

A.7 State Contracted Sponsoring Agencies

The State of Wisconsin contracts with six agencies to administer the 302 authorized positions. These six agencies administering the Wisconsin Senior Employment Program are referred to as "subgrantees" or "project coordinators." See **Figure A.7.1** of this appendix for a list of subgrantees.

Figure A.7.1 Title V Slots for Wisconsin



A.8 National Grantees

DHS works collaboratively with national grantees administering the Title V program to equitably distribute the authorized positions around Wisconsin so older persons are equally served in each county. See **Figure A.7.1** of this appendix for a list of national sponsors operating in Wisconsin.

A.9 What Is New?

With the Reauthorization of the Older Americans Act of 2006 (in April 2006), some portions of the act were amended. The greatest impact of the amendment was the change in performance measures. They are as follows:

- community service hours
- placed in employment
- retention
- earnings
- most in need
- number served

Other significant changes were as follows:

- preferences
- durational limits
- the introduction of data validation

What does this mean for WISE project coordinators? It means taking greater control and direct responsibility for the daily operation of the program, increased direct service to participants, continuous and active recruitment of eligible persons and aggressive job development and placement activities aimed at unsubsidized employment.

A.10 Frequently Asked Questions

A.10.1 What Is a Host Agency?

A community service assignment or host agency is a non-profit 501(c)3 or governmental agency or organization that has agreed to serve as a work training site for one or more participants.

These agencies agree to provide a safe, healthy, drug-free workplace, treating each participant as a valued worker. They provide adequate orientation, training and supervision; and encourage and assist the participant in his or her ongoing job search; and may in some instances hire the participant for permanent employment. These agencies may also work with an organization that has a position available to which a participant can be referred.

The host agency benefits from the valuable service the participant contributes to the organization. Because the host agency *is not* the participant's employer, its responsibility is primarily limited to work site supervision and time-keeping as outlined in the host agency agreement.

A.10.2 What Is a Community Service Assignment?

Community service assignment (CSA) organizations (or host agencies) within communities provide participants with training and valuable work experience consistent with their employment objective or goals; and in turn contribute to the general welfare of the community.

A.10.3 How Long Do Community Service Assignments Last?

Participants are placed in host agencies or work experience sites for a period of time determined as a result of the individual employability plan (IEP). Retention can vary depending on the time needed to obtain skills; and the training necessary to eventually lead to permanent, unsubsidized employment.

Appendix B National Senior Service Corps Programs

The Senior Corps is a national network of projects that place older volunteers in volunteer assignments with host agencies in their communities. There are three national programs under its umbrella. One is the Foster Grandparent Program (FGP), which links senior volunteers to children with disabilities in an ongoing relationship. Another is the Senior Companion Program (SCP), which places its volunteers with adults who need extra assistance to live in the community; most clients are frail older persons. Finally, the Retired and Senior Volunteer Program (RSVP) is "one-stop shopping" for senior volunteers - the service opportunities are endless so volunteers can find the ideal assignment related to their skills and interests. Senior Corps volunteers tap their wealth of experience and wisdom and channel it to new directions. Volunteers receive the training they need from their sponsoring agency and/or host agency to be effective.

Wisconsin has 17 RSVP projects, 18 FGP projects, and 3 SCP projects. You will find a list of these projects at the end of each section.

B.1 Retired and Senior Volunteer Program (RSVP)

Since 1971 RSVP has made a positive impact on communities by recruiting volunteers age 55 and over to help non-profit and public agencies deliver priority services to people of all ages, providing America with a valuable resource – seniors in service. RSVP offers maximum flexibility and choice to its volunteers by matching the personal interests and skills of older Americans with opportunities to help solve community problems. RSVP volunteers choose how and where they want to serve - from a few to over 40 hours per week. RSVP makes it easy for older adults to find the types of volunteer service opportunities that appeal to them.

RSVP is one of the largest volunteer efforts in the nation and in Wisconsin. Each year more than 11,500 older adults in Wisconsin provide volunteer service through 17 locally sponsored RSVP projects serving 29 counties. In addition to recruitment, RSVP projects work to do the following:

- develop volunteer opportunities that utilize the skills, experience and wisdom of older adults
- increase the variety of volunteer opportunities available to older adults
- provide opportunities for intergenerational activities and projects in school and community settings
- increase public awareness of the contributions of older adult volunteers and convey the community impact of those contributions

The schedule of service can vary from a few hours each month to a few hours each week. RSVP volunteers tutor children and young adults, serve at senior dining centers,

renovate homes, drive older adults to medical appointments, mentor at-risk youth, organize responses to natural disasters, visit hospitals and nursing homes, deliver meals to homebound seniors, act as guardians for people unable to manage their own affairs, assist older adults who have been victims of crime, serve in friendly visitor programs, assist in museums and cultural centers, display their skills at folk fairs – and whatever else their skills and interests lead them to do to meet the needs of their communities.

B.1.1 Eligibility

A person must be 55 years of age or older to be a RSVP volunteer.

B.1.2 Benefits

All volunteers are covered by accident, automobile liability and personal liability insurance during their service schedule.

Volunteers may receive transportation cost reimbursement

Volunteers are recognized by the sponsoring program annually.

B.1.3 Projects in Wisconsin

RSVP Projects in Wisconsin include the following:

- Advocap RSVP, serving Winnebago and Green Lake Counties
- Coulee Region RSVP, serving La Crosse, Monroe, Crawford and Vernon Counties
- Interfaith RSVP, serving Milwaukee County
- Kenosha RSVP, serving Kenosha County
- Northeast RSVP, serving Forest, Lincoln, Oneida and Vilas Counties
- Northwest RSVP, serving Ashland, Bayfield, and Iron Counties
- Portage County RSVP, serving Portage County
- Brown County RSVP, serving Brown County
- Outagamie County RSVP, serving Outagamie County
- RSVP of Dane County, Inc., serving Dane County
- Manitowoc RSVP, serving Manitowoc County
- Racine County RSVP, serving Racine County
- RSVP of Rock County, Inc. serving Rock County
- Superior/Douglas RSVP, serving Douglas County
- Walworth County RSVP, serving Walworth County
- RSVP of Waukesha County, Inc., serving Waukesha County
- Western Dairyland RSVP, serving Buffalo, Eau Claire, Jackson and Trempealeau Counties

B.2 Foster Grandparent Program (FGP)

Foster grandparents devote their volunteer service to children with special or exceptional needs. The purpose of the program is to match volunteers with children to form an ongoing relationship and assist the children in reaching educational, social and personal goals. Foster grandparents carry out activities indicated in each child's individual service plan in the facility the child attends. Children matched with foster grandparents may have learning disabilities, physical disabilities, sensory disabilities, emotional/behavioral problems, developmental disabilities, or social factors that put them "at risk."

Foster grandparents serve children in child care centers, elementary schools, middle schools, high schools, Head Start programs, family health clinics, children's hospitals, mental health programs, developmental programs, homeless shelters, family violence shelters and state institutions. The usual schedule for a foster grandparent is four hours per day, five days per week. During their service time they may work with two to ten children on an individual or small-group basis.

B.2.1 Eligibility

Eligibility requirements are as follows:

- A person must be 60 years or older to serve as a foster grandparent.
- People who meet minimum income requirements receive a stipend.
- A person must be healthy enough to serve without risk to themselves or the children.
- An applicant must agree to a background check.

B.2.2 Benefits

Foster grandparents who meet the low-income eligibility standard receive a non-taxable hourly stipend payment to offset the costs of volunteering. They also receive paid leave time with length of service increases.

All foster grandparents can receive the following additional benefits:

- pre-service and annual physical examination
- 40 hours of orientation before assignment to a specific child or children
- 4 hours of in-service training each month
- reimbursement for transportation costs
- a daily meal at the dining center or provision for meal reimbursement
- uniforms or smocks to protect personal clothing

All volunteers are covered by accident, automobile liability and personal liability insurance during their service schedule.

Volunteers are recognized by the sponsoring program annually

B.2.3 Projects in Wisconsin

FGP projects in Wisconsin include the following:

- CESA 10 FGP, serving CESA 10 region schools
- Antigo School District FGP, serving district schools
- Advocap FGP, serving Fond du Lac County
- Encompass FGP, serving Brown County
- Bethany Lutheran Homes FGP, serving La Crosse, Monroe and Vernon Counties
- Dane County RSVP FGP, serving community sites in Dane County
- Central Wisconsin Center FGP, serving residents in Madison
- Interfaith FGP, serving Milwaukee County
- Goodwill FGP, serving Racine and Kenosha counties
- Sheboygan School District FGP, serving district schools
- Bethesda Lutheran Homes FGP, serving residents in Watertown
- Wittenberg School District FGP, serving district schools
- Portage County Aging Resource Center, serving Portage County
- Ethan Allen School FGP in Waukesha County
- Lincoln Hills School FGP in Lincoln County
- Winnebago Mental Health Institute FGP, serving residents and schools in Winnebago County

Additional Wisconsin FGP projects are sponsored by the Great Lakes Intertribal Council and the Southwest Community Action Program.

B.3 Senior Companion Program (SCP)

The Senior Companion Program offers seniors age 60 and older the opportunity to serve individuals who have difficulty with daily living tasks. Senior companions serve many at-risk frail elderly who would in many cases have to go to a nursing home if they did not have this one-to-one support. Senior companions may visit their clients daily or several times per week.

Senior companions assist their adult clients in basic but essential ways: they provide companionship and friendship to isolated frail seniors, assist with simple chores, provide transportation, and add richness to their clients' lives. Senior companions serve frail older adults, adults with disabilities and those with terminal illnesses. They may provide respite for a client's caregiver. They are assigned to assist specific clients on an individual, ongoing basis. They serve 20 hours per week, usually 4 hours daily, Monday through Friday.

Senior companions do what friends do for friends.

B.3.1 Eligibility

- A person must be 60 years or older to serve as a senior companion.

- People who meet minimum income requirements receive a stipend.
- A person must be healthy enough to serve without risk to themselves or the clients.
- An applicant must agree to a background check.

B.3.2 Benefits

Senior companions who meet the low-income eligibility standard receive a non-taxable hourly stipend payment to offset the costs of volunteering.

All senior companions can receive these additional benefits:

- pre-service and annual physical examination
- 40 hours of orientation before assignment to a specific client or clients
- 4 hours of in-service training each month
- reimbursement for transportation costs
- a daily meal or provision for meal reimbursement

All volunteers are covered by accident, automobile liability and personal liability insurance during their service schedule.

Volunteers are recognized by the sponsoring program annually.

B.3.3 Projects in Wisconsin

SCP projects in Wisconsin include the following:

- Great Lakes Inter-Tribal Council, with tribal coordinators for each tribe in Wisconsin
- Senior Services of Rock County, Inc., serving Rock County
- Social Development Commission, serving Milwaukee County

Appendix C Support for Persons with Alzheimer's Disease and Their Caregivers

Note: The text of this appendix was taken from the following online document: http://legis.wisconsin.gov/rsb/code/dhs/dhs068.pdf
To obtain the most up-to-date version of this document, visit the Wisconsin State Legislature's web site, located here: http://legis.wisconsin.gov/

DHS 68.01 Introduction.
DHS 68.02 Definitions.
DHS 68.03 Allocation of funds.
DHS 68.04 Selection and reporting responsibilities of administering agencies.
DHS 68.05 Program budget requirement.
DHS 68.06 Allowable use of funds.
DHS 68.07 Client eligibility.
DHS 68.08 Payment calculation.
DHS 68.09 Method of payment.
DHS 68.10 Hearing.
DHS 68.11 Exceptions to requirements.

Note: Chapter HSS 68 is renumbered chapter HFS 68 under s. 13.93 (2m) (b) 1.,Stats., and corrections made under s. 13.93 (2m) (b) 6. and 7., Stats., Register, July, 1997, No. 499. **Chapter HFS 68 was renumbered to chapter DHS 68 under s. 13.92 (4) (b) 1., Stats., and corrections made under s. 13.92 (4) (b) 7., Stats., Register November 2008 No. 635.**

DHS 68.01 Introduction. (1) AUTHORITY AND PURPOSE. This chapter is promulgated pursuant to ss. 46.87 and 227.11 (2)(a), Stats., and section 3023 (28m) of 1985 Wis. Act 29 to establish procedures and criteria for distributing funds to county boards and private nonprofit organizations for the provision of service payments, goods and services to persons with Alzheimer's disease and to their caregivers. The payments, goods and services provided in accordance with this chapter are intended to help make available a diverse array of community services directed at preventing or delaying institutionalization of persons who have Alzheimer's disease and enhancing the quality of their lives, and to provide assistance to family members and others who take care of persons with Alzheimer's disease without compensation.
(2) TO WHOM THE CHAPTER APPLIES. The chapter applies to the department, county boards, administering agencies designated by county boards under s. 46.87 (3) (c), Stats., and private nonprofit organizations selected by the department under s. DHS 68.04 (3).
History: Cr. Register, March, 1989, No. 399, eff. 4−1−89.

DHS 68.02 Definitions. In this chapter:
(1) "Administering agency" means a county agency or the private nonprofit organization selected by the department under s. DHS 68.04 (3) to receive and administer program funds.

(2) "Adult family home" means:

(a) A home certified by a county department of social services established under s. 46.215 or 46.22, Stats., or a county department of human services established under s. 46.23, Stats., in which one or 2 adults unrelated to the operator reside and which provides a structured living arrangement for residents whose physical, developmental and emotional functioning is likely to be maximized in this family−type living arrangement; or

(b) A home certified under s. 50.032, Stats., and ch. DHS 82.

(3) "Alzheimer's disease" means a degenerative disease of the central nervous system characterized especially by premature mental deterioration, and includes any of the following related diagnoses which are similarly marked by irreversible deterioration of intellectual faculties with concomitant emotional disturbance resulting from organic brain disorder:

(a) Creutzfeldt−Jakob syndrome;

(b) Friedreich's ataxia;

(c) Huntington's chorea;

(d) Irreversible multi−infarct disease;

(e) Parkinson's disease;

(f) Pick's disease;

(g) Progressive supranuclear palsy;

(h) Wilson's disease; or

(i) An unspecified disease or condition resulting in irreversible dementia.

(4) "Caregiver" has the meaning prescribed in s. 46.87 (1) (b), Stats., namely, any person other than a paid provider who provides care for a person with Alzheimer's disease.

(5) "Community−based residential facility" or "CBRF" means a facility licensed under ch. DHS 83 in which 3 [5] or more unrelated adults reside and receive care and treatment or services above the level of room and board but not including nursing care.

(6) "County agency" means an agency designated by a county board under s. 46.87 (3) (c), Stats., to administer the program, namely, a county department of social services created under s. 46.215 or 46.22, Stats., a county department of community programs created under s. 51.42, Stats., a county department of developmental disabilities services created under s. 51.437, Stats., a county department of human services created under s. 46.23, Stats., or a county aging unit.

(7) "Department" means the Wisconsin department of health services.

(8) "Expand services" means to expand, after January 1, 1986, the staffing, size of physical plant or programming for an existing service offered by a service provider and included in a category listed under s. DHS 68.06 (2) (b) in order to increase by at least 10% over the number served prior to expansion the number of persons with Alzheimer's disease or their caregivers who are served by the provider, or to significantly improve, in the judgment of the administering agency contracting with the provider, the quality of services or service delivery for persons with Alzheimer's disease or for their caregivers. A service is no longer defined as "expanded" 3 years after the starting date of its expansion.

(9) "Goods and services" means, unless otherwise qualified, goods and services purchased or provided under any of the categories listed under s. DHS 68.06 (2) (b).

(10) "Household" means a person with Alzheimer's disease living alone or a person with Alzheimer's disease and the caregiver or caregivers with whom he or she lives, except that for purposes of determining financial eligibility under s. DHS 68.07 (3) and for purposes of determining ability to pay for the cost of program goods and services under s. DHS 68.08 (1) (c), "household" means only the person with Alzheimer's disease and his or her spouse.

(11) "Income" means gross earnings including money, wages or salary, net income from non−farm self−employment and net income from farm self−employment, and unearned income including social security, dividends, interest on savings or on money loaned, income from estates or trusts, net rental income or royalties, public assistance, pensions or annuities, unemployment compensation, worker's compensation, maintenance payments under s. 767.56, Stats., child support, family support, veterans' pensions, and educational grants given for living expenses.

Note: "Public assistance" includes but is not limited to programs such as aid to families with dependent children (AFDC) and supplemental security income (SSI).

(12) "Medical assistance" means the assistance program operated by the department under ss. 49.43 to 49.497, Stats.

(13) "New program" means any goods or services under one or more of the categories listed under s. DHS 68.06 (2) developed or offered for the first time on or after January 1, 1986, by a service provider under contract with an administering agency, to clients or beneficiaries, at least half of whom are persons with Alzheimer's disease or their caregivers. A program is no longer defined as "new" 3 years after its starting date.

(14) "Private nonprofit organization" has the meaning prescribed for"nonprofit organization" in s. 108.02 (19), Stats.

(15) "Program" means, unless otherwise qualified, the Alzheimer's family and caregiver support program under s. 46.87, Stats.

(16) "Residential facility" means an adult family home or a community−based residential facility.

History: Cr. Register, March, 1989, No. 399, eff. 4−1−89; correction in (2) (b) made under s. 13.93 (2m) (b) 7., Stats., Register December 2004 No. 588; **corrections in (2) (b), (5), (7) and (11) made under s. 13.92 (4) (b) 6. and 7., Stats., Register November 2008 No. 635.**

DHS 68.03 Allocation of funds. (1) The department shall allocate funds available under s. 20.435 (7) (b) and (o), Stats., for the program to each county by using the following equally weighted factors, except that no county may be allocated less than $4,000 in any calendar year:

(a) Each county's proportion of the state's monthly average medical assistance caseload for a 12 month period;

(b) Each county's ranking on an urban−rural scale which shall be determined by the county's percentage of population living in cities, towns and villages with populations of 2,500 or more;

(c) Each county's ranking as determined by the ratio of the full value of all taxable property in the county as defined in s. 70.57, Stats., to the county's population; and

(d) Each county's proportion of persons in the state who are 75 years of age or older.

(2) For the purpose of determining allocations under sub.(1), the department shall use the same statistical and data sources that are used in distributing funds under s. 20.435 (7) (b) and (o), Stats., for the purchase and provision of community social, mental health, developmental disabilities and alcoholism and drug abuse services.

History: Cr. Register, March, 1989, No. 399, eff. 4−1−89; corrections made under s. 13.93 (2m) (b) 7., Stats., Register, October, 2000, No. 538; corrections in (1) (intro.) and (2) made under s. 13.93 (2m) (b) 7., Stats., Register December 2004 No. 588.

DHS 68.04 Selection and reporting responsibilities of administering agencies.

(1) PROGRAM ADMINISTRATION. (a) The program shall be administered in each county by a county agency or, if the county board is not participating in the program, by a private nonprofit organization selected by the department under sub.(3).

(b) The department may suspend the requirement in par. (a) for a county in which a care management organization is under contract with the department to deliver the family care benefit under ch. DHS 10.

(2) COUNTY AGENCIES. A county board that wishes to participate in the program shall submit to the department a letter of intent to participate, except that a county board which submitted a letter of intent prior to the effective date of this chapter and which continues to participate in the program each year is not required to submit an additional letter. If the county board terminates participation in the program and in a subsequent year wishes to renew participation, it shall submit to the department another letter of intent to participate. The letter of intent shall include a statement signed by the county board chairperson indicating the county's intent to participate in the program, identifying the county agency, naming that agency's responsible contact person, estimating the number of households and residents of residential facilities to be enrolled and served in the next calendar year, identifying the maximum amount payable in a calendar year to or on behalf of any participating person with Alzheimer's disease, describing the goods and services related to Alzheimer's disease, describing the goods and services related to Alzheimer's disease which the county intends to develop or expand, and stating the policy which the county intends to use in placing applicants on and taking them off a waiting list. The categories of information required in the letter of intent shall constitute the criteria for the approval of a county board's proposed program pursuant to s. 46.87 (3) (b) and (4), Stats. The department may reject a county's participation in the program if it determines that the information provided by the county board in the letter of intent is insufficient or inconsistent with the purposes and procedures of the program as defined in s. 46.87, Stats., and this chapter.

(3) PRIVATE NONPROFIT ORGANIZATION. If a county board does not submit a letter of intent or if it notifies the department of its decision to terminate participation in the program, the department shall:

(a) Solicit applications from private nonprofit organizations to administer the program in the county for the calendar year; and

(b) Select from the application or applications submitted under par. (a) a private nonprofit organization to be the administering agency for the county based on the adequacy of the organization's program budget submitted under s. DHS 68.05 (2), the organization's demonstrated knowledge of Alzheimer's disease, the organization's

demonstrated ability to manage supportive service programs and the organization's experience in assessing and meeting the needs of persons with Alzheimer's disease and their caregivers.

(4) CHANGE OF ADMINISTERING AGENCY. If a county board that is not participating in the program submits a letter of intent to participate under sub.(2), the private nonprofit organization selected to administer the program under sub.(3) shall continue as the administering agency for the remainder of the calendar year.

(5) NOTIFICATION TO THE DEPARTMENT OF CHANGES. Pursuant to s. 46.87 (7), Stats., the county board or the private nonprofit organization selected under sub.(3) to administer the program shall notify the department in writing within 15 working days after any of the following occurs:

(a) The county board designates a new county agency;

(b) The county board or private nonprofit organization selected under sub.(3) to administer the program decides to terminate participation in the program; or

(c) The county board or private nonprofit organization selected under sub.(3) to administer the program decides to make a change in the program or services which would result in a substantial difference from the description of the county's program and services contained in the letter of intent most recently submitted by a county board or in the application most recently submitted by the private nonprofit organization. The county board or private nonprofit organization selected under sub.(3) shall notify the department when it decides to:

1. Contract with a service provider to develop a new program or expand services;
2. Discontinue providing, purchasing, or making payments for goods and services under one or more categories listed in s. DHS 68.06 (2) (b);
3. Change its waiting list policy;
4. Establish a maximum payment of less than $4,000 in a calendar year for each person with Alzheimer's disease who is participating in the program; or
5. Change the agency it contracts with to provide goods and services under any of the categories listed under s. DHS 68.06 (2) (b).

(6) NOTICE TO PARTICIPANTS OF CHANGES. The administering agency shall notify each affected caregiver in writing of any change identified under sub. (5) (b) or (c) 2. or 5. at least 10 working days prior to implementing that change.

(7) RECORDS AND REPORTS. The administering agency shall maintain program records and submit reports as required by the department.

History: Cr. Register, March, 1989, No. 399, eff. 4−1−89; am. (1), Register, October, 2000, No. 538, eff. 11−1−00; **correction in (1) (b) made under s. 13.92 (4) (b) 7., Stats., Register November 2008 No. 635.**

DHS 68.05 Program budget requirement. (1) COUNTY AGENCY. (a) A county agency shall annually prepare a distinct budget for this program and shall submit the budget to the department each year by September 30. This distinct budget shall be part of either the proposed budget required under s. 46.031, Stats., or the plan for older people required by the department and prepared by the county aging unit under s. 46.87 (3) (c) 4., Stats. The budget shall include at least the following information:

1. The total amount of allocated funds anticipated for the program for the calendar year;

2. The number of households anticipated to be enrolled and served for the calendar year;
3. The planned distribution of allocated funds by purpose under s. DHS 68.06 (1);
4. The method or methods for paying for goods and services under s. DHS 68.09;
5. The maximum amount payable in a calendar year to or on behalf of any participating person with Alzheimer's disease, if that amount is less than $4,000;
6. A brief description of any limitations on goods and services that are to be provided, purchased or contracted for;
7. Brief descriptions of any new programs or expanded services;
8. A summary of the waiting list policy; and
9. The name and phone number of the principal contact person at the county agency for the program.
(b) The department may terminate a county's participation in the program if it determines that the information provided by a county agency in the distinct budget is insufficient or inconsistent with the purposes and procedures of the program as defined in s. 46.87, Stats., and this chapter, or the county agency does not submit the distinct budget by September 30.
(c) The county's contract with the department under s. 46.031 (2g) (a), Stats., shall include the name of the county agency and the amount of the allocation for the contract year.
(2) PRIVATE NONPROFIT ORGANIZATION. (a) A private nonprofit organization applying to be an administering agency shall submit with its application and annually thereafter a program budget that includes:
1. The total amount of allocated funds anticipated for the program for the calendar year;
2. The number of households anticipated to be enrolled and served for the calendar year;
3. The planned distribution of allocated funds by purpose under s. DHS 68.06 (1);
4. The method or methods for paying for goods and services under s. DHS 68.09;
5. The maximum amount payable in a calendar year to or on behalf of any participating person with Alzheimer's disease, if that amount is less than $4,000;
6. A brief description of any limitations on goods and services that are to be provided, purchased or contracted for;
7. Brief descriptions of any new programs or expanded services;
8. A summary of the waiting list policy; and
9. The name and phone number of the principal contact person for the program at the private nonprofit organization.
(b) The department may terminate an organization's participation in the program if it determines that the information provided by the organization in the budget is insufficient or inconsistent with the purposes and procedures of the program as defined in s. 46.87, Stats., and this chapter or the organization does not submit the budget by the required date or the county board of the county in which the organization is operating the program submits a letter of intent to participate for the subsequent calendar year.
History: Cr. Register, March, 1989, No. 399, eff. 4−1−89.

DHS 68.06 Allowable use of funds. (1) PURPOSES. As permitted by s. 46.87 (5), Stats., the administering agency in each county may use allocated funds for the following purposes:

(a) To pay for the cost of goods and services provided to or purchased for or by households and for or by persons living in residential facilities who are found eligible to participate in the program under s. DHS 68.07;

(b) To contract with service providers to develop new programs or expand services;

(c) To provide outreach, that is, to search out persons in need of support by the program, or to provide activities designed to develop or enhance public awareness of Alzheimer's disease;

(d) To develop or assist support groups for persons with Alzheimer's disease or their caregivers; or

(e) To pay for program administration, except that no more than 10% of funds allocated for the program may be used for this purpose.

(2) GOODS AND SERVICES. (a) A household or a person living in a residential facility who is participating in the program may not be restricted from purchasing goods and services listed under this subsection and identified under s. DHS 68.08 (1) (a) from providers who are located outside of the county to which application is made.

(b) The administering agency at the time of need determination under s. DHS 68.08 (1) (a) shall enumerate to households and individuals participating in the program the goods or services that may be purchased or provided to accomplish the purposes listed under sub. (1), which shall be limited to goods and services that can be provided under the following categories:

1. Adult family home;
2. Advocacy and legal assistance;
3. Case management or service coordination;
4. Community−based care or treatment facility;
5. Community organization and awareness, including all activities designed to start or support Alzheimer's support groups;
6. Community support;
7. Congregate meals;
8. Counseling and therapeutic resources;
9. Crisis intervention;
10. Daily living skills training;
11. Day center services or treatment;
12. Health screening and accessibility;
13. Home−delivered meals;
14. Housing and energy assistance;
15. Information and referral;
16. Inpatient treatment;
17. Intake and assessment;
18. Interpreter services and adaptive equipment;
19. Outreach;
20. Protective payment or guardianship;
21. Recreation and alternative activities;
22. Respite care;

23. Shelter care;
24. Specialized transportation and escort;
25. Supportive home care;
26. Work−related services; and
27. Any other goods and services that are necessary to maintain the person with Alzheimer's disease as a member of the household.

(3) ADMINISTRATION. Administering agencies may use program funds to pay for the cost of administering the program only if the costs are incurred under one or both of the following categories:
(a) Training and development; or
(b) Agency and systems management.

Note: For descriptions of the categories listed under subs.(2) and (3), write the Division of Disability and Elder Services, Bureau on Aging and Long−Term Care Resources, P.O. Box 7851, Madison, Wisconsin 53707.

History: Cr. Register, March, 1989, No. 399, eff. 4−1−89.

DHS 68.07 Client eligibility. In accordance with s. 46.87 (5), Stats., the administering agency in each county shall determine the eligibility of each household or person living in a residential facility in that county who applies to participate in that county's program by establishing that the household or person meets all of the following conditions:

(1) DIAGNOSIS OF CONDITION. At least one member of the household or the person who lives in a residential facility has received a final, tentative or preliminary written diagnosis of Alzheimer's disease from a physician;

(2) COUNTY OF RESIDENCE. (a) The person in the household who has Alzheimer's disease or that person's caregiver resides in the county; or
(b) The person with Alzheimer's disease lives in a residential facility located in the county; and

(3) HOUSEHOLD INCOME. The person with Alzheimer's disease and that person's spouse are expected to have a joint income of no more than $40,000 for the 12−month period immediately following application for the program, except that in determining the income of a household with a joint gross income of more than $40,000, the administering agency shall subtract any expenses attributable to the Alzheimer's−related needs of the person with Alzheimer's disease or of the person's caregiver. If the net income determined by subtracting Alzheimer's−related expenses for a household is $40,000 or less, the household shall be considered as having met the household income eligibility condition.

History: Cr. Register, March, 1989, No. 399, eff. 4−1−89.

DHS 68.08 Payment calculation. (1) DETERMINATION OF NEED. For the purpose of calculating the funds to be paid to or expended for a household or individual participating in the program, the administering agency in the county shall determine:
(a) The goods and services needed by the household to enable it to maintain the person with Alzheimer's disease as a member of the household, or the goods and services needed by a person with Alzheimer's disease living in a residential facility;
(b) The cost of each good and service that is needed; and

(c) The ability of the household to pay for the goods and services identified under par. (a), using as the basis for this determination the uniform system of fees for services established by the department under s. 46.03 (18), Stats., and ch. DHS 1, except that in determining income of eligible households with gross incomes of more than $40,000 the administering agency shall use gross income and not net income as the basis for determining ability to pay.

(2) COST SHARING. If the administering agency determines under sub.(1) (c) that an applicant household or person with Alzheimer's disease is able to pay for goods and services identified under sub.(1) (a), the administering agency:

(a) Shall require as a condition of participation that the household or person pay for all or a portion of the costs of goods and services to accomplish the purposes under s. DHS 68.06 (1) (a). The amount of payment shall be determined according to the uniform system of fees for services established by the department under s. 46.03 (18), Stats., and ch. DHS 1; and

(b) May require the household or person to pay for all or a portion of the costs of goods and services to accomplish the purposes under s. DHS 68.06 (1) (b). The amount of payment shall be determined according to the uniform system of fees for services established by the department under s. 46.03 (18), Stats., and ch. DHS 1.

(3) APPLICATION OF REVENUES. If revenues are received by an administering agency from cost−sharing payments, these revenues may only be used for the non−administrative purposes under s. DHS 68.06 (1) (a) to (d) and only for the goods and services under s. DHS 68.06 (2).

(4) LIMIT. The administering agency in each county may pay to or expend on behalf of a participating household or on behalf of a person with Alzheimer's disease living in a residential facility the costs of any goods and services identified under sub.(1) (a) minus the amount the household or person with Alzheimer's disease is able to pay, as determined under sub.(1) (c), except that the amount paid or expended may not exceed $4,000 in any calendar year for each person with Alzheimer's disease in the household or for each person with Alzheimer's disease living in a residential facility.

History: Cr. Register, March, 1989, No. 399, eff. 4−1−89; **corrections in (1) (c), (2) (a) and (b) made under s. 13.92 (4) (b) 7. Stats., Register November 2008 No. 635.**

DHS 68.09 Method of payment. The payment by an administering agency for goods and services shall be made using one or more of the following methods:

(1) Payment made to a service provider on behalf of the person with Alzheimer's disease or of the person's caregiver;

(2) Payment made to a service provider under contract with the administering agency to develop new programs or to expand services;

(3) Payment made to the household of a person with Alzheimer's disease pursuant to accounting requirements set forth by the administering agency; or

(4) Payment made to the manager of a residential facility in which a person with Alzheimer's disease resides for the purchase of goods or services, or both, pursuant to accounting requirements set forth by the administering agency.

History: Cr. Register, March, 1989, No. 399, eff. 4−1−89.

DHS 68.10 Hearing. (1) JURISDICTION. Any household or individual participating in the program or caregiver may appeal the following actions by an administering agency:

(a) Denial of an application to participate in a county's program;

(b) The calculation of funds to be paid to or expended for a household or a person with Alzheimer's disease living in a residential facility and participating in the program;

(c) Reduction, suspension, limitation or termination of goods and services provided under this chapter;

(d) Change of provider of goods and services provided under this chapter;

(e) Change of method of payment for goods and services provided under this chapter; and

(f) Change of the maximum amount payable in a calendar year to or on behalf of any participating person with Alzheimer's disease.

(2) NOTIFICATION OF APPEAL RIGHTS. At the time an administering agency takes any of the actions under sub. (1), it shall inform the household, individual participating in the program, any caregiver, and any guardian or protective payee, in writing, of the right to a hearing under this chapter and of the procedure for requesting a hearing.

(3) REQUEST FOR HEARING. A household or individual participating in the program or caregiver wishing to contest an action under sub. (1) shall file a written request for a hearing with the department of administration's division of hearings and appeals within 45 days after the date of the action for which review is sought. A hearing request shall be considered filed on the date of receipt by the division of hearings and appeals.

Note: The mailing address of the Office of Administrative Hearings is P.O. Box 7875, Madison, Wisconsin 53707−7875.

(4) ARRANGEMENTS FOR A HEARING. In response to a request for a hearing under this section, the director of the office of administrative hearings shall appoint a hearing examiner, set a date for the hearing and notify the parties at least 10 days before the hearing of the date, time and place of the hearing and of the procedures to be followed.

History: Cr. Register, March, 1989, No. 399, eff. 4−1−89.

DHS 68.11 Exceptions to requirements. The department may grant an exception to an administering agency of any requirement made of the administering agency under this chapter, except a requirement under s. DHS 68.03 or 68.10 (2), if the department is convinced that an alternative to the requirement meets the intent of and is in compliance with s. 46.87, Stats. The department shall respond in writing to a written request for an exception within 30 days after receiving the request.

History: Cr. Register, March, 1989, No. 399, eff. 4−1−89.

Appendix D Wisconsin's Elder-Abuse Law

Chapter 46.90 of the Wisconsin Statutes mandates each county to provide a publicized phone number to receive reports of suspected elder abuse and to designate a lead agency for investigation and reporting purposes. Most often, this is the county aging unit or department of social or human services.

Lead agencies must begin investigation of physical abuse, neglect or self-neglect within 24 hours of receiving a report (excluding weekends and holidays) and within five working days of receiving a report of material abuse. Based on the results of its investigation, the lead agency may offer services to help solve the problem (subject to the limits of funding availability).

If necessary, lead agencies may notify the appropriate law enforcement agency. When abuse occurs in a nursing home, community-based residential facility or by a licensed home health agency, the complaint is referred to the state Department of Health Services for investigation.

Although the law requires counties to provide a means of reporting elder abuse, the system itself is voluntary. It does not require reporting by attorneys or other professionals and it respects the individual's right to self-determination. Competent adults have the right to decide where and how they live and whether or not they want intervention in their lives. Victims of elder abuse may refuse an investigation by an elder-abuse worker. They may also refuse any help that is offered, so long as they are legally competent. Help is available if it is wanted and needed.

Appendix E Planning Tools for the Aging Network

E.1 Planning and the Aging Difference

The aging network is fundamentally different in character and orientation from traditional service networks. Traditional service networks and systems focus on the delivery of services to clients. The focus of the aging network is to fundamentally change the systems that have an impact on the lives of the elderly. This difference has been called the "aging difference."

The plans developed by the agencies in the aging network set forth the aspirations of older people for caring communities, which permit all older people to choose their living circumstances while continuing to lead productive and responsible lives with their families and neighbors.

E.2 Purpose of this Appendix

This appendix describes some tools and processes that aging units and area agencies on aging may find helpful in developing their plans for older people. The apendix does not reflect policies; rather, it reflects ideas and tips on planning.

E.3 Keep Your Perspective During Planning

Many people in the aging network spend most of their time "fighting fires" in their communities. Their time is spent realizing and reacting to problems. For these people, it can be very difficult to stand back and take a hard look at what they want to accomplish and how they want to accomplish it.

However, one of the major challenges confronting the aging network is the need to see the broad perspective, to take the long view on what needs to be done now and in the future, and how things will be done.

One of the best ways to develop this approach is through a thorough planning process. The following guidelines may help you to get the most out of your planning experience:

(1) The real benefit of the planning process is the process itself, not the plan document.
(2) There is no "perfect" plan. There is doing your best at strategic thinking and implementation; there is also learning from what you are doing to enhance what you do the next time around.
(3) The planning process is usually not an "a-ha!" experience. It is like the management process itself, a series of small moves that together keep the aging agency doing things right as it heads in the right direction.

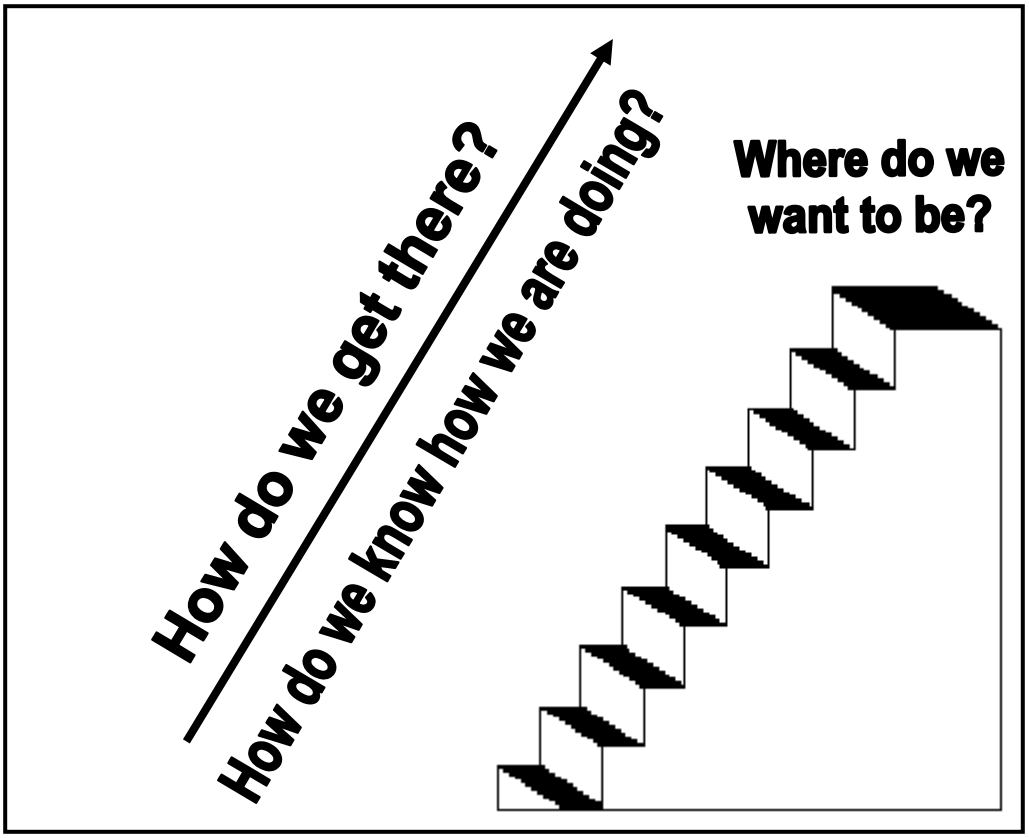
(4) In planning, things usually are not as bad as you fear nor as good as you would like.
(5) Start simple, but start!

E.4 A Model Planning Process

A standard planning process can be illustrated by four simple questions (see **Figure E.4.1** of this appendix), as follows:

(1) Where are we now?
(2) Where do we want to be?
(3) How do we get there?
(4) How will we know that we are making progress?

Figure E.4.1 Standard Planning Process



E.4.2 Where Are We Now?

These activities guide the agency through an assessment of its present situation. When completed, the agency can identify the critical issues it faces for this planning cycle. The steps are as follows:

(1) **Look at recent accomplishments and desired improvements.** Discuss agency achievements and identify areas for improvement.
(2) **Clarify organizational mandates.** Review current mandates that govern agency operations and discuss any new or changing ones.
(3) **Identify constituents' needs and demands.** Identify groups who have a significant influence on the agency and what it does. Assess how well needs are currently met and how those needs will evolve in the future.
(4) **Develop or refine mission.** Re-examine the agency mission statement and discuss whether it clearly states the agency's role and purpose.
(5) **Identify core activities.** Review and discuss the primary functions of the agency: those goods and services the agency was created to deliver.
(6) **Assess the current situation.** Assess the agency's internal capabilities as well as the external factors that may positively or negatively affect its operations. Describe internal agency strengths and weaknesses; identify external opportunities and threats.
(7) **Identify critical issues.** Analyze the list of strengths, weaknesses, opportunities, and threats; identify critical issues challenging the agency.

E.4.3 Where Do We Want to Be?

The agency examines each critical issue and discusses alternate ways to respond. By choosing the most appropriate response, the agency is able to meet its constituents' expectations and achieve demonstrable results. Consider alternate responses and select the best for managing a particular challenge. Determining how to manage an issue has two parts. First, the agency decides what result it seeks in managing the challenge. These decisions are expressed as goals and objectives.

- **Setting Goals**: the general end purpose toward which effort is directed
- **Setting Objectives**: the specific and measurable targets for accomplishment

E.4.4 How Will We Get There?

Answers to the "how" question link the goals and objectives to the agency's actual work. The strategic plan summarizes how the agency reached its current position, establishes the goals and objectives that show where it wants to go, and develops broad strategies that explain how it will achieve the goals and objectives. A strategic plan has a long-term planning horizon. The broad strategies translate into short-term actions as yearly plans are drafted. A well-constructed action plan links the strategic plan to agency operations.

E.4.5 Management of Critical Issues

The second part of managing a critical issue describes how the issue will be managed to accomplish the goals and objectives. The answer to "how" describes the strategy. When strategies are combined with the goals and objectives, they form the organizational strategic plan.

- **A Strategic Plan**: sets the broad long term direction for the agency
- **An Action Plan**: specific tasks for the agency to undertake to move toward its strategic direction. It links the long-range plan to agency operations.

E.4.6 How Do We Measure Our Progress?

Planning success depends on satisfactorily executing the plan and monitoring its results. A well-planned accountability system increases the likelihood of successful implementation. Accountability touches all levels of the agency. An accountability system reinforces that. Constructively using an accountability system peaks interest in and builds commitment for the planning process.

- **Accountability**: the methods used to measure results
- **Performance Measures**: tools used to measure performance and quantitatively evaluate progress toward planned targets
- **Tracking and Monitoring Systems**: systems to report the progress of implementing the plan and achieving desired results as demonstrated by specific performance measures

Figure E.4.7 of this appendix can be a useful guide to initiate the commission on aging members to the planning process and to solicit their input and points of view.

Figure E.4.7 Discussion Guide about Strategic Planning for the Commission on Aging

The commission on aging can use the following outline of questions to discuss the following organizational questions. This will provide valuable insights for the strategic planning process.

What business are we in?

What is our vision for the future?

What are our underlying purposes, directions, and values?

What do we do best?

Who are our primary constituents? What does each expect from us?

How well are we performing?

Are we meeting the expectations of our primary constituents?

Where do we want to go?

How does the changing environment affect us?

What opportunities or threats exist that we should exploit or avoid?

Are we effective and productive in what we do? How do we know?

How do we learn from our experience?

E.5 Planning Steps

E.5.1 Get Organized to Plan: Work Plan for Process

E.5.1.1 Purpose of this Step

Before the agency commits to strategic planning, it must design a process to fit the agency's purpose, resources, and political environment. The design phase gives the agency a chance to resolve all issues, as follows:

- design of the process and the sequencing of its steps
- resources available for planning
- timing of the process
- overall structure for the process
- participants and their roles

When these activities are completed, the agency has a draft work plan. Everyone involved reviews the work plan, makes any changes, and agrees to it. Then everyone knows the reasons for the planning process, how it is going to happen, the role that each person can play in developing the plan, and expected completion dates.

E.5.1.2 Possible Desired Outcomes

Possible desired outcomes are as follows:

- a timetable for the planning process
- a list of the planning steps, their expected duration, and the tasks for each step of the process
- an organizational structure for carrying out the process
- agreement on resource requirements

E.5.2 Identify Recent Accomplishments and Desired Improvements

E.5.2.1 Purpose of this Step

A useful starting point in deciding where an agency wants to go is to discuss where the agency has been. This begins by examining the agency's recent accomplishments. A comparison of actual-to-planned achievements or actions adds another dimension to the dialogue. Discussions centering on how the accomplishments relate to the agency's core activities or purpose bring more clarity to the picture. This exercise is an excellent chance for agency personnel to step back and reflect on what happened during the strategic plan's most recent implementation period.

The agency can expect to have its share of accomplishments, but by the same token there will be disappointments. As both achievements and areas for improvement are reviewed, the agency should foster a non-threatening atmosphere. A constructive, helpful discourse proves most productive.

E.5.2.2 Possible Desired Outcomes

Possible desired outcomes are as follows:

- a thorough discussion of agency accomplishments
- results from key performance measures
- a list of areas for improvement for consideration during the planning exercise
- identifying external factors that affected performance

Figure E.5.2.3 of this appendix may be useful in this process.

Figure E.5.2.3 Accomplishments, Successes, and Areas for Improvement

An excellent starting point in assessing the current agency situation is to take note of recent accomplishments, successes and areas for improvement. Information gathered from staff before starting the planning process should be used.

- List the major accomplishments or successes that the agency experienced over the past 12 to 18 months. Use the information gathered through Figure E.4.7.

- Looking at the list, did we accomplish what we set out to do in our last strategic plan?

E.5.3 Clarifying Agency Mandates

E.5.3.1 Purpose of this Step

A periodic re-examination of mandates is useful. A mandate is a formal requirement placed on an agency by external entities. Mandates may include laws, ordinances, charters, board policies, regulations, etc. This step helps the agency understand how mandates may constrain what it can do or achieve.

E.5.3.2 Possible Desired Outcomes

Possible desired outcomes are as follows:

- Identify all formal and informal mandates.
- Interpret the mandates' requirements.
- What resources are required to carry out the mandates?

Figure E.5.3.3 of this appendix can be a useful tool in outlining the mandates governing the aging agency.

Figure E.5.3.3 Current List of Agency Mandates

Mandate	Citation	Primary Requirements	Effects on the Agency

E.5.4 Identifying the Needs and Demands of Constituents

E.5.4.1 Purpose of Step

Successful public agencies strive to effectively satisfy key constituents. Therefore, identifying and prioritizing constituent groups is essential. In addition to knowing who the constituents are, the agency needs to understand what each group of constituents wants from the agency. Compiling the expectations from each group helps the agency spot overlaps, gaps, contradictions and conflicts among the constituent needs. Looking at its current performance, the agency should be able to recognize potential opportunities and threats. This information will be extremely useful for evaluating the agency mission, identifying critical issues, and developing strategies.

To start, the agency defines a comprehensive list of internal constituents, external constituents, and the relative importance of each constituent group. Next, it identifies the expectations that each has of the agency, the level of influence that the group has on the agency, and how well the agency is meeting the group's needs. Surveys, interviews, or focus groups are just some of the techniques the agency can use to find out what its constituents expect. Regular feedback from constituent groups is vital.

E.5.4.2 Possible Desired Outcomes

Possible desired outcomes are as follows:

- list of constituent groups in order of priority
- expectations of each constituent group
- information on how each constituent group views the agency's current level of performance
- discussion of agency performance from the constituents' perspective

Figure E.5.4.3 Analysis of Constituents

Use a single sheet for each constituent of the agency.

Name of Constituent:

How do they influence the agency?

What do they need from the agency?

Are we meeting their expectations?

E.5.5 Mission and Purpose

E.5.5.1 Purpose of this Step

An agency or organization shall understand and communicate its identity. The mission is a broad, comprehensive statement defining its organizational purpose or identity. It charts the direction for the agency's actions. It reveals the image the agency seeks to project; reflects the agency's self-concept; indicates the primary services or products it provides; and identifies the principal constituents that the agency seeks to satisfy. Simply put, the mission conveys the rationale behind the agency's need to exist. Most agencies have mission statements. While this step does not necessarily suggest that the agency spend time rewriting its mission, it does offer the opportunity to review the statement and determine whether revisions are necessary.

Consequently, mission statements will need periodic updating to ensure that they are still meaningful and easily understood by all constituents. As a final review, an effective mission statement should meet all of the following criteria:

(1) It is clear and concise.
(2) A wide audience of the agency's constituents understands it.
(3) It addresses the agency's mandates.
(4) It identifies the basic needs and distinct problems that the agency was designed to manage.
(5) It is realistic.
(6) It defines whom the agency serves.
(7) It serves as the foundation for agency's direction.
(8) It acknowledges the expectations of the agency's primary constituents.

The mission that is developed serves as an umbrella for all agency programs and services.

E.5.5.2 Possible Desired Outcomes

Possible desired outcomes are as follows:

- a mission statement that clearly conveys agency purpose
- a shared understanding of the mission by all levels of agency personnel

Figure E.5.5.3 of this appendix can be used to analyze the agency's mission statement.

Figure E.5.5.3 Mission Audit

- ❑ **Is the agency's mission statement clear and concise?**
- ❑ **Is the mission statement easily understood by the agency's constituents and customers?**
- ❑ **Does the mission statement indicate what the agency intends to accomplish in terms of its purpose?**
- ❑ **Does the agency's mission statement define whom it serves?**
- ❑ **Is the agency's mission statement realistic?**
- ❑ **Does the mission statement accommodate the agency's mandates?**
- ❑ **Does the mission statement acknowledge and take into consideration customer and constituent expectations?**

E.5.6. Assessing the Operating Environment Internally and Externally

E.5.6.1 Purpose of this Step

Organizations are compelled by the ever-changing nature of today's world to regularly assess their internal situation and to monitor, analyze, and comprehend external trends and issues. By undertaking this practice, the agency can gauge conditions both inside and outside the agency.

An internal/external assessment is a basic management tool. An agency must have an in-depth understanding of itself to have a clear sense of what strengths it has to build upon and what weaknesses it needs to overcome. At the same time, the agency must analyze newly emerging trends, events, and developments that are likely to have a significant impact on the agency.

Effective responses to the externally triggered issues are based on an intimate knowledge of an agency's internal capabilities. This is the essence of strategic planning: finding the best or most advantageous fit between the agency and its environment based on an intimate understanding of both.

E.5.6.1.1 Internal Assessment: Strengths and Weaknesses

In earlier steps, the agency examined aspects of internal agency operations. Specifically, the agency looked at recent accomplishments, areas for improvement, performance reports, and primary constituents and their specific needs. Using this information, the internal analysis assesses internal operations in order to determine specific agency strengths and weaknesses.

E.5.6.1.2 External Assessment: Opportunities and Threats

An agency gains the greatest benefit from conducting an external assessment when an ongoing environmental scanning process is in place. An environmental scan analyzes key external elements or forces that influence the environment in which the agency operates. The information generated from scanning identifies trends or issues that are likely to affect the agency. It highlights and describes the implications that each may have on agency operations or activities.

A simple scanning process may involve gathering, from a variety of experts, information that describes projected trends and likely issues. This information should be compiled into a report and distributed to

everyone before a formal meeting to generate the opportunities and threats. External assessment reports are intended to help the agency recognize emerging trends and issues that are likely to affect its operations and to identify the opportunities and threats that these external elements present.

Figure E.5.6.1.3, **Figure E.5.6.1.4**, **Figure E.5.6.1.5** and **Figure E.5.6.1.6** of this appendix can be used to identify the strengths, weaknesses, opportunities, and threats.

Figure E.5.6.1.3 Internal Strengths

Internal strengths are the resources or capabilities an organization has which can be used for accomplishing its purpose. Use the worksheet to begin listing agency strengths; briefly describe them and suggest how the agency can maintain or build on them. (Mark those which you think are the eight to ten most important strengths.)

Strength	Description	How to maintain or build on it

Figure E.5.6.1.4 Internal Weaknesses

Internal weaknesses are deficiencies in resources or capabilities that hinder an agency from accomplishing its purpose. Use the worksheet to begin listing organizational weaknesses; briefly describe them and suggest how the organization can eliminate or minimize them. (Mark those which you think are the eight to ten most important weaknesses to address.)

Weakness	Description	How to minimize or eliminate it

Figure E.5.6.1.5 External Opportunities

External opportunities are factors or situations beyond the agency that may have a favorable effect on it. Use the worksheet to begin listing potential opportunities; briefly describe them and suggest how the agency can take advantage of them.

Opportunity	Description	How to take advantage of it

Figure E.5.6.1.6 External Threats

External threats are situations or factors beyond the agency that can negatively affect it. Use the worksheet to begin listing agency threats; briefly describe them and suggest how the agency can minimize or overcome them.

Threat	Description	How to overcome or minimize it

The agency will want to direct its attention toward those opportunities that offer the greatest benefits. After generating a list of opportunities, the agency goes through the same process to generate a list of threats. The list is pared down as deemed necessary. Now the team more specifically discusses how the agency can potentially take advantage of an opportunity; or minimize, turn around, or overcome a threat. The team now has lists of the strengths, weaknesses, opportunities, and threats. The next task is to decide the priority order for them.

E.5.6.2 Possible Desired Outcomes

Possible desired outcomes are as follows:

- list of internal strengths and weaknesses along with external opportunities and threats
- background reports on issues of critical importance
- constructive discussions relating to the strengths, weaknesses, opportunities and threats, as well as their implications
- specific actions to deal with the threats and weaknesses

E.5.7 Identification of Core Activities

E.5.7.1 Purpose of this Step

Public entities exist because they fulfill a need that citizens are willing to finance. An agency must know and clearly understand its core activities or processes: those processes that produce or support the production of the agency's primary products or services. When an agency defines and discusses its core activities, it clearly communicates to everyone what its business is. The agency begins to talk about the outcomes that each activity is expected to deliver.

E.5.7.2 Possible Desired Outcomes

Possible desired outcomes are as follows:

- priority listing of agency's core business activities
- an understanding of how support activities mesh with primary activities

E.5.8 Identifying Critical Issues

E.5.8.1 Purpose of this Step

By now the agency has a shared understanding of the agency's current internal and external situation. Its focus shifts from a "here-and-now" perspective to a more future-oriented one. A critical or *strategic* issue is generally framed as a challenge *about which the agency has influence*. It can be described as a fundamental policy question or important challenge that affects the agency.

Generally, a critical issue involves some type of conflict. The conflict most frequently centers on elements such as the following:

- what will be done
- why it will be done
- how it will be done
- when it will be done
- who will do it

Because a critical or strategic issue can significantly affect the agency's capabilities and direction, it demands extensive analysis. An agency must develop a precise statement of the issue that captures the essence of the situation by describing what it is, why it is important, how the agency knows that it is an issue, and the likely consequences of ignoring it. This statement is vital for developing strategies to manage an issue.

E.5.8.1.1 Ranking Issues in Order of Importance

An agency must have an understanding of not only what the critical issues are, but also their relative importance. The list of issues is then placed in priority order with the most important at the top. When the final priorities are set, the team discusses how many of the issues it can feasibly tackle within the current planning horizon. The group considers factors like staffing levels, funding, barriers to implementation, time requirements, political climate, etc. in narrowing the list. Through consensus, the team decides which issues to address.

For each of the remaining issues, an issue statement should be put into final format. It should clarify the points of conflict or tension by answering the following questions:

- What is the issue?
- Why is this an issue?
- How does it relate to the agency's mission, mandates, internal strengths and weaknesses, or external opportunities and threats?
- What happens if the agency ignores the issue?

These final issue statements are used in the next step, as the strategic planning team determines how the agency will manage each issue.

Figure E.5.8.1.2 of this appendix may be useful in the critical issues identification process.

Figure E.5.8.1.2 Identification and Description of Critical Issues

Use a single page for each critical issue.

(1) Describe the issue.
  (A) Put it in the form of a question that has more than one answer.
  (B) Make sure that the agency can do something about it.

(2) Think about why it is an issue. How does it relate to the mission, mandates, customers, core activities, strengths, weaknesses, opportunities, or threats?

- **Mission**
- **Mandates**
- **Customers**
- **Core Activities**
- **Strengths**
- **Weaknesses**
- **Opportunities**
- **Threats**

3. What happens if it is not addressed?

E.5.8.1.3 Visualizing Success

Using the issue statements, the strategic planning team imagines how things would look if the agency managed the issue in the best possible way. When fully developed, this picture becomes the basis for formulating issue-specific goals. Collectively, these goals show where an agency is headed. After the team has a clear set of goals, it then conceptualizes how it can achieve them

E.5.8.1.4 Strategic Formulation

The strategic planning term for generating and looking at a set of viable alternatives is strategic formulation. It is a free-wheeling creative dialogue involving a high degree of give and take. Participants build on the ideas and suggestions of one another. The range of possibilities is limited only by the group's creativity.

Finding viable solutions or responses to critical issues requires a thorough understanding of the issue, the challenges it presents to the agency, and the advantages and disadvantages of the alternatives. While the agency looks at each alternative, it should look for any potential barriers to implementing the solution. Awareness of the realities before committing to action can save the agency a great deal of time, resources, and frustration. After exploring its options, the agency chooses one to include in the agency's strategic plan.

E.5.8.1.5 Goal Development

The final issue statements are distributed to the appropriate groups. Organizational goals set strategic direction at the agency level. They channel the agency's actions in a clearly defined way. They are detailed enough to guide, but not so specific that they hamper innovation and creativity. They should not be a restatement of the agency's mission, nor should they reflect "business as usual."

E.5.8.1.6 Analyzing Options

An agency needs enough time to adequately assess alternatives and build a strong foundation to support implementation. Each issue's complexity affects the amount of time needed. Because the issues are ranked in importance, these priorities can guide the division of available time. Small groups work well for examining alternatives. One option is to use interested people from the community in this process. Strategy formulation does present an opportunity to tap the expertise of others and expand participation in the planning process.

Before the agency reviews alternative options, it should develop criteria to assess them. The following is a list of typical factors to use to decide among options:

- **Suitability**: Does the option make sense in light of likely trends, the agency's mission and purpose, and organizational change?
- **Validity**: Is the option based on realistic assumptions?
- **Feasibility**: Does the agency have or can it acquire the skills, resources, and commitment required to pursue a given option?
- **Consistency**: Is the option consistent?
- **Vulnerability**: What are the risks of implementing this option? What contingency plans have you identified?
- **Timing**: When must the agency act; when will it receive tangible benefits from pursuit of an option?
- **Adaptability**: Does the option significantly limit or enhance the agency's flexibility to fulfill its mission and achieve its vision?
- **Usability**: Can the agency readily implement the option?

The strategic planning team evaluates the alternatives developed to manage each critical issue. The team selects the alternative it judges to be the best to handle each critical issue. A final option statement is developed for each of the selected alternatives. The strategic planning team in the next step uses the completed statements to develop the objectives and strategies for the strategic plan.

E.5.8.2 Possible Desired Outcomes

Possible desired outcomes are as follows:

- a set of goals
- evaluation and selection of options to manage critical issues

Figure E.5.8.3 of this appendix can be used to help identify options.

Figure E.5.8.3 Identifying Potential Options

Critical issue:

Desired goal:

(1) What practical alternatives might the agency pursue to manage this issue?

(2) What are the barriers to realizing these alternatives?

(3) What major initiatives might the agency pursue, directly or indirectly, to overcome a barrier and successfully implement the alternative?

(4) What key actions (within the bounds of current staff and funding) must occur over the next year to implement this major initiative?

E.5.9 The Strategic Plan

E.5.9.1 Purpose of this Step

The goal statements developed in the preceding step establish a general framework for the strategic plan. They describe where the agency wants to go and how it wants to look when it gets there. They focus the agency's actions toward clearly-defined purposes. The option statements formulated for each goal describe an agency's best alternatives for reaching those goals. They translate into objectives and strategies that lead an agency in its preferred direction.

Objectives define specific results that will show movement toward a goal. They are time-bound and set quantifiable or verifiable accomplishments or outcomes. Objectives give an agency a way to track its progress toward implementing a strategic plan. While goals furnish a broad picture of agency direction, the objectives become the mileposts on the road there. They are action-oriented and results-focused. An agency uses them to monitor progress toward its goals; also in managing its challenges, fulfilling its mission, and meeting the public's expectations. Effective objectives are "SMART."

"**SMART**" is an acronym for the common characteristics of attainable objectives. Specifically, they are as follows:

- **Specific**: Objectives reflect the accomplishments to be achieved but do not prescribe a method to reach them. They are action-oriented, specific enough to give clear direction, and easily understood by both agency staff and the public.
- **Measurable**: Objectives must be either quantifiable (e.g., "The percentage of Task A completed on time will be increased from 65 percent to 70 percent") or verifiable (e.g., "A study will be completed by December 31, 1999"). The organization must be able to monitor its success in achieving each objective.
- **Aggressive, but attainable**: Objectives must be challenging yet attainable. Targets should be realistic. For example, it may be reasonable for a health department to adopt an objective of reducing infant mortality by a measurable amount; however, it may not be realistic to promise to eliminate it.
- **Results-oriented**: Objectives focus on desired outcomes, not on methods to achieve them. To illustrate: A game department may have an objective to reduce the number of hunting accidents by a given percentage within a specific time frame. Possible strategies may be to impose requirements for hunters to wear blaze orange, to provide hunter safety education, or a combination of the two.

- **Time-bound**: Since objectives become milestones to monitor progress toward a goal, specifying completion dates is important. A time frame should be reasonable yet aggressive. Wherever possible, an agency should place interim milestones so it can track progress. The effectiveness of the methods for achieving an objective should be checked as early and as frequently as possible.

Figure E.5.9.2 of this appendix may be of help in the objective-setting process.

Figure E.5.9.2 Objectives to Support the Goal

Create one worksheet for each goal.

Issue:

Goal:

Options statement for this goal:

Describe specific outcomes or targets that marks progress toward the goal. Think of this in terms of achievable, measurable, manageable achievements.

Describe any barriers that may need to be addressed in order to meet this objective.

Describe any factors that may influence the outcome.

Strategies describe the actions that an agency takes to manage a fundamental challenge. An agency pursues a strategy to attain its objectives and move closer to its goals. The series of goals, objectives, and strategies gives the agency an important tool for managing its resources. Collectively, they communicate what is important to an agency.

To effectively pursue these priorities, the agency shall ensure that its resource allocations are supportive of, in agreement with, and guided by its strategic plan. Agency actions that are not supportive of goal attainment are difficult to justify and should be hard to fund.

E.5.9.3 Completing Strategy Development

The group's final assignment is to describe how an agency is going to achieve its objectives. The option statements contain some preferred alternatives. The group should look at these in relation to the objectives it just formulated. The simplest way is for the group to consider each objective separately. Primarily, the group should be interested in the following:

- the link between a strategy and achieving the objective
- the costs and benefits of a strategy
- an agency's capacity to undertake a strategy
- any foreseeable constraints
- the fiscal impact

Finally, the group selects those strategies that will be proposed to achieve objectives. The final proposals should describe the expected action and clearly assign responsibility for carrying it out.

A final task for the agency is to work with budget personnel and calculate the resource requirements of the proposed plan, identify where additional resources will be needed, and where resources can be redirected. The financial situation may force the team to modify some recommendations.

E.5.9.4 Developing the Aging Plan

The aging plan is a practical action-oriented guide, based on the examination of internal and external factors, which directs an agency and its resource allocations to produce meaningful results. While the primary focus of strategic planning is the thought process, a written document gives an agency the opportunity to describe the fundamental challenges it faces, what makes them critical, and their relative importance. Its goals, objectives, and strategies describe how it plans to respond to those challenges.

An agency should tailor its plan to meet its needs. Some of the most frequently included elements are described as follows:

(1) **Mission Statement**: the agency's unique reason for existence
(2) **Overview of the Plan**:
- discussion of the benefits an agency expects from the process
- recognition of agency accomplishments
- brief description of the planning process used and its participants
- explanation of the plan's elements and how to use them

(3) **Summary of Agency Mandates**: description of the mandates and their sources
(4) **Constituent Analysis**:
- description of constituents and their relative priority
- discussion of their expectations and the agency's ability to meet them

(5) **Core Activities**:
- description of the core business activities
- discussion of the priority for an agency's activities

(6) **Situation Assessment**:
- description of the external trends and issues likely to impact the agency
- discussion of the opportunities and threats
- analysis of the internal operations of the agency
- discussion of the agency's internal strengths and weaknesses

(7) **Critical Issues**:
- description of the critical issues the agency faces and the challenges they present
- explanation of each issue's priority

(8) **Strategic Summary**:
- goals the agency desires to pursue
- objectives that describe the specific outcomes
- description of how the agency proposes to move in the preferred direction
- assignment of responsibility for the actions

(9) **Tracking and Evaluation**:
- process to monitoring progress
- role of performance measures
- description of key performance measures

E.5.10 Getting More Specific: Action-Planning

E.5.10.1 Purpose of this Step

While the plan forms the broad framework within which an agency operates, the plan is generally implemented through a series of short-term action plans. Action-planning links an agency's strategic goals and objectives to its day-to-day operations. While an agency may use a six-year

planning horizon for its overall plan, the action plan concentrates on what the agency can do within a specific year to execute its strategic direction. Therefore, action plans describe operations, procedures, and processes. They tell who does what and when it is to be done. It is also a tool to track and report on progress toward the strategic goals. The action plan guides the individual, section, or unit actions that move the agency in its preferred direction. The plan's specificity enables an agency to consider the resource requirements needed for every action and to use that for preparing budget requests.

One of biggest problems in strategic planning is that a plan is not implemented.

Action planning may seem detailed and tedious compared to earlier phases of strategic planning, which often seem creative in nature. Therefore, action-planning is too often ignored, leaving the results of earlier stages of planning much as "castles in the air:" useless philosophical statements with no grounding in the day-to-day realities of the organization. Meaningful stages of earlier planning become utterly useless.

The organization's commitment to strategic planning is commensurate to the extent that the organization does both of the following:

(1) completes action plans to reach each strategic goal
(2) includes numerous methods for verifying and evaluating the actual extent of implementation of the action plan

E.5.10.2 Developing Action Plans (or Work Plans)

Action plans specify the actions needed to address each of the top organizational issues and to reach each of the associated goals. Action plans specify who will complete each action and according to what timeline.

(1) Develop an overall, top-level action plan that depicts how each strategic goal will be reached.
(2) Develop an action plan for each major function in the organization, advocacy, community organization, etc. and for each program/service, etc. These plans, in total, should depict how the overall action plan will be implemented.
(3) The format of the action plan depends on the nature and needs of the organization. In the plan for the organization, each major function might specify all of the following:
    - the goal(s) that are to be accomplished
    - how each goal contributes to the organization's overall strategic goals

- what specific results (or objectives) must be accomplished that, in total, reach the goal of the organization
- how those results will be achieved
- when the results will be achieved (or timelines for each objective)

Figure E.5.10.3 of this appendix presents a simple method for outlining an action plan.

Figure E.5.10.3 Sample Format for Action Plan

Action Plan for FY 20xx				
Strategic Goal:				
Strategic Objective:				
Strategy:				
Action Plan Step	Responsible Person(s)	Time Frame	Resources Required	Completion Date

E.6 Performance Measurement

A great deal of attention has recently been given to different ways of ascertaining whether government programs work or do not work. Critics contend that government programs are not judged by virtue of how well they perform the purposes for which the programs were intended, but rather by the amount of resources the programs expend or the quantity of units the programs produce.

Measuring the success of a program requires effort. It requires that organizations give thought to what they want a program to achieve. An overview of this process, called "performance measurement," is given in the following special section.

Performance measurement is not an alien concept. It seeks to find answers to the question in which all aging units are interested: *Are our programs meeting the needs of older people?*

Wherever possible, aging units are asked to use this approach in establishing the objectives of their plans for older people. Some activities will not readily fit into this approach. However, many activities and programs can be examined using this approach. It makes sense. The purpose of the services provided through the aging network is not to provide services, but rather through those services to make a difference in the lives of older people.

Figure E.6.1 Performance Measurement

E.7 Introduction to Performance Management

Since the 1980's, a growing pool of research, reports, and articles has advocated that the public sector create and use performance-measurement systems. Advocates conclude that financial measures, generally the primary tool for assessing public agencies, are no longer enough. Measures of the products or services supported by public money must complement existing financial indicators in order to fully gauge performance.

When public agencies collect and use a variety of indicators, they can better understand and gauge their performance. Some indicators may show how much was spent, how many staff were used, how many clients were served, how many services were delivered, or what the per-unit cost was. While this information is useful, it indicates little about program results. For example, it does not seem important to know that a job-training program had a large number of graduates if none of those graduates get jobs. So, an effective performance accountability system will have indicators that measure results as well as other aspects of program operations.

A performance-measurement system coordinates this process. A good performance-measurement system helps an agency (program, service, section, etc.) to better understand how it is doing and to improve its performance. The value of a measurement system depends on the usefulness of its information. Effective systems support management and policy decisions in addition to serving as an accountability tool.

To illustrate, performance measures may do the following:

- chart progress in implementing an agency's strategic plan
- provide feedback on constituent satisfaction and demands
- indicate the level of achievement for an activity, function, program or subprogram
- enhance the public's understanding of public programs
- tie financial costs to program results
- assess how well the agency is meeting established standards

E.8 Types of Performance Measures

The following is a list of the types of measures and a description of each.

- **Input Measures:** indicating the resources invested in a process, program, or activity
- **Output Measures:** indicating the amount of work produced by a process, program or activity
- **Efficiency Measures:** indicating the resources used or cost per unit of output or outcome
- **Quality Measures:** indicating the effectiveness of meeting expectations
- **Productivity Measures:** combining elements of efficiency and outcomes
- **Outcome Measures:** indicating the extent to which the stated objectives are met

Figure E.8.1 Types of Performance Indicators

Inputs
(Resources)
(Demand)

→ **Process** →

Outputs
(Products)
(Services)

&

Outcomes
(Results)

Efficiency

$\frac{\text{Outputs}}{\text{Inputs}}$ $\frac{\text{Outputs or Outcomes}}{\text{Cost}}$ $\frac{\text{Outputs or Outcomes}}{\text{Time}}$

Quality:
Effectiveness in meeting the expectations of constituents, clients, or any other group with demands.

E.8.2 Input Measures

Input measures identify the amount of resources invested into the program that delivers the outputs and outcome. For example, input measures can be used to show the total costs, the mix of resources, or amount of resources devoted to one action in relation to another. Sample input measures include the following:

- number of employee-hours worked
- total operating expenditures
- dollars spent on equipment

E.8.3 Output Measures

Output measures represent the amount of products or services provided or how much work was performed. In simple terms, they describe what came out of a process and how much came out. They are limited because they give no indication about objectives being attained, the quality of the service or product, or the efficiency of the delivery of goods or services. Comparison of current output with output from previous periods can reveal variations of stability in work activity. Sample output measures include the following:

- number of rides given
- number of meals served
- number of calls made

E.8.4 Efficiency Measures

Efficiency measures indicate the amount of work performed in relation to the amount of resources used. These measures are frequently expressed as ratios to present information about the unit cost. Typically expressed as "cost per application processed, cost per lane-mile paved," or "cost per pupil taught," they may also be stated as "units produced per $1,000, units produced per labor-hour," or "forms processed per hour." Sample efficiency measures include the following:

- cost per person served in a chore program
- length of time to complete a benefit case
- operating cost per van-system mile

E.8.5 Quality Measures

Quality measures reflect the effectiveness of meeting expectations. They include reliability, accuracy, courtesy, competence, responsiveness, and completeness associated with a product or service. Deficiencies in quality are costly in terms of time devoted to error-correction and complaint-resolution. Sample quality measures include the following:

- percentage of accuracy for information entered into a database
- costs associated with errors in assessments

E.8.6 Productivity Measures

Productivity measures combine elements of efficiency and outcomes in a single indicator. Productivity measures frequently are difficult to formulate. For that reason, agencies that are new to performance measurement are better off stressing outcome and efficiency measures first.

E.8.7 Outcome Measures

Outcome measures indicate the extent to which an activity, process, or program met the stated objectives. They assess the impact of agency actions on constituents (either individuals or groups). Outcomes represent the actual results achieved and the resulting effects. Human-services programs may have outcomes that relate to behavior, skills, knowledge, attitudes, values, condition, status, or other attributes. They are what participants know, think, or can do; how they behave; or what their condition is; that is different after they complete a program. Sample outcome measures include the following:

- percentage reduction in nutritional risk
- increase in client satisfaction for a home-delivered-meal program
- percentage increase in the number of clients receiving appropriate public benefits

E.9 Major Steps in Measuring Performance

During the first phase, the aging unit defines the results. They set expectations and standards for performance. After they establish the desired results, they identify possible indicators to measure performance and to track movement toward the target. Lastly, program managers, agency managers, policy-makers, and any other interested groups get the information produced from the measurement system. Staff use the information to improve program performance or to verify expected benefits.

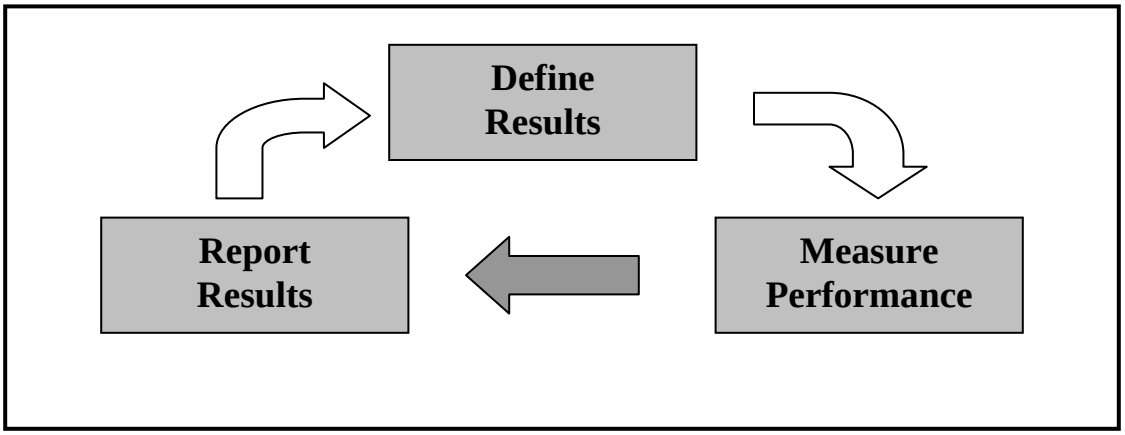
Successful organizations know where they are headed and they assess their progress. A measurement system plays an important role in this. Public organizations, including aging agencies, find measurement systems most successful when they consistently apply two practices.

Firstly, they structure their measurement system to have all of the following four characteristics:

(1) Measures are tied to specific objectives and show the degree to which the desired results have been achieved.
(2) The measurement system is limited to an essential few measures that produce useful data for decision-making.
(3) Measures respond to multiple priorities.
(4) Measures are linked to those responsible for producing the results.

Secondly, these agencies know that they must balance the concept of an "ideal" measurement system against real-world considerations, such as the cost and effort involved in gathering and analyzing data. These agencies try to have data that, to be useful in decision-making, are sufficiently complete, accurate, and consistent; and that can be collected using a reasonable level of resources.

Figure E.9.1 Define, Measure and Report Results



E.9.2 Getting Started

Before an aging unit launches a performance-measurement system, it should orient itself to the process, decide how best to proceed, and develop a plan to implement the process. An aging unit has important responsibilities. Among them, the aging unit will do all of the following:

- decide with which programs to start
- identify the outcomes to measure
- identify outcome measures
- oversee data collection

E.9.3 Decide with Which Programs to Begin

Agencies with multiple programs may include all of them from the start, but most prefer to initially concentrate on one or two programs. Of course, agencies vary on what they define as a program. For outcome measurement, a program is a set of related activities and outputs directed at common or closely-related purposes that a meaningful portion of the agency's resources is dedicated to achieve.

E.9.4 Identify the Outcomes to Measure

The value of performance measurement comes from its ability to improve performance rather than simply measuring it. In order to improve, an agency needs to know two things: where it wants its performance to be and where its performance currently is. Decisions about where an agency wants to be start when it discusses what it expects a program to do. Keep in mind the following questions:

(1) Are those outcomes identified as "important to measure" actually relevant to the program's purpose?
(2) Are they outcomes for which the program should be held accountable?
(3) Are they important to achieve if the program is to fulfill its purpose?
(4) Do they represent meaningful benefits or changes for participants?
(5) Are they useful to program managers in efforts to identify both points of success and problems the program can correct?

E.9.5 Identify Outcome Measures

Any agency faces a challenge when it chooses information to track a program's results. The principal data for this is an outcome measure (sometime referred to as an indicator). Its purpose is to help an agency know whether the program's outcome is achieved.

However, when an agency does select measures, it should choose the following:

- specific observable, measurable characteristic(s) or change(s) that will represent achievement of the outcome

- specific statistic(s), such as number and percent attaining an outcome, that the program will calculate to summarize its level of achievement

E.9.6 Collect the Information

After an agency finds a data source, it decides how to get the data. Generally, the choice of a data-collection method involves trade-offs between cost, response time, time required to collect the data, and some other factors.

The following are four typical data-collection methods:

(1) review and extraction of data from agency records
(2) questionnaires
(3) interviews
(4) trained observers

When an agency considers a data-collection method, it should ask questions similar to the following:

(1) Is the data-collection method feasible and not overly expensive?
(2) Is there a way to collect this information that is less time-intensive or less expensive?
(3) Will the gathered data be useful to program managers for program improvement?
(4) Will data be credible to those outside the program who are likely to look at the information?

E.10 Uses for performance information

Performance measurement provides useful information about an agency, its programs, or its services. Measures themselves will not improve performance, but if the information they provide helps people make better decisions, then those actions can lead to better performance. An agency should take every chance to incorporate performance information into ongoing management and operation activities. For performance information to be of greatest use, an agency should plan on how it will use the information at the same time that it develops the system. Doing this ensures that it will have information that is useful internally and externally. Internally-directed data tells an agency how well a program is doing. For example, it can do the following:

(1) provide direction for staff
(2) identify training or technical-assistance needs
(3) point out areas for improvement as well as effective strategies
(4) determine how well we did

E.11 The Fear of Planning

People involved with the aging network sometimes look upon planning as an onerous process that detracts the organizations from their real work: serving older people. Nothing could be further from the truth. Without adequate planning, organizations probably serve older people less well than they would with a thoughtful, organized plan.

Organizations *need not use* any or all of the planning tools and processes shown in this chapter. These materials are presented to help aging agencies in the planning process. Taken "as-is," or altered to suit individual circumstances, they may be useful to agencies by helping to organize their planning efforts.

E.12 Planning and the Aging Difference

The "aging difference" focuses on changing those systems that affect the lives of older people. The complicated nature of these systems demands that aging agencies engage in well-planned efforts to accomplish the necessary changes needed to help older people.

Planning is not a mystery. It is a process which answers the following basic questions:

(1) Where are we now?
(2) Where do we want to be?
(3) How will we get there?
(4) How will we know that we are making progress?

Appendix F DHS Allowable Cost Policy Manual

This document was issued in February, 1995 as Chapter B3 of the *Financial Management Manual for Counties, Tribes and 51 Boards*. It is also designed to be "liftable" to serve as a stand-alone *Allowable Cost Policy Manual* for provider agencies and other users.
Since the 1996 reorganization of State agencies, the *Allowable Cost Policy Manual*, originally developed in the old Department of Health and Social Services, is now being used by the Department of Health Services, and by those parts of the Departments of Workforce Development and Corrections that were formerly a part of Health and Social Services.
The online version of the *Allowable Cost Policy Manual* differs from the printed version in the following ways:

- Changed references to the "Department of Health and Social Services" to "Department."
- Reorganized the Table of Contents to include direct references to the federal cost principles, to ease linking to these documents.
- Added internal bookmarks for navigation within the document and external links to on-line resources such as the federal cost principles.

Effective dates of revisions to the *Allowable Cost Policy Manual* are shown in red text. All revisions are summarized at the end of the *Manual*.

Table of Contents

Introduction
Section I -- Department General Principles for Allowability
General Criteria
Direct Costs, Allocated Costs, and Indirect Costs
Procurement and Sub-Contracting
Related Party Transactions
Revenue in Excess of Allowable Costs
Third Party Revenues
Section II -- Federal Cost Principles
OMB Circular A-87 Cost Principles for State and Local Governments
OMB Circular A-122 Cost Principles for Non-Profit Organizations
OMB Circular A-21 Cost Principles for Educational Institutions
48 CFR Part 31 - Contract Cost Principles and Procedures (search Title 48 for "48 CFR PART 31)
Section III -- Selected Items of Cost
1. Audit Expense
2. Bad Debts Losses - See "Collection Expense and Bad Debts Losses"
3. Care in Nursing Homes
4. Client Related Costs
a. Holding Space
b. Payment Allowances
c. Transportation
d. Clothing
e. Food
f. Guardianship Fees
g. Laundry Expense
h. Medical Supplies and Drugs
i. Space Costs
5. Collection Expense and Bad Debt Losses
6. Compensation
7. Data Processing
8. Depreciation and Use Allowance Waiver - See "Equipment and Other Capital Expenditures"
9. Entertainment

10. Equipment and Other Capital Expenditures (Effective for expenditures made before 1/1/98)
10.a. Equipment and Other Capital Expenditures (Effective for expenditures made on or after 1/1/98)
10.b. Equipment and Other Capital Expenditures Exempt from Depreciation Process (Effective for expenditures made on or after 1/1/98)
11. Fines and Penalties
12. Gifts and Donations to the Agency
13. Interest
14. Legal Expense
15. Production/Commercial Service Costs
16. Profit for For-Profit Agencies Which Provide Client Care
17. Reserved Amount for Non-Profit Agencies Using a Prospectively Set Rate
18. Start-up Costs
19. Travel Expense
Section IV -- Items Deleted
Summary of Revisions to the *Allowable Cost Policy Manual*

Introduction

Grant funds from the Department may only be used for allowable costs. The *Allowable Cost Policy Manual* sets forth the principles for determining the allowable costs of programs from the Department. The purpose of these principles is to determine costs, and they do not dictate the extent to which the Department will reimburse these costs. They are designed to provide that the Department's programs bear their fair share of costs, except where restricted or prohibited by law or contract. There is no intent for grant recipients to make a profit or other increment above allowable costs, except where specifically authorized by Wisconsin Statutes.

When determining whether a cost is allowable, an agency shall consult the following:

- The Department's general principles for allowability that all costs must meet -- see Section I, "General Principles for Allowability."

- The federal cost principles applicable to that type of agency -- see Section II, "Federal Cost Principles."

- Items of selected cost where state policy differs from or expands on federal policy -- see Section III, "Selected Items of Cost."

- The contract or other program specific guidance for provisions applicable to the particular grant/program. Specific statutory provision, administrative rule, departmental policy or federal regulations may require exceptions to the provisions contained in this document. Where these exceptions occur, they will be specifically indicated in the contractual agreements between the state and the provider or county as exceptions to the allowable cost policy. In no instance shall the same cost be reimbursed more than once.

The guidance in this manual shall not be construed in any way to dictate or limit the amounts which agencies may expend. However, this material does specify what costs may or may not be allowable for inclusion in contracts and/or reimbursable from the Department. Agencies shall obtain written approval from the Department prior to incurring special or unusual costs.

Section I -- Department General Principles for Allowability

All costs that are reimbursed by Department programs must meet the following Department general principles for allowability, each of which is discussed in detail in this section:

- General Criteria
- Direct Costs, Allocated Costs, and Indirect Costs
- Procurement and Purchase of Care and Services
- Related Party Transactions
- Revenue in Excess of Allowable Costs
- Third Party Revenue

General Criteria

In order to be allowable for reimbursement by programs funded by the Department, all costs must meet the following general criteria:

- Be necessary and reasonable for proper and efficient program administration and allocable thereto under these guidelines. 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. In determining the reasonability of a given cost, consideration shall be given to:
- whether the cost is ordinary and necessary to the operation of the agency or to the performance of the award;
- the restraints or requirements imposed by such factors as sound business practices, arms-length bargaining, laws and regulations, and terms and conditions of the program;
- the market prices for comparable goods and services;
- whether the individuals involved acted with prudence considering their responsibilities to the agency, the public at large, and the granting agency; and
- whether the costs were incurred in accordance with the agency's established procurement policy.

Only costs that are directly attributable to specific work under a grant or to the normal administration of the grant are allowable for reimbursement. Costs that result in personal benefit are not allowable.
A cost is *allocable* to a program if the goods and services involved are chargeable or assignable to the program in proportion to the relative benefits received. See "Direct Costs, Allocated Costs, and Indirect Costs" for discussion of criteria for methods of charging costs to programs.

- Be authorized by the agency administrator or funding agency and not prohibited by state or local laws.
- Be in conformance with any limitations or exclusions set forth in this *Manual*, federal or state laws, or other governing limitations as to types or amounts of cost items.
- Be consistent with policies, regulations, and procedures that apply uniformly to both financially assisted activities and to other activities of the agency.
- Be accorded consistent treatment. Consequently, a cost may not be assigned to a program as a direct cost if any other cost under the same circumstances has been charged to a program as an indirect cost.
- Be determined in accordance with generally accepted accounting principles or other accounting method appropriate to the circumstances.
- Not be allocable to or included as a cost of any other federal, state, or other agency financed program in either the current or prior period.
- Be net of all applicable credits. *Applicable credits* are receipts or reduction of expenditure-type transactions that offset or reduce expense items allocable to programs as direct or indirect costs, including discounts or rebates subsequently received for prior purchases. Agencies are expected to take advantage of available discounts on purchases of goods and services. The granting agency may disallow the excess costs if a sub-grantee's costs are inflated due to failure to take advantage of available discounts or to report those discounts that were received.
- Be supported by the agency's accounting records and be adequately documented. See Chapter B2 "Accounting Records and Source Documentation" of the *Financial Management Manual for Counties, Tribes and 51 Boards* and the OMB Circulars for additional information on accounting records and source documentation.

Direct Costs, Allocated Costs, and Indirect Costs

The total cost of a grant program is comprised of the allowable direct costs incident to its performance plus its allocable portion of allocated and indirect costs, less applicable credits. The term "applicable credits" is defined above. The terms "direct costs," "allocated costs," and "indirect costs" are defined in the following way:
Direct Costs - A direct cost is any cost that can be identified with a particular program or cost objective. For example, the entire salary of an individual who spends all of his or her time working on a single program can be charged as a direct cost to that program.
Allocated Costs - A direct cost can directly benefit more than one program or function and can, therefore, be allocated (or charged) to the benefiting programs or functions on some reasonable and equitable basis. For example, an individual spends his or her time working on a number of different

programs that the agency operates. Salary and related fringe benefits can be charged to the respective programs based on the number of hours reported to each program on employee time sheets.

Indirect Costs - Indirect costs are those costs that are incurred by an agency that are not readily chargeable to a particular program or function, but benefit all programs and functions operated by the agency. Indirect costs are necessary to the overall operation of the agency, but a direct relationship to a specific program cannot be shown. An example of an indirect cost might be the salary and related fringe benefits paid to the agency's accounting staff and/or the executive director. Generally, these kinds of costs are identified, pooled, and charged against individual programs or funding sources using a rate designed to recover the costs.

The same type of cost may be a direct cost in one agency and an indirect cost in another agency, because each agency has to determine for itself which costs are direct, which are indirect, and how these costs can best be allocated to the benefiting programs. However, an agency must treat each item of its costs consistently as a direct, allocated, or indirect cost. Also, as noted under the general criteria, a cost may not be assigned to a program as a direct cost if any other cost under the same circumstance has been charged to a program as an allocated or indirect cost.

Direct costs shall be claimed whenever possible based on the nature of the costs and the accounting system in place. When indirect costs are charged, they shall be accumulated by logical cost groupings and distributed equitably to all programs or functions of the agency using a rate designed to recover the costs of the pool established through the indirect cost plan. Costs must not be charged to programs based on funds available or revenues received. The basis used shall be an equitable measure of the extent to which the cost incurred actually benefits the program to which it is charged. For example, square footage used by the various programs operated by the agency would be an equitable basis to allocate the total rent or utility costs incurred by the agency. Costs that are part of the agency indirect cost pool shall not duplicate any costs that are charged directly, and total costs charged may not exceed the actual costs incurred.

General departmental policies governing the allowability of allocated direct and indirect costs are as follows:

- **County Agencies** - Indirect costs for county agencies are allowable if the county develops and retains on file an approvable countywide indirect cost allocation plan. Any allocated costs must be supported by a cost allocation plan. Both plans must be in accordance with the requirements of OMB Circular A-87 Cost Principles for State and Local Governments and must be reviewed by the county's independent auditor as a part of the annual single audit.
- **Tribal Governments** - Indirect costs for the Tribal governments are allowable based on the receipt of an approved indirect cost rate that has been negotiated with the United States Department of Interior's Office of Inspector General and is included in the Departmental/Tribal contract. Any allocated costs must be supported by a cost allocation plan.
- **Other Agencies** - Indirect costs for other agencies, such as non-profit organizations, for-profit businesses, local units of government (other than Counties), and educational institutions, must be reasonable; must be documented in writing in an agency-wide Cost Allocation Plan and an agency-wide Indirect Cost Plan; and must be allocated in a manner consistent with the above plans. These plans must be in accordance with the requirements of the applicable federal cost principles and must be reviewed by the agency's independent auditor as a part of the annual audit.

Procurement and Sub-Contracting

Each agency shall have policy and procedures in place to provide reasonable assurance that the agency's procurement and sub-contracting activities are in the best interest of the agency, considering its responsibilities to the organization, its members, employees, clients, the public at large, and the granting agency. Detailed guidance on procurement and sub-contracting can be found in OMB Circular A-102/Common Rule and OMB Circular A-110. These documents should be consulted when developing or assessing an agency's policy on procurement and sub-contracting.

All care and services purchased by the department, a county social services department, a county department of public welfare, or a board established under sections 46.23, 46.036, 51.42, or 51.437 of the Wisconsin Statutes shall be authorized by a written contract with the provider. For purchases of $10,000 or less, the requirements for a written contract may be waived upon written request to the appropriate Department contract administrator.

When procuring or sub-contracting under a grant from the Department, an agency will use its own policies and procedures, provided they adhere to the following minimum standards:

- **Written Standard of Conduct** - The agency shall maintain a written standard of conduct that includes a prohibition against any employee, officer, or agent of the recipient participating in the selection, award, or administration of a contract in which financial assistance funds are used, where, to his knowledge, he or his immediate family, partners, or organization in which he or his immediate family or partner has a financial interest or with whom he is negotiating or has any arrangement concerning prospective employment.

Public officials and employees should also be aware of Sec. 946.13 of the Wisconsin Statutes, which prohibits a public official or employee, acting in his private capacity, from negotiating, bidding, or entering into a contract in which he has private pecuniary interest at the same time he is authorized in his official capacity to exercise discretion in making or administering the contract.
Agencies should consult their corporation counsels, or equivalent, if they have concerns regarding conflict of interest.

- **Open and Free Competition** - Procurement and sub-contracting shall be conducted in a manner to provide, to the maximum extent possible, open and free competition.

1. The agency shall be alert to organizational conflicts of interest or non-competitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade.
2. Those who develop or draft specifications, requirements, bid invitations, requests for proposals, etc. shall be excluded from competing.
3. Awards shall be made to the bidder/offeror whose bid/offer is responsive to the solicitation and is most advantageous to the agency.
4. Solicitations shall clearly set forth all requirements that the bidder/offeror must fulfill in order for his bid/offer to be evaluated by the agency.
5. Any and all bids/offers may be rejected when it is in the agency's interest to do so.

- **Minimum Procedural Requirements** - Recipients shall establish written procedures that provide for, at minimum, the following requirements:

1. Procurement and sub-contracting actions shall follow a procedure to avoid purchasing unnecessary or duplicative items.
2. Solicitations for goods and services shall clearly and accurately describe the goods and services to be procured or sub-contracted.
3. Some form of price or cost analysis shall be made in connection with every procurement and sub-contract action to ensure that costs incurred are reasonable, that costs are allowable if they are charged to financial assistance programs, and that the agency is not paying for services which are otherwise available free of charge to the agency.
4. A system of contract administration shall be in place to ensure contractor conformance with terms, conditions, and specifications of contracts or purchase orders.

Related Party Transactions

A *related party transaction* occurs when one party to a transaction can influence the management or financial operating policies of the other party. Examples of related party transactions include, but are not limited to, transactions between: (a) divisions of an organization; (b) organizations under common control through common officers, directors, or members; and (c) an organization and a director, trustee, officer, or key employee of the organization or his immediate family either directly or through corporations, trusts, or similar arrangements in which they hold controlling interest.
The fact that two parties in a transaction are related does not automatically mean the costs incurred are inappropriate and unallowable. However, the public interest requires that an agency receiving state and federal funds act in a manner consistent with the public interest, which includes spending funds cost-effectively. Transactions between two related parties raise concerns that the public interest may not be adequately considered.
Therefore, a cost incurred as the result of a related party transaction will be considered allowable only if:

- The cost meets allowability criteria articulated in this policy manual, applicable federal cost circulars, and/or other pertinent state and federal guidelines; <u>and</u>

- The cost results from the agency following procurement and sub-contracting policies and practices which meet minimum federal and Department guidelines. (See the previous section for discussion of the Department's guidelines for procurement and sub-contracting policy.)

Additional considerations need to be made when determining the allowability of rental charges between related parties and of costs incurred under cost-reimbursement contracts:

- When an agency rents or leases property from a related party, allowable costs are limited to actual costs that would have been allowed had title to the asset been vested with the agency. Examples of allowable expenses of ownership include interest, depreciation or usage allowance, maintenance costs, and utilities, if not charged separately.
- As indicated in the introduction to this manual, there is no intent for a provision for profit or other increment above allowable costs, except where specifically authorized by the Wisconsin Statutes (See "Profit for For-Profit Agencies Which Provide Client Care" and "Reserved Amount for Non-Profit Agencies Using a Prospectively Set Rate" in Section III). In keeping with this intent, no profit or other increment above allowable costs shall be incurred for cost-reimbursement contracts that involve purchases or sub-contracts between related parties. Allowable costs are limited to the actual allowable costs incurred by the related party.

Revenue in Excess of Allowable Costs

Under contracts where payments are limited to allowable costs or to a percentage of allowable costs or contracts with for-profit agencies, any revenue in excess of the contracted limit must be returned to the granting agency unless the granting agency specifically authorized the agency to keep the revenue.

Third Party Revenue

Some contracts provide a specified level of funding and require additional revenues to be collected from various types of third parties. Typically an agency's accounting records need to show all revenues received by an agency regardless of source. Also, the agency must identify all revenues collected by a subcontractor that would reduce the amount of state or federal funds paid to the subcontractor and claimed by the agency from the Department.

The Department expects that all agencies (both counties and private vendors) record gross revenues and expenditures in the appropriate accounts. Revenues should be clearly identified in the appropriate revenue ledger. The same principle applies to the recording of expenditures.

All contracts must be written to require that the revenue from sources other than the grant is to be used to offset the expenditures that would otherwise be charged to the grant. For example, there are cases where as a condition of the contract the contractor is expected to provide services up to a specific dollar amount identified in the contract with an expectation that the contractor would be billing other responsible parties, that is, private insurance companies, the client, or Medical Assistance (MA), for the service rendered. In cases where the amount collected from third parties exceeds the planned amount, the excess revenue must be used to offset expenditures previously charged to grants.

The Department's intent is for the agency's accounting system to include sufficient detail to identify the total cost of services and total revenue received by service and source.

Section II -- Federal Cost Principles

The Department has adopted the federal cost principles to provide guidance on the allowability of all Department grants and sub-grants, whether or not the grant or sub-grant includes federal financial assistance. For each kind of organization, i.e. local government or tribe, non-profit agency, educational institution, and commercial organization, there is a set of federal principles for determining allowable costs. Allowable costs are determined in accordance with the cost principles applicable to the organizations incurring the costs. The chart below lists the kinds of organizations and the applicable cost principles.

Federal Cost Principles

For the costs of a -	Use the principles in -
State, local, or Indian tribal government	OMB Circular A-87 Cost Principles for State and Local Governments
Private non-profit organization other than an (1) institution of higher education, (2) hospital, or (3) organization named in OMB Circular A-122 as not subject to that circular	OMB Circular A-122 Cost Principles for Non-Profit Organizations
Educational institution	OMB Circular A-21 Cost principles for educational institutions
For-profit organization other than a hospital and an organization named in OMB Circular A-122 as not subject to that circular	48 CFR Part 31 - Contract Cost Principles and Procedures (search Title 48 for "48 CFR PART 31), or uniform cost accounting standards that comply with cost principles acceptable to the awarding agency.

Section III -- Selected Items of Cost

As noted in the introduction to this manual, there are four key sources for guidance on allowability of costs: the general criteria, federal cost principles, selected items of cost where state policy differs from or expands on federal policy, and program specific guidance. Two of these sources, the general criteria and federal cost principles, were discussed in the Sections I and II of this manual, and program specific guidance can be found in the contract or other program-related documents. This section includes the discussion of selected items of cost where state policy differs from or expands on federal policy, which we believe most agencies will find beneficial and essential to understanding which costs will be considered allowable.

In reviewing these selected items of cost, please keep three points in mind. First, the following principles for allowability of items of specific cost are not all-inclusive, and failure to mention a particular item is not intended to imply that it is either allowable or not allowable. Second, prior users of the Department's *Allowable Cost Policy Manual* will notice that many items which were previously addressed in previous version of the manual have been deleted. Department policy on the deleted cost items has not changed. However, since the discussion of the deleted items did not differ in any material way from the federal cost policies, we are relying on the federal documents instead of repeating what they have to say. Finally, these principles apply whether a cost is treated as direct or indirect. All costs allocated to programs must be allocated in accordance with a plan that meets the criteria for cost allocation/indirect cost plans described under "Direct Costs, Allocated Costs, and Indirect Costs" earlier in this manual.

1. **Audit Expense** - Audit expense is allowable if the audit is required by federal or state law or regulation or is authorized by the Department and if the audit is performed in accordance with the applicable federal and state guidelines. The guidance that will be applicable to a particular agency depends on the type of agency and the amount and type of financial assistance received by the agency. In general,

a. All audits shall be in accordance with generally accepted auditing standards and the U.S. General Accounting Office *Government Auditing Standards*.

b. Audits of local governments and Tribes shall also be in accordance with the Single Audit Act of 1984, OMB Circular A-128, and the Wisconsin Department of Administration's *State Single Audit Guidelines*, if the amount of federal financial assistance is above the threshold for requiring an audit in accordance with the Single Audit Act and OMB Circular A-128.

c. Audits of institutions of higher education and other non-profit agencies shall also be in accordance with OMB Circular A-133 and the Department's *Provider Agency Audit Guide*, if the amount of federal financial assistance is above the threshold for requiring an audit in accordance with OMB Circular A-133.

d. Audits of other agencies shall also be in accordance with the Department's *Provider Agency Audit Guide*.

2. **Bad Debts Losses** - See "Collection Expense and Bad Debt Losses."

3. **Care in Nursing Homes** - Community Services Programs, Development Disabilities County Programs, and County Human Services Programs may not expend Community Aids or county match funds for the purpose of paying for either the base rate or supplemental payment for the care of people with developmental disabilities or mental illness in nursing homes. This includes long term as well as short term care. State grant-in-aid or county match funds may only be used to pay for care in nursing home for alcohol and other drug abuse (AODA) clients being serviced in a nursing home that has been certified under HSS 61.67, Extended Care - Medical.

4. **Client Related Costs** - All client services must be authorized in writing by the purchasing agency. The authorization may be for an individual client or target group of clients and must be consistent with the requirements of the funding source (for example, consistent in time frame, units of service, type of service, etc.). Whether for an individual or for a group of clients, the authorization procedure must be established through written policy and be on file.

In addition, facilities which provide alcohol and other drug abuse (AODA) services for mental health services must hold the proper certification as a provider of these services in order for any costs incurred in providing these services to be allowable for reimbursement. (Wis. Stat. 46.031 and HSS 61.03).

a. **Holding Space** - With respect to all special living arrangements, foster or family care home placements, payment may be made for no more than the maximum of the established rate for up to 14 consecutive days of absence from the facility when provided in the contract and payment is made on a unit cost basis. Payment shall not be made in any case after it is known that the client will not be returning to the same facility.

When an unusual situation arises and it can be justified that the best interest of the client would be served, payment may be extended with prior approval of the applicable Department program division.

b. **Payment Allowances** - Payment allowances are payments made to clients as part of an individual service or rehabilitation/training plan and do not represent wages for work performed. The payments may be contingent upon client behavior or an accomplishment which may be related to the performance of physical tasks as part of a plan for the individual. Payment allowances which are made according to a written plan justifying such costs are allowable.

c. **Transportation** - The cost of transportation for clients is allowable if provided through use of:

(1) A contracted transportation service.
(2) Public transportation, e.g., bus or taxi.
(3) Volunteers using private vehicles.
(4) Agency-operated vehicles. Reimbursable costs are limited to the actual cost of operation which includes salary, fringe, maintenance costs, repairs, gas, oil, lease costs, and/or depreciation.
(5) Emergency transportation provided by ambulance or sheriff's department.

d. **Clothing** - The cost of clothing for clients is not allowable as reimbursable except in the following instances:

(1) The clothing is expensed as part of the Uniform Foster Care Standard.
(2) The clothing is expensed as part of the institution rate.
(3) Work related clothing is expensed pursuant to an approved plan.

e. **Food** - The cost of food provided to clients is allowable when provided in the following settings and when appropriate to the treatment plan:

(1) Inpatient.
(2) Residential Care.
(3) Special Living Arrangements.
(4) Day Services provided at the normal meal time.
(5) Other settings specifically authorized by the Department.

Residents in certain kinds of group living arrangements may be eligible for and receive food stamps while in placement at a facility. (See the *Food Stamp Handbook*, Appendix, Section 2.3.0 for eligibility criteria.) The food stamps that are used by the facility to purchase food shall be a cost offset against the cost of food purchased.

The cost of meals for staff who have no meal period and must remain on duty is allowable.

The cost of meals provided to other staff of the facility is not allowable. Staff having meals shall be charged a cost-based fee.

f. **Guardianship Fees** - Guardianship fees are allowable when necessary as part of an individual service or treatment plan. To be an allowable cost for a nursing home client, the client must be receiving Medicaid or SSI and one or more services.
g. **Laundry Expense** - In a residential or outpatient setting, the cost of laundering patient clothing, facilities linens, uniforms, and required staff uniforms is allowable.
h. **Medical Supplies and Drugs** -
(1) The cost of first aid supplies is allowable.
(2) Drugs prescribed on an outpatient basis by the physician must meet the following criteria in order to be allowable:
(a) Costs must not be covered by Title XVIII, Title XIX or other insurance coverage.
(b) The dispensing pharmacy must have a centralized agreement with the 51 Board agency.
(3) Medical supplies and drugs administered in an inpatient medical facility are allowable.
i. **Space Costs** - Using part of a building for agency operations and part for personal use (e.g., Group Home) causes some unique allocation problems. The normal operating costs appropriate to the business aspect of the building are allowable. The space costs may be determined by using one of the two methods below:
(1) Actual Costs - The appropriate share of the following costs shall be allowable:
(a) Straight line depreciation based on historical cost. See the federal cost circulars for a discussion of depreciation and use allowances.
(b) Interest expense on a mortgage.
(c) Real estate taxes.
(d) Operation and maintenance costs.
(2) Fair Rental Value - This method is appropriate only for agencies which are not subject to either OMB Circulars A-87 or A-122, i.e., the agency is not a local government, tribe, or non-profit organization. In lieu of depreciation, insurance, taxes, and interest a fair rental value may be determined and be allowed as an allowable expense in addition to operating and maintenance costs. This determination shall be a written appraisal from an appraiser selected by the purchaser to be paid for by the agency. Such costs shall be considered as allowable.

5. **Collection Expense and Bad Debt Losses** - To encourage agencies to pursue reasonable collection efforts, administrative costs necessary to secure collections are allowable. Such costs may include legal fees, collections agency fees, and other associated expense. However, any losses arising from uncollectible accounts and other claims and related costs, such as legal fees or other expenses incurred for specific bad debts or other losses, are not allowable.
For accounts referred to the Department's Bureau of Fiscal Services Collection Unit, the portion of uniform fee collections not returned to agencies due to statutory requirements is not an allowable expense.

6. **Compensation** - See the federal allowable cost guidance for extensive discussion of the factors affecting the allowability of compensation expense, which includes salary, fringe benefits, vacation, bonuses, etc. In general, however, these costs are allowable for reimbursement by Department programs only if in accordance with written policies and procedures approved by the agency's board of directors or the equivalent.

7. **Data Processing** - Local governments using federal financial assistance under certain programs from the U.S. Department of Health and Human Services and the U.S. Department of Agriculture for automated data processing equipment or services must comply with the rules established by these federal agencies requiring prior approval of the use of funding for these purposes. These rules are detailed in the Division of Economic Support Administrator's Memo Series "Local Agency Automated Data Processing (ADP) Plans," which the Division periodically updates and sends to all local government agencies that are subject to these requirements.

8. **Depreciation and Use Allowances Waiver** - See "Equipment and Other Capital Expenditures."

9. **Entertainment** - The cost of entertainment, amusements, social activities, and any incidental cost relating thereto, such as meals, beverages, lodging, transportation, etc., which are not directly a program need are not allowed.

10. **Equipment and Other Capital Expenditures** - Equipment and other capital expenditures with an acquisition cost of $5,000 or less may be expensed at the time of purchase. Generally, the cost of equipment and other capital expenditures with an acquisition cost exceeding $5,000 is be recovered through use of depreciation or allowances. (See the federal cost principles for a full discussion of the allowability of depreciation and use allowances). However, under certain circumstances and only with a written waiver from the Department obtained prior to making the purchase, equipment and other capital expenditures with an acquisition cost exceeding $5,000 can be expensed at the time of purchase. In keeping with the policy that costs cannot be charged to programs more than once, depreciation associated with equipment that was expensed at the time of purchase is not allowable for reimbursement.
(Effective for expenditures made before 1/1/98)

10.a. **Equipment and Other Capital Expenditures** – Equipment and other capital expenditures with an acquisition cost of $5,000 or less may be expensed at the time of purchase. Except as provided for under paragraph 10.b., in general, the cost of equipment and other capital expenditures with an acquisition cost exceeding $5,000 is to be recovered through use of depreciation or allowances. (See the federal cost principles for a full discussion of the allowability of depreciation and use allowances.)
However, under certain circumstances not already described under 10.b., and only with a written waiver from DHS obtained prior to making the purchase, equipment and other capital expenditures with an acquisition cost exceeding $5,000 can be expensed at the time of purchase. In keeping with the policy that costs cannot be charged to programs more than once, depreciation associated with equipment that was expensed at the time of purchase is not allowable for reimbursement.
(Effective for expenditures made on or after 1/1/98)

10.b. **Equipment and Other Capital Expenditures Exempt from Depreciation Requirements** – An expenditure on equipment or another capital item which exceeds $5,000 and meets the following criteria does not need to be depreciated. An expenditure can be expensed at the time of purchase if the equipment or capital item:

- is for the exclusive benefit of an eligible client in need of assistance to live independently in the community;
- is owned and controlled by the client or by the family or guardian of the client who is intended to benefit from the purchase; and
- does not become part of the purchasing agency's assets.

Examples of the types of equipment or other capital expenditures over $5,000 which can be expensed at the time or purchase include: (1) a purchase or significant retro-fitting of a wheelchair; (2) construction of a wheelchair ramp to allow access to a client's home; and (3) remodeling of a client's kitchen or bathroom to allow a client to live independently in the community.
(Effective for expenditures made on or after 1/1/98)

11. **Fines and Penalties** - Costs resulting from violation of or failure to comply with federal, state, and local laws and regulations are not allowable. Such costs include fines, penalties, settlements resulting from lawsuits, payments to terminated employees, cash settlements, damages, and back wages.

12. **Gifts and Donations to the Agency** - Gifts and donations to the agency shall be reported as permanently restricted net assets, temporarily restricted net assets, or unrestricted net assets based on the existence or absence of donor-imposed restrictions. The governing board of an agency may choose to designate its unrestricted funds for specific purposes. Information about restrictions and designations shall be provided in the financial statements or notes thereto. Unrestricted gifts and donations that have not been designated for a specific purpose at the time of receipt shall be used to offset expenses.

13. **Interest** - Interest is generally not an allowable expense under federal cost policies. However, Department policy allows interest for space costs if there is a direct relationship such as a mortgage or bond issuance, and the Department allows financing costs for specific items of equipment such as leases. Interest expense incurred for newly-constructed buildings that are capitalized prior to the date of occupancy are allowable. Interest costs for unsecured loans, general operating expenses, working capital, retirement of other debt, or for any other purposes are not allowable. Professional and legal fees

for financing are not allowable unless directly associated with an allowable interest expense for space costs or equipment.

14. **Legal Expense** - See the federal allowable cost guidance for discussion of the allowability of legal expenses. The Department has additional policies on the allowability of legal expenses which are applicable for all agencies which receive financial assistance and some that are applicable only to Counties and 51 Boards.

a. **All agencies** - The following policies are applicable to all agencies receiving financial assistance from the Department:

- Legal expenses incurred in the normal course of providing service to clients are allowable. Expenses incurred pursuing recovery on assignment of insurance benefits, filing claims in court, and processing sales of property deeded to the agency or county, etc. are allowable.
- Claims for reimbursement of legal services must be based upon the compensation or salary authorized by the county board, the board of directors, or equivalent.
- Time sheets or actual time logs must be used to substantiate reimbursement claims for legal services. This documentation will be examined during routine audits performed by the Department and/or the independent auditor.
- The cost of legal services acquired to sue a governmental agency are not allowable.
- Legal fees associated with incorporating or organizing an agency are not allowable.

b. **Counties and 51 Boards** - The following policies are applicable only to Counties and 51 Boards:
The opinion of the Attorney General (OAG-33-81) concluded that county social service departments and 51 Boards may not contract with private attorneys to provide legal services nor may they directly employ attorneys on their staff who are solely supervised by that department. The authority to advise and represent county offices and agencies rests solely with the District Attorney or corporation counsels offices.
The opinion of the Attorney General (OAG 3-86) concluded that section 51.42(5)(h)7 permits multi-county 51.42/51.437 boards to retain private legal counsel only where the corporation counsel of <u>each</u> county, or district attorney of each county not having a corporation counsel, notifies the board that he or she is unable to provide specific services in a timely manner. Litigation, as used in section 59.44(3), applies only to civil court proceedings and does not include grievance proceedings or proceedings before an administrative agency.

- The department will reimburse only for legal services provided to county departments of social services, 51 Boards and HSDs by district attorneys, assistance district attorneys, corporation counsels and assistant corporation counsels. Legal services which are the statutory responsibility of the District Attorney or Corporation Counsel are not allowable except when specifically authorized by the department.
- The department will reimburse multi-county 51.42/51.437 boards for legal services provided by private legal counsel only when the corporation counsel of each county, or district attorney of each county not having a corporation counsel, notifies the board that he or she is unable to provide specific services in a timely manner.

15. **Production/Commercial Service Costs** - Production/Commercial Services are subcontract work, prime manufacturing, and/or providing a service (janitorial, greenhouse worker, microfilm technician, etc.) in conjunction with a rehabilitation or training program. In general, all costs incurred in the production or service activity must be recovered in the price of the product or service. Therefore, the following production/commercial service costs are not allowable:

a. Cost of direct labor to produce the product or provide the service (wages and fringe benefits).
b. Cost of indirect labor required to support the production/service activity (wages and fringe benefits of administration, clerical, and supervisor personnel).
c. Cost of direct materials, inventory, tooling, and/or equipment (raw materials, machinery, tools, etc.).
d. Cost of indirect materials, and supplies required to support the production activity (tape, cartons, staples, etc.).
e. Procurement and selling expense (promotional activities, advertising, travel, shipping/receiving warehousing expenses, wages and fringe benefits of procurement/salesperson).
f. Production/commercial service overhead expenses needed to support the production/service activity (workshop floor space which includes offices, depreciation of building, building insurance, maintenance/replacement of equipment and depreciation, utilities, etc.).

However, rehabilitation/training costs are not generally included in the price of the product or service and can be charged to the respective funding sources. The facility must use a justifiable, logical, and equitable method of establishing rehabilitation training costs based on measurable, identifiable factors which are consistently applied to the total agency operations and are acceptable to the respective funding sources.

16. **Profit for For-Profit Agencies Which Provide Client Care** - Per Wisconsin statutes, an allowance of a reasonable return on equity capital invested and used in the provision of client care may be included as an element of reasonable cost of covered services furnished to beneficiaries by proprietary providers. The amount allowable on an annual basis is determined by applying a percentage equal to 7 1/2% of net allowable operating costs plus 15% applied to the net equity defined below, the sum of which may not exceed 10% of the net allowable operating costs. "Net Equity" is defined as the cost of equipment, cost of buildings, cost of land and cost of fixed equipment less accumulated depreciation and long term liabilities. The average net equity for the year shall be used. All other profit is unallowable.
Calculator for Allowable Profit for For-Profit Agencies Which Provide Client Care

17. **Reserved Amount for Non-Profit Agencies Using a Prospectively Set Rate** - Reserves may be retained, in accordance with the following statutory provisions, by non-profit organizations that are reimbursed for services through a prospectively set rate.
Selected portions of 46.036 as revised by 1993 Wisconsin Act 380:
46.036(5m)(a)1. In this subsection, "Provider" means a non-profit, non-stock corporation organized under ch. 181 that contracts under this section to provide client services on the basis of a unit rate per client service.
2. "Rate-based service" means a service or a group of services, as determined by the department, that is reimbursed through a prospectively set rate and that is distinguishable from other services or groups of services by the purpose for which funds are provided for that service or group of services and by the source of funding for that service or group of services.
46.036(5m)(b)1. Subject to subds. 2 and 3, if revenue under a contract for the provision of a rate-based service exceeds allowable costs incurred in the contract period, the provider may retain from the surplus generated by that rate-based service up to 5% of the contract amount. A provider that retains a surplus under this subdivision shall use that retained surplus to cover a deficit between revenue and allowable costs incurred in any preceding or future contract period for the same rate-based service that generated the surplus or to address the programmatic needs of clients served by the same rate-based service that generated the surplus.
2. Subject to subd. 3, a provider may accumulate funds from more than one contract period under this paragraph, except that, if at the end of a contract period the amount accumulated from all contract periods for a rate-based service exceeds 10% of the amount of all current contracts for that rate-based service, the provider shall, at the request of a purchaser, return to that purchaser the purchaser's proportional share of that excess and use any of that excess that is not returned to a purchaser to reduce the provider's unit rate per client for that rate-based service in the next contract period. If a provider has held for 4 consecutive contract periods an accumulated reserve for a rate-based service that is equal to or exceeds 10% of the amount of all current contracts for that rate-based service, the provider shall apply 50% of that accumulated amount to reducing its unit rate per client for that rate-based service in the next contract period.
3. If on December 31 of the year of the effective date of this subdivision (January 1, 1995), the amount accumulated by a provider from all contract periods ending on or before that date for all rate-based services provided by the provider exceeds 10% of the provider's total contract amount for all rate-based services provided by the provider in the year of the effective date of this subdivision (1995), the provider shall, at the request of a purchaser, return to that purchaser the purchaser's proportional share of that excess.
46.036(5m)(f) All providers that are subject to this subsection shall comply with any financial reporting and auditing requirements that the department may prescribe. Those requirements shall include a requirement that a provider provide to any purchaser and the department any information that the department needs to claim federal reimbursement for the cost of any services purchased from the provider and a requirement that a provider provide audit reports to any purchaser and the department

according to standards specified in the provider's contract and other standards that the department may prescribe.

With the passage of 1993 Wisconsin Act 380, the Department modified the provisions affecting reserves as allowable costs under grants from the Department. Effective January 1, 1995, the reserves language above, from the statutes, replaces the provisions relating to reserves for Child Caring Institutions (CCIs) and reserves for residential providers, which are found in the previous version of the *Allowable Cost Policy Manual.* The statutory provisions in 46.036 (5m)(e), relating to in-patient alcohol and other drug abuse programs remain in place.

a. Some of the major changes resulting from the new legislation are:

• The reserves concept has been extended so that it is applicable to other service providers in addition to CCIs, Group Homes, and Community Based Residential Facilities (CBRFs) which are reimbursed for their services via a prospectively set rate.

• The accumulation and retention of reserves by any organization for which reserves are an allowable cost under the new legislation are limited as specified in the legislation.

• Reserves will only be considered allowable costs for non-profit organizations. For-profit organizations will still be allowed a profit as provided for in this manual, but reserves will not be an allowable cost for them.

b. 46.036 (5m)(b) 1 indicates that an organization could conceivably have more than one reserve amount since reserves are generated when revenue received under a contract exceeds the allowable costs incurred in providing a rate-based service. 46.036 (5m)(a) 2 indicates that "rate-based service" means a service or a group of services which is reimbursed through a prospectively set rate and is distinguishable by the purpose for which funds are provided and by the source of funding.

In order to evaluate the potential impact of reserves upon its claims for federal reimbursement, the department needs to be able to determine the existence and amounts of reserves associated with the various programs for which federal funds are claimed. In addition, prudent financial management, and the reserves legislation, specify circumstances under which reserves generated by contracts for a particular rate-based service should be used to reduce the cost of, or address the programmatic needs of the clients receiving, a particular rate-based service.

There is no intention to unnecessarily increase the identification of separate rate-based services and their associated potential reserve amounts. However, where an organization provides services which are completely federally funded, these services and any reserves associated with them need to be identified separately. Where it is not possible to clearly distinguish between services by funding sources, the practice of identifying a single reserve amount associated with all of the services taken together is acceptable.

c. Both 46.036 (5m)(b) 2 and 3 specify that purchasers may request that providers return their proportional share of amounts exceeding specified amounts remaining at the ends of contract periods. However, purchasers do not typically find out what the amounts remaining at the ends of contract periods are until they receive a copy of the audit report from the provider, which is often six months or more after the close of a contract period. Because purchasers need to obtain an audit to enable them to decide whether they wish to exercise their option to request a return of funds, it is legitimate for them to exercise their option when the audit report is obtained and reviewed by them.

Again, although both 46.036 (5m)(b) 2 and 3 specify that purchasers may request that providers return their proportional share of amounts exceeding specified amounts remaining at the ends of contract periods, the method or methods for determining the purchaser's "proportional share" is not addressed. Given this, it is reasonable to suppose that any method for determining the purchaser's "proportional share" which is fair and agreed to by both purchaser and provider may be used. Whatever method is used should be applied consistently for all purchasers. It would probably be in the best interests of the provider, and minimize potential conflict, for the provider to establish, through policy, the method used to determine proportional shares.

Where actual data exists which allows a precise determination of each purchaser's proportional share, such data should be used. However, it is not anticipated that either purchasers or providers should develop and maintain elaborate records for the purposes of determining proportional shares should the need arise.

For example, it is not always possible to determine from a provider's audit report, where it discloses a reserve, which purchasers have contributed how much to the reserve amount reported. In these circumstances, one might devise a method for calculating a purchaser's proportional share which does

not depend on knowing which purchasers contributed how much to the reserve. How such a method might work is discussed in the example below:
(NOTE: This example, and the one provided in section d of this explanation, should be read in conjunction with the provisions of 46.036 (5m)(b) 2 and 3, respectively.)
EXAMPLE: Suppose that at the end of a particular contract period a provider has an accumulated reserve of $60,000 and that the provider received $400,000 in contract revenue during that contract period. Under 46.036 (5m)(b) 2, the provider could retain up to $40,000 of the reserve, unless retention is specifically prohibited by contract. $20,000 of the accumulated reserve would need to be returned to purchasers, if the purchasers request. If a particular purchaser believed itself entitled to a return of some portion of the provider's excess reserve, but did not know whether it contributed to the reserve, how might this be accommodated? Suppose further that the purchaser requesting a return of a portion of the reserve had provided $50,000 of the provider's $400,000 in contract revenue for the period. The purchaser and provider might agree that a reasonable method for calculating the purchaser's proportional share would be to base it on the purchaser's percentage of business with the provider. Thus the purchaser provided $50,000 (or 12.5%) of the provider's $400,000 in contract revenue. And 12.5% of the $20,000 to be returned at the request of a purchaser is $2,500. In this case, the purchaser's proportional share of the reserve to be returned would be $2,500, even if it could not be determined whether this particular purchaser had contributed to the reserve amount disclosed in the audit report.
d. 46.036 (5m)(b) 3 limits the amounts that a provider may retain from contract periods preceding the effective date of the new legislation. It indicates that:
If on December 31, 1995, the amount accumulated by a provider from all contract periods ending on or before December 31, 1995 for all rate-based services provided by the provider exceeds 10% of the provider's total contract amount for all rate-based services provided by the provider in 1995, the provider shall, at the request of a purchaser, return to that purchaser the purchaser's proportional share of that excess.
For the purposes of implementing this provision, those dollars associated with any and all of the provider's rate based services should be considered together as one pool of dollars.
EXAMPLE: Suppose a particular provider has accumulated $100,000 in reserves from all rate based services it provided in years preceding January 1, 1995, and had $70,000 remaining on December 31, 1995. Suppose further that during calendar year 1995, the provider had received $400,000 in revenue for all rate based contracts. This provision would allow the provider to retain up to $40,000 (10% of $400,000) of the $70,000 in reserves previously accumulated and still retained. Individual purchasers, however, could request their proportional share of the remaining $30,000 to be returned.
e. The process of establishing rates for services is driven by two main items: the estimated costs of providing services and the estimated number of recipients of services. In an ideal world, if these estimates are accurate and realized, then the provider will break even. Otherwise the provider will experience either an operating loss or a surplus.
The goal of rate development and negotiation should be to arrive at a break even rate. This may include the consideration of anticipated vacancies, but should not include budgeting (in any number of ways) to generate a planned surplus at the end of the year.
It is also worth pointing out that while it may be useful to think of a reserve as basically the difference between operating revenues received and otherwise allowable costs as defined in the allowable cost principles, there are some qualifications. Thus, for example, one could not take an amount that has been identified as an audit disallowance (or an audit adjustment), call it part of a reserve, and be entitled to retain the funds involved.
f. 1993 Wisconsin Act 380 created 46.037 (1m) which permits county departments or groups of county departments to negotiate a per client rate for the services of a residential child care center or group home if that county department or group of county departments agree to place 75% or more of the residents of that residential child care center or group home.
The provision also requires that "A residential child care center or group home that negotiates a per client rate under this subsection shall charge that rate to all purchasers of its services."
The intention of this section is to ensure that providers who negotiate with counties under this provision do not negotiate a favorable rate with counties to ensure a high volume of utilization and then make up any losses by charging unfavorable rates to other purchasers to subsidize any losses realized on the county contracts.

18. **Start-up Costs** - Start-up costs apply to new or expanded services only. Reimbursement to an agency may be based on total allowable costs agreed to by the parties regardless of the actual number of service units to be furnished when the agency is entering into a contract for a new or expanded service that the purchaser recognizes will require a start-up period not to exceed 180 days. Such reimbursement applies only if identified client needs require the establishment of a new service or expansion of an existing service. A written agreement shall state the new or expanded services, the relevant time period, and the type of costs to be reimbursed. When the Department contracts with an agency with an existing program(s), costs of operations prior to the contract effective date may not be claimed unless specifically authorized. Providers may not be reimbursed based on planned or budgeted costs for services when the planned or budgeted services could not be provided during the contract period because of delays in starting up the program.

19. **Travel Expense** - See the federal allowable cost guidance for extensive discussion of the factors affecting the allowability of travel expense. In general, however, these costs are allowable for reimbursement by Department programs only if in accordance with policies and procedures approved by the agency's board of directors or the equivalent.

Section IV -- ITEMS DELETED

The following list if items from the 1989 revision of the Department's *Allowable Cost Policy Manual* were deleted for the 1995 revision because they are either (1) specifically covered in the federal cost circulars or (2) sufficiently covered by the general criteria of allowability.

Advertising	Payments to Terminated Employees
Bank Charges	Physical Examination
Books	Postage
Communications	Principal Payments
Consultant Fees	Printing and Reproduction
Depreciation and Use Allowances	Program Supplies
Disposal of Surplus Property and Equipment	Publications
Dues and Organizational Memberships	Real Estate Taxes
Educational Supplies	Real Property
Equipment	Recruitment Expense
Film	Rental Costs
Fund Raising and Promotional Expenses	Sales Tax
Gifts and Donations to Individuals and Other	Sheriff Fees
Organizations	Staff Development
Housekeeping Supplies	Subscriptions
Insurance and Indemnification	Supplies
Interpreters' Fees	Surety Bonds
Keys	Therapy Supplies
Licenses	Transportation
Management Studies	Under-Recovery of Expenses
Mortgage (Principal) Payments	Vital Statistics
Notary Costs	Witness Fees
Office Supplies	

Summary of Revisions to the *Allowable Cost Policy Manual*

Date	Description of Revision
6/8/98	Equipment and other capital items that help people continue to live independently, such as wheelchairs and home modifications, no longer need to be depreciated if they meet certain criteria. This policy was made effective retroactively to 1/1/98. 10. Equipment and Other Capital Expenditures (Effective for expenditures made before 1/1/98) 10.a. Equipment and Other Capital Expenditures (Effective for expenditures made on or after 1/1/98) 10.b. Equipment and Other Capital Expenditures Exempt from Depreciation Process (Effective for expenditures made on or after 1/1/98)

Appendix G OMB Circular A-87: Cost Principals for State, Local and Indian Tribal Government

To read the entire document, follow this link:
http://www.whitehouse.gov/omb/circulars%5Fa087%5F2004/

OMB CIRCULAR A-87 REVISED

Revised 05/10/04
TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Cost Principles for State, Local, and Indian Tribal Governments

1. ***Purpose.*** This Circular establishes principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments and federally recognized Indian tribal governments (governmental units).

2. ***Authority.*** This Circular is issued under the authority of the Budget and Accounting Act of 1921, as amended; the Budget and Accounting Procedures Act of 1950, as amended; the Chief Financial Officers Act of 1990; Reorganization Plan No. 2 of 1970; and Executive Order No. 11541 ("Prescribing the Duties of the Office of Management and Budget and the Domestic Policy Council in the Executive Office of the President").

3. ***Background.*** As part of the governmentwide grant streamlining effort under P.L. 106-107, Federal Financial Award Management Improvement Act of 1999, OMB led an interagency workgroup to simplify and make consistent, to the extent feasible, the various rules used to award Federal grants. An interagency task force was established in 2001 to review existing cost principles for Federal awards to State, local, and Indian tribal governments; Colleges and Universities; and Non-Profit organizations. The task force studied Selected Items of Cost in each of the three cost principles to determine which items of costs could be stated consistently and/or more clearly. A proposed revised Circular reflecting the results of those efforts was issued on August 12, 2002 at 67 FR 52558. Extensive comments on the proposed revisions, discussions with interest groups, and related developments were considered in developing this revision.

4. ***Rescissions.*** This Circular rescinds and supersedes Circular A 87, as amended, issued May 4, 1995.

5. ***Policy.*** This Circular establishes principles and standards to provide a uniform approach for determining costs and to promote effective program delivery, efficiency, and better relationships between governmental units and the Federal Government. The principles are for determining allowable costs only. They are not intended to identify the circumstances or to dictate the extent of Federal and governmental unit participation in the financing of a particular Federal award. Provision for profit or other increment above cost is outside the scope of this Circular.

6. ***Definitions.*** Definitions of key terms used in this Circular are contained in Attachment A, Section B.

7. ***Required Action.*** Agencies responsible for administering programs that involve cost reimbursement contracts, grants, and other agreements with governmental units shall issue regulations to implement the provisions of this Circular and its Attachments.

8. ***OMB Responsibilities.*** The Office of Management and Budget (OMB) will review agency regulations and implementation of this Circular, and will provide policy interpretations and assistance to insure effective and efficient implementation. Any exceptions will be subject to approval by OMB. Exceptions will only be made in particular cases where adequate justification is presented.

9. ***Information Contact.*** Further information concerning this Circular may be obtained by contacting the Office of Federal Financial Management, Financial Standards and Reporting Branch, Office of Management and Budget, Washington, DC 20503, telephone 202 395 3993.

10. ***Policy Review Date.*** OMB Circular A 87 will have a policy review three years from the date of issuance.

- Except as otherwise provided herein, these rules are effective June 9, 2004.

Attachment A General Principles for Determining Allowable Costs
Attachment B Selected Items of Cost
Attachment C State/Local Wide Central Service Cost Allocation Plans
Attachment D Public Assistance Cost Allocation Plans
Attachment E State and Local Indirect Cost Rate Proposals

ATTACHMENT A
Circular No. A 87

GENERAL PRINCIPLES FOR DETERMININGALLOWABLE COSTS

TABLE OF CONTENTS

A. Purpose and Scope

1. Objectives
2. Policy guides
3. Application

B. Definitions

1. Approval or authorization of the awarding or cognizant Federal agency
2. Award
3. Awarding agency
4. Central service cost allocation plan
5. Claim
6. Cognizant agency
7. Common rule
8. Contract
9. Cost
10. Cost allocation plan
11. Cost objective
12. Federally recognized Indian tribal government
13. Governmental unit
14. Grantee department or agency
15. Indirect cost rate proposal
16. Local government
17. Public assistance cost allocation plan
18. State

C. Basic Guidelines

1. Factors affecting allowability of costs
2. Reasonable costs
3. Allocable costs
4. Applicable credits

D. Composition of Cost

1. Total cost
2. Classification of costs

E. Direct Costs

1. General
2. Application
3. Minor items

F. Indirect Costs

1. General
2. Cost allocation plans and indirect cost proposals
3. Limitation on indirect or administrative costs

G. Interagency Services

H. Required Certifications

A. ***Purpose and Scope***

1. Objectives. This Attachment establishes principles for determining the allowable costs incurred by State, local, and federally recognized Indian tribal governments (governmental units) under grants, cost reimbursement contracts, and other agreements with the Federal Government (collectively referred to in this Circular as "Federal awards"). The principles are for the purpose of cost determination and are not intended to identify the circumstances or dictate the extent of Federal or governmental unit participation in the financing of a particular program or project. The principles are designed to provide that Federal awards bear their fair share of cost recognized under these principles except where restricted or prohibited by law. Provision for profit or other increment above cost is outside the scope of this Circular.

2. Policy guides.

a. The application of these principles is based on the fundamental premises that:

(1) Governmental units are responsible for the efficient and effective administration of Federal awards through the application of sound management practices.

(2) Governmental units assume responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal award.

(3) Each governmental unit, in recognition of its own unique combination of staff, facilities, and experience, will have the primary responsibility for employing whatever form of organization and management techniques may be necessary to assure proper and efficient administration of Federal awards.

b. Federal agencies should work with States or localities which wish to test alternative mechanisms for paying costs for administering Federal programs. The Office of Management and Budget (OMB) encourages Federal agencies to test fee for service alternatives as a replacement for current cost reimbursement payment methods in response to the National Performance Review's (NPR) recommendation. The NPR recommended the fee for service approach to reduce the burden associated with maintaining systems for charging administrative costs to Federal programs and preparing and approving cost allocation plans. This approach should also increase incentives for administrative efficiencies and improve outcomes.

3. Application.

a. These principles will be applied by all Federal agencies in determining costs incurred by governmental units under Federal awards (including subawards) except those with (1) publicly financed educational institutions subject to OMB Circular A 21, "Cost Principles for Educational Institutions," and (2) programs administered by publicly owned hospitals and other providers of medical care that are subject to requirements promulgated by the sponsoring Federal agencies. However, this Circular does apply to all central service and department/agency costs that are allocated or billed to those educational institutions, hospitals, and other providers of medical care or services by other State and local government departments and agencies.

b. All subawards are subject to those Federal cost principles applicable to the particular organization concerned. Thus, if a subaward is to a governmental unit (other than a college, university or hospital), this Circular shall apply; if a subaward is to a commercial organization, the cost principles applicable to commercial organizations shall apply; if a subaward is to a college or university, Circular A 21 shall apply; if a subaward is to a hospital, the cost principles used by the Federal awarding agency for awards to hospitals shall apply, subject to the provisions of subsection A.3.a. of this Attachment; if a subaward is to some other non profit organization, Circular A 122, "Cost Principles for Non Profit Organizations," shall apply.

c. These principles shall be used as a guide in the pricing of fixed price arrangements where costs are used in determining the appropriate price.

d. Where a Federal contract awarded to a governmental unit incorporates a Cost Accounting Standards (CAS) clause, the requirements of that clause shall apply. In such cases, the governmental unit and the cognizant Federal agency shall establish an appropriate advance agreement on how the governmental unit will comply with applicable CAS requirements when estimating, accumulating and reporting costs under CAS covered contracts. The agreement

shall indicate that OMB Circular A 87 requirements will be applied to other Federal awards. In all cases, only one set of records needs to be maintained by the governmental unit.

e. Conditional exemptions.

(1) OMB authorizes conditional exemption from OMB administrative requirements and cost principles circulars for certain Federal programs with statutorily authorized consolidated planning and consolidated administrative funding, that are identified by a Federal agency and approved by the head of the Executive department or establishment. A Federal agency shall consult with OMB during its consideration of whether to grant such an exemption.

(2) To promote efficiency in State and local program administration, when Federal non entitlement programs with common purposes have specific statutorily authorized consolidated planning and consolidated administrative funding and where most of the State agency's resources come from non Federal sources, Federal agencies may exempt these covered State administered, non entitlement grant programs from certain OMB grants management requirements. The exemptions would be from all but the allocability of costs provisions of OMB Circulars A 87 (Attachment A, subsection C.3), "Cost Principles for State, Local, and Indian Tribal Governments," A 21 (Section C, subpart 4), "Cost Principles for Educational Institutions," and A 122 (Attachment A, subsection A.4), "Cost Principles for Non Profit Organizations," and from all of the administrative requirements provisions of OMB Circular A 110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non Profit Organizations," and the agencies' grants management common rule.

(3) When a Federal agency provides this flexibility, as a prerequisite to a State's exercising this option, a State must adopt its own written fiscal and administrative requirements for expending and accounting for all funds, which are consistent with the provisions of OMB Circular A 87, and extend such policies to all subrecipients. These fiscal and administrative requirements must be sufficiently specific to ensure that: funds are used in compliance with all applicable Federal statutory and regulatory provisions, costs are reasonable and necessary for operating these programs, and funds are not be used for general expenses required to carry out other responsibilities of a State or its subrecipients.

B. ***Definitions***

1. "Approval or authorization of the awarding or cognizant Federal agency" means documentation evidencing consent prior to incurring a specific cost. If such costs are specifically identified in a Federal award document, approval of the document constitutes approval of the costs. If the costs are covered by a State/local wide cost allocation plan or an indirect cost proposal, approval of the plan constitutes the approval.

2. "Award" means grants, cost reimbursement contracts and other agreements between a State, local and Indian tribal government and the Federal Government.

3. "Awarding agency" means (a) with respect to a grant, cooperative agreement, or cost reimbursement contract, the Federal agency, and (b) with respect to a subaward, the party that awarded the subaward.

4. "Central service cost allocation plan" means the documentation identifying, accumulating, and allocating or developing billing rates based on the allowable costs of services provided by a governmental unit on a centralized basis to its departments and agencies. The costs of these services may be allocated or billed to users.

5. "Claim" means a written demand or written assertion by the governmental unit or grantor seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of award terms, or other relief arising under or relating to the award. A voucher, invoice or other routine request for payment that is not a dispute when submitted is not a claim. Appeals, such as those filed by a governmental unit in response to questioned audit costs, are not considered claims until a final management decision is made by the Federal awarding agency.

6. "Cognizant agency" means the Federal agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals developed under this Circular on behalf of all Federal agencies. OMB publishes a listing of cognizant agencies.

7. "Common Rule" means the "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments; Final Rule" originally issued at 53 FR 8034 8103 (March 11, 1988). Other common rules will be referred to by their specific titles.

8. "Contract" means a mutually binding legal relationship obligating the seller to furnish the supplies or services (including construction) and the buyer to pay for them. It includes all types of commitments that obligate the government to an expenditure of appropriated funds and that, except as otherwise authorized, are in writing. In addition to bilateral instruments, contracts include (but are not limited to): awards and notices of awards; job orders or task orders issued under basic ordering agreements; letter contracts; orders, such as purchase orders, under which the contract becomes effective by written acceptance or performance; and, bilateral contract modifications. Contracts do not include grants and cooperative agreements covered by 31 U.S.C. 6301 et seq.

9. "Cost" means an amount as determined on a cash, accrual, or other basis acceptable to the Federal awarding or cognizant agency. It does not include transfers to a general or similar fund.

10. "Cost allocation plan" means central service cost allocation plan, public assistance cost allocation plan, and indirect cost rate proposal. Each of these terms are further defined in this section.

11. "Cost objective" means a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred.

12. "Federally recognized Indian tribal government" means the governing body or a governmental agency of any Indian tribe, band, nation, or other organized group or

community (including any native village as defined in Section 3 of the Alaska Native Claims Settlement Act, 85 Stat. 688) certified by the Secretary of the Interior as eligible for the special programs and services provided through the Bureau of Indian Affairs.

13. "Governmental unit" means the entire State, local, or federally recognized Indian tribal government, including any component thereof. Components of governmental units may function independently of the governmental unit in accordance with the term of the award.

14. "Grantee department or agency" means the component of a State, local, or federally recognized Indian tribal government which is responsible for the performance or administration of all or some part of a Federal award.

15. "Indirect cost rate proposal" means the documentation prepared by a governmental unit or component thereof to substantiate its request for the establishment of an indirect cost rate as described in Attachment E of this Circular.

16. "Local government" means a county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments (whether or not incorporated as a non profit corporation under State law), any other regional or interstate government entity, or any agency or instrumentality of a local government.

17. "Public assistance cost allocation plan" means a narrative description of the procedures that will be used in identifying, measuring and allocating all administrative costs to all of the programs administered or supervised by State public assistance agencies as described in Attachment D of this Circular.

18. "State" means any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a State exclusive of local governments.

C. ***Basic Guidelines***

1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:

a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.

b. Be allocable to Federal awards under the provisions of this Circular.

c. Be authorized or not prohibited under State or local laws or regulations.

d. Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.

e. Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.

f. Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.

g. Except as otherwise provided for in this Circular, be determined in accordance with generally accepted accounting principles.

h. Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.

i. Be the net of all applicable credits.

j. Be adequately documented.

2. Reasonable costs. 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. The question of reasonableness is particularly important when governmental units or components are predominately federally funded. In determining reasonableness of a given cost, consideration shall be given to:

a. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the governmental unit or the performance of the Federal award.

b. The restraints or requirements imposed by such factors as: sound business practices; arms length bargaining; Federal, State and other laws and regulations; and, terms and conditions of the Federal award.

c. Market prices for comparable goods or services.

d. Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the governmental unit, its employees, the public at large, and the Federal Government.

e. Significant deviations from the established practices of the governmental unit which may unjustifiably increase the Federal award's cost.

3. Allocable costs.

a. A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received.

b. All activities which benefit from the governmental unit's indirect cost, including unallowable activities and services donated to the governmental unit by third parties, will receive an appropriate allocation of indirect costs.

c. Any cost allocable to a particular Federal award or cost objective under the principles provided for in this Circular may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by law or terms of the Federal awards, or for other reasons.

d. Where an accumulation of indirect costs will ultimately result in charges to a Federal award, a cost allocation plan will be required as described in Attachments C, D, and E.

4. Applicable credits.

a. Applicable credits refer to those receipts or reduction of expenditure type transactions that offset or reduce expense items allocable to Federal awards as direct or indirect costs. Examples of such transactions are: purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds or rebates, and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the governmental unit relate to allowable costs, they shall be credited to the Federal award either as a cost reduction or cash refund, as appropriate.

b. In some instances, the amounts received from the Federal Government to finance activities or service operations of the governmental unit should be treated as applicable credits. Specifically, the concept of netting such credit items (including any amounts used to meet cost sharing or matching requirements) should be recognized in determining the rates or amounts to be charged to Federal awards. (See Attachment B, item 11, "Depreciation and use allowances," for areas of potential application in the matter of Federal financing of activities.)

D. ***Composition of Cost***

1. Total cost. The total cost of Federal awards is comprised of the allowable direct cost of the program, plus its allocable portion of allowable indirect costs, less applicable credits.

2. Classification of costs. There is no universal rule for classifying certain costs as either direct or indirect under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the Federal award or other final cost objective. Therefore, it is essential that each item of cost be treated consistently in like circumstances either as a direct or an indirect cost.

Guidelines for determining direct and indirect costs charged to Federal awards are provided in the sections that follow.

E. ***Direct Costs***

1. General. Direct costs are those that can be identified specifically with a particular final cost objective.

2. Application. Typical direct costs chargeable to Federal awards are:

a. Compensation of employees for the time devoted and identified specifically to the performance of those awards.

b. Cost of materials acquired, consumed, or expended specifically for the purpose of those awards.

c. Equipment and other approved capital expenditures.

d. Travel expenses incurred specifically to carry out the award.

3. Minor items. 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.

F. ***Indirect Costs***

1. General. Indirect costs are those: (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. The term "indirect costs," as used herein, applies to costs of this type originating in the grantee department, as well as those incurred by other departments in supplying goods, services, and facilities. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect costs within a governmental unit department or in other agencies providing services to a governmental unit department. Indirect cost pools should be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived.

2. Cost allocation plans and indirect cost proposals. Requirements for development and submission of cost allocation plans and indirect cost rate proposals are contained in Attachments C, D, and E.

3. Limitation on indirect or administrative costs.

a. In addition to restrictions contained in this Circular, there may be laws that further limit the amount of administrative or indirect cost allowed.

b. Amounts not recoverable as indirect costs or administrative costs under one Federal award may not be shifted to another Federal award, unless specifically authorized by Federal legislation or regulation.

G. ***Interagency Services.*** The cost of services provided by one agency to another within the governmental unit may include allowable direct costs of the service plus a pro rate share of indirect costs. A standard indirect cost allowance equal to ten percent of the direct salary and wage cost of providing the service (excluding overtime, shift premiums, and fringe benefits) may be used in lieu of determining the actual indirect costs of the service. These services do not include centralized services included in central service cost allocation plans as described in Attachment C.

H. ***Required Certifications.*** Each cost allocation plan or indirect cost rate proposal required by Attachments C and E must comply with the following:

1. No proposal to establish a cost allocation plan or an indirect cost rate, whether submitted to a Federal cognizant agency or maintained on file by the governmental unit, shall be acceptable unless such costs have been certified by the governmental unit using the Certificate of Cost Allocation Plan or Certificate of Indirect Costs as set forth in Attachments C and E. The certificate must be signed on behalf of the governmental unit by an individual at a level no lower than chief financial officer of the governmental unit that submits the proposal or component covered by the proposal.

2. No cost allocation plan or indirect cost rate shall be approved by the Federal Government unless the plan or rate proposal has been certified. Where it is necessary to establish a cost allocation plan or an indirect cost rate and the governmental unit has not submitted a certified proposal for establishing such a plan or rate in accordance with the requirements, the Federal Government may either disallow all indirect costs or unilaterally establish such a plan or rate. Such a plan or rate may be based upon audited historical data or such other data that have been furnished to the cognizant Federal agency and for which it can be demonstrated that all unallowable costs have been excluded. When a cost allocation plan or indirect cost rate is unilaterally established by the Federal Government because of failure of the governmental unit to submit a certified proposal, the plan or rate established will be set to ensure that potentially unallowable costs will not be reimbursed.

ATTACHMENT B
Circular No. A 87

SELECTED ITEMS OF COST

TABLE OF CONTENTS

1. Advertising and public relations costs
2. Advisory councils
3. Alcoholic beverages
4. Audit costs and related services
5. Bad debts
6. Bonding costs
7. Communication costs
8. Compensation for personal services
9. Contingency provisions
10. Defense and prosecution of criminal and civil proceedings, and claims
11. Depreciation and use allowances
12. Donations and contributions
13. Employee morale, health, and welfare costs
14. Entertainment costs
15. Equipment and other capital expenditures
16. Fines and penalties
17. Fund raising and investment management costs
18. Gains and losses on disposition of depreciable property and other capital assets and substantial relocation of Federal programs
19. General government expenses
20. Goods or services for personal use
21. Idle facilities and idle capacity
22. Insurance and indemnification
23. Interest
24. Lobbying
25. Maintenance, operations, and repairs
26. Materials and supplies costs
27. Meetings and conferences

28. Memberships, subscriptions, and professional activity costs
29. Patent costs
30. Plant and homeland security costs
31. Pre award costs
32. Professional service costs
33. Proposal costs
34. Publication and printing costs
35. Rearrangement and alteration costs
36. Reconversion costs
37. Rental costs of building and equipment
38. Royalties and other costs for the use of patents
39. Selling and marketing
40. Taxes
41. Termination costs applicable to sponsored agreements
42. Training costs
43. Travel costs

Sections 1 through 43 provide principles to be applied in establishing the allowability or unallowability of certain items of cost. These principles apply whether a cost is treated as direct or indirect. A cost is allowable for Federal reimbursement only to the extent of benefits received by Federal awards and its conformance with the general policies and principles stated in Attachment A to this Circular. Failure to mention a particular item of cost in these sections is not intended to imply that it is either allowable or unallowable; rather, determination of allowability in each case should be based on the treatment or standards provided for similar or related items of cost.

1. ***Advertising and public relations costs.***

a. The term advertising costs means the costs of advertising media and corollary administrative costs.

   Advertising media include magazines, newspapers, radio and television, direct mail, exhibits, electronic or computer transmittals, and the like.

b. The term public relations includes community relations and means those activities dedicated to maintaining the image of the governmental unit or maintaining or promoting understanding

and favorable relations with the community or public at large or any segment of the public.

c. The only allowable advertising costs are those which are solely for:

(1) The recruitment of personnel required for the performance by the governmental unit of obligations arising under a Federal award ;

(2) The procurement of goods and services for the performance of a Federal award;

(3) The disposal of scrap or surplus materials acquired in the performance of a Federal award except when governmental units are reimbursed for disposal costs at a predetermined amount; or

(4) Other specific purposes necessary to meet the requirements of the Federal award.

d. The only allowable public relations costs are:

(1) Costs specifically required by the Federal award;

(2) Costs of communicating with the public and press pertaining to specific activities or accomplishments which result from performance of Federal awards (these costs are considered necessary as part of the outreach effort for the Federal award); or

(3) Costs of conducting general liaison with news media and government public relations officers, to the extent that such activities are limited to communication and liaison necessary keep the public informed on matters of public concern, such as notices of Federal contract/grant awards, financial matters, etc.

e. Costs identified in subsections c and d if incurred for more than one Federal award or for both sponsored work and other work of the governmental unit, are allowable to the extent that the principles in Attachment A, sections E. ("Direct Costs") and F. ("Indirect Costs") are observed.

f. Unallowable advertising and public relations costs include the following:

(1) All advertising and public relations costs other than as specified in subsections c, d, and e;

(2) Costs of meetings, conventions, convocations, or other events related to other activities of the governmental unit, including:

(a) Costs of displays, demonstrations, and exhibits;

(b) Costs of meeting rooms, hospitality suites, and other special facilities used in conjunction with shows and other special events; and

(c) Salaries and wages of employees engaged in setting up and displaying exhibits, making demonstrations, and providing briefings;

(3) Costs of promotional items and memorabilia, including models, gifts, and souvenirs;

(4) Costs of advertising and public relations designed solely to promote the governmental unit.

2. ***Advisory councils.*** Costs incurred by advisory councils or committees are allowable as a direct cost where authorized by the Federal awarding agency or as an indirect cost where allocable to Federal awards.

3. ***Alcoholic beverages.*** Costs of alcoholic beverages are unallowable.

4. ***Audit costs and related services.***

a. The costs of audits required by, and performed in accordance with, the Single Audit Act, as implemented by Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" are allowable. Also see 31 USC 7505(b) and section 230 ("Audit Costs") of Circular A-133.

b. Other audit costs are allowable if included in a cost allocation plan or indirect cost proposal, or if specifically approved by the awarding agency as a direct cost to an award.

c. The cost of agreed-upon procedures engagements to monitor subrecipients who are exempted from A-133 under section 200(d) are allowable, subject to the conditions listed in A-133, section 230 (b)(2).

5. ***Bad debts.*** Bad debts, including losses (whether actual or estimated) arising from uncollectable accounts and other claims, related collection costs, and related legal costs, are unallowable.

6. ***Bonding costs.***

a. Bonding costs arise when the Federal Government requires assurance against financial loss to itself or others by reason of the act or default of the governmental unit. They arise also in instances where the governmental unit requires similar assurance. Included are such bonds as bid, performance, payment, advance payment, infringement, and fidelity bonds.

b. Costs of bonding required pursuant to the terms of the award are allowable.

c. Costs of bonding required by the governmental unit in the general conduct of its operations are allowable to the extent that such bonding is in accordance with sound business practice and the rates and premiums are reasonable under the circumstances.

7. ***Communication costs.*** Costs incurred for telephone services, local and long distance telephone calls, telegrams, postage, messenger, electronic or computer transmittal services and the like are allowable.

8. ***Compensation for personal services.***

a. General. Compensation for personnel services includes all remuneration, paid currently or accrued, for services rendered during the period of performance under Federal awards, including but not necessarily limited to wages, salaries, and fringe benefits. The costs of such compensation are allowable to the extent that they satisfy the specific requirements of this Circular, and that the total compensation for individual employees:

(1) Is reasonable for the services rendered and conforms to the established policy of the governmental unit consistently applied to both Federal and non Federal activities;

(2) Follows an appointment made in accordance with a governmental unit's laws and rules and meets merit system or other requirements required by Federal law, where applicable; and

(3) Is determined and supported as provided in subsection h.

b. Reasonableness. Compensation for employees engaged in work on Federal awards will be considered reasonable to the extent that it is consistent with that paid for similar work in other activities of the governmental unit. In cases where the kinds of employees required for Federal awards are not found in the other activities of the governmental unit, compensation will be considered reasonable to the extent that it is comparable to that paid for similar work in the labor market in which the employing government competes for the kind of employees involved. Compensation surveys providing data representative of the labor market involved will be an acceptable basis for evaluating reasonableness.

c. Unallowable costs. Costs which are unallowable under other sections of these principles shall not be allowable under this section solely on the basis that they constitute personnel compensation.

d. Fringe benefits.

(1) Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave, employee insurance, pensions, and unemployment benefit plans. Except as provided elsewhere in these principles, the costs of fringe benefits are allowable to the extent that the benefits are reasonable and are required by law, governmental unit employee agreement, or an established policy of the governmental unit.

(2) The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, holidays, court leave, military leave, and other similar benefits, are allowable if: (a) they are provided under established written leave policies; (b) the costs are equitably allocated to all related activities, including Federal awards; and, (c) the accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the governmental unit.

(3) When a governmental unit uses the cash basis of accounting, the cost of leave is recognized in the period that the leave is taken and paid for. Payments for unused leave when an employee retires or terminates employment are allowable in the year of payment provided they are allocated as a general administrative expense to all activities of the governmental unit or component.

(4) The accrual basis may be only used for those types of leave for which a liability as defined by Generally Accepted Accounting Principles (GAAP) exists when the leave is earned. When a governmental unit uses the accrual basis of accounting, in accordance with GAAP, allowable

leave costs are the lesser of the amount accrued or funded.

(5) The cost of fringe benefits in the form of employer contributions or expenses for social security; employee life, health, unemployment, and worker's compensation insurance (except as indicated in section 22, Insurance and indemnification); pension plan costs (see subsection e.); and other similar benefits are allowable, provided such benefits are granted under established written policies. Such benefits, whether treated as indirect costs or as direct costs, shall be allocated to Federal awards and all other activities in a manner consistent with the pattern of benefits attributable to the individuals or group(s) of employees whose salaries and wages are chargeable to such Federal awards and other activities.

e. Pension plan costs. Pension plan costs may be computed using a pay as you go method or an acceptable actuarial cost method in accordance with established written policies of the governmental unit.

(1) For pension plans financed on a pay as you go method, allowable costs will be limited to those representing actual payments to retirees or their beneficiaries.

(2) Pension costs calculated using an actuarial cost based method recognized by GAAP are allowable for a given fiscal year if they are funded for that year within six months after the end of that year. Costs funded after the six month period (or a later period agreed to by the cognizant agency) are allowable in the year funded. The cognizant agency may agree to an extension of the six month period if an appropriate adjustment is made to compensate for the timing of the charges to the Federal Government and related Federal reimbursement and the governmental unit's contribution to the pension fund. Adjustments may be made by cash refund or other equitable procedures to compensate the Federal Government for the time value of Federal reimbursements in excess of contributions to the pension fund.

(3) Amounts funded by the governmental unit in excess of the actuarially determined amount for a fiscal year may be used as the governmental unit's contribution in future periods.

(4) When a governmental unit converts to an acceptable actuarial cost method, as defined by GAAP, and funds pension costs in accordance with this method, the unfunded liability at the time of conversion shall be allowable if amortized over a period of years in accordance with GAAP.

(5) The Federal Government shall receive an equitable share of any previously allowed pension costs (including earnings thereon) which revert or inure to the governmental unit in the form of a refund, withdrawal, or other credit.

f. Post retirement health benefits. Post retirement health benefits (PRHB) refers to costs of health insurance or health services not included in a pension plan covered by subsection e. for retirees and their spouses, dependents, and survivors. PRHB costs may be computed using a pay as you go method or an acceptable actuarial cost method in accordance with established written polices of the governmental unit.

(1) For PRHB financed on a pay as you go method, allowable costs will be limited to those representing actual payments to retirees or their beneficiaries.

(2) PRHB costs calculated using an actuarial cost method recognized by GAAP are allowable if they are funded for that year within six months after the end of that year. Costs funded after the six month period (or a later period agreed to by the cognizant agency) are allowable in the

year funded. The cognizant agency may agree to an extension of the six month period if an appropriate adjustment is made to compensate for the timing of the charges to the Federal Government and related Federal reimbursements and the governmental unit's contributions to the PRHB fund. Adjustments may be made by cash refund, reduction in current year's PRHB costs, or other equitable procedures to compensate the Federal Government for the time value of Federal reimbursements in excess of contributions to the PRHB fund.

(3) Amounts funded in excess of the actuarially determined amount for a fiscal year may be used as the government's contribution in a future period.

(4) When a governmental unit converts to an acceptable actuarial cost method and funds PRHB costs in accordance with this method, the initial unfunded liability attributable to prior years shall be allowable if amortized over a period of years in accordance with GAAP, or, if no such GAAP period exists, over a period negotiated with the cognizant agency.

(5) To be allowable in the current year, the PRHB costs must be paid either to:

(a) An insurer or other benefit provider as current year costs or premiums, or

(b) An insurer or trustee to maintain a trust fund or reserve for the sole purpose of providing post retirement benefits to retirees and other beneficiaries.

(6) The Federal Government shall receive an equitable share of any amounts of previously allowed post retirement benefit costs (including earnings thereon) which revert or inure to the governmental unit in the form of a refund, withdrawal, or other credit.

g. Severance pay.

(1) Payments in addition to regular salaries and wages made to workers whose employment is being terminated are allowable to the extent that, in each case, they are required by (a) law, (b) employer employee agreement, or (c) established written policy.

(2) Severance payments (but not accruals) associated with normal turnover are allowable. Such payments shall be allocated to all activities of the governmental unit as an indirect cost.

(3) Abnormal or mass severance pay will be considered on a case by case basis and is allowable only if approved by the cognizant Federal agency.

h. Support of salaries and wages. These standards regarding time distribution are in addition to the standards for payroll documentation.

(1) Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit.

(2) No further documentation is required for the salaries and wages of employees who work in a single indirect cost activity.

(3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These

certifications will be prepared at least semi annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

(a) More than one Federal award,

(b) A Federal award and a non Federal award,

(c) An indirect cost activity and a direct cost activity,

(d) Two or more indirect activities which are allocated using different allocation bases, or

(e) An unallowable activity and a direct or indirect cost activity.

(5) Personnel activity reports or equivalent documentation must meet the following standards:

(a) They must reflect an after the fact distribution of the actual activity of each employee,

(b) They must account for the total activity for which each employee is compensated,

(c) They must be prepared at least monthly and must coincide with one or more pay periods, and

(d) They must be signed by the employee.

(e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that:

(i) The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;

(ii) At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and

(iii) The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.

(6) Substitute systems for allocating salaries and wages to Federal awards may be used in place of activity reports. These systems are subject to approval if required by the cognizant agency.

Such systems may include, but are not limited to, random moment sampling, case counts, or other quantifiable measures of employee effort.

(a) Substitute systems which use sampling methods (primarily for Temporary Assistance to Needy Families (TANF), Medicaid, and other public assistance programs) must meet acceptable statistical sampling standards including:

(i) The sampling universe must include all of the employees whose salaries and wages are to be allocated based on sample results except as provided in subsection (c);

(ii) The entire time period involved must be covered by the sample; and

(iii) The results must be statistically valid and applied to the period being sampled.

(b) Allocating charges for the sampled employees' supervisors, clerical and support staffs, based on the results of the sampled employees, will be acceptable.

(c) Less than full compliance with the statistical sampling standards noted in subsection (a) may be accepted by the cognizant agency if it concludes that the amounts to be allocated to Federal awards will be minimal, or if it concludes that the system proposed by the governmental unit will result in lower costs to Federal awards than a system which complies with the standards.
(7) Salaries and wages of employees used in meeting cost sharing or matching requirements of Federal awards must be supported in the same manner as those claimed as allowable costs under Federal awards.

i. Donated services.

(1) Donated or volunteer services may be furnished to a governmental unit by professional and technical personnel, consultants, and other skilled and unskilled labor. The value of these services is not reimbursable either as a direct or indirect cost. However, the value of donated services may be used to meet cost sharing or matching requirements in accordance with the provisions of the Common Rule.

(2) The value of donated services utilized in the performance of a direct cost activity shall, when material in amount, be considered in the determination of the governmental unit's indirect costs or rate(s) and, accordingly, shall be allocated a proportionate share of applicable indirect costs.

(3) To the extent feasible, donated services will be supported by the same methods used by the governmental unit to support the allocability of regular personnel services.

9. ***Contingency provisions.*** Contributions to a contingency reserve or any similar provision made for events the occurrence of which cannot be foretold with certainty as to time, intensity, or with an assurance of their happening, are unallowable. The term "contingency reserve" excludes self-insurance reserves (see Attachment B, section 22.c.), pension plan reserves (see Attachment B, section 8.e.), and post-retirement health and other benefit reserves (see Attachment B, section 8.f.) computed using acceptable actuarial cost methods.

10. ***Defense and prosecution of criminal and civil proceedings, and claims.***

a. The following costs are unallowable for contracts covered by 10 U.S.C. 2324(k), "Allowable costs under defense contracts."

(1) Costs incurred in defense of any civil or criminal fraud proceeding or similar proceeding (including filing of false certification brought by the United States where the contractor is found liable or has pleaded nolo contendere to a charge of fraud or similar proceeding (including filing of a false certification).

(2) Costs incurred by a contractor in connection with any criminal, civil or administrative proceedings commenced by the United States or a State to the extent provided in 10 U.S.C. 2324(k).

b. Legal expenses required in the administration of Federal programs are allowable. Legal expenses for prosecution of claims against the Federal Government are unallowable.

11. ***Depreciation and use allowances.***

a. Depreciation and use allowances are means of allocating the cost of fixed assets to periods benefiting from asset use. Compensation for the use of fixed assets on hand may be made through depreciation or use allowances. A combination of the two methods may not be used in connection with a single class of fixed assets (e.g., buildings, office equipment, computer equipment, etc.) except as provided for in subsection g. Except for enterprise funds and internal service funds that are included as part of a State/local cost allocation plan, classes of assets shall be determined on the same basis used for the government-wide financial statements.

b. The computation of depreciation or use allowances shall be based on the acquisition cost of the assets involved. Where actual cost records have not been maintained, a reasonable estimate of the original acquisition cost may be used. The value of an asset donated to the governmental unit by an unrelated third party shall be its fair market value at the time of donation. Governmental or quasi-governmental organizations located within the same State shall not be considered unrelated third parties for this purpose.

c. The computation of depreciation or use allowances will exclude:

(1) The cost of land;

(2) Any portion of the cost of buildings and equipment borne by or donated by the Federal Government irrespective of where title was originally vested or where it presently resides; and

(3) Any portion of the cost of buildings and equipment contributed by or for the governmental unit, or a related donor organization, in satisfaction of a matching requirement.

d. Where the depreciation method is followed, the period of useful service (useful life) established in each case for usable capital assets must take into consideration such factors as type of construction, nature of the equipment used, historical usage patterns, technological developments, and the renewal and replacement policies of the governmental unit followed for

the individual items or classes of assets involved. In the absence of clear evidence indicating that the expected consumption of the asset will be significantly greater in the early portions than in the later portions of its useful life, the straight line method of depreciation shall be used.

Depreciation methods once used shall not be changed unless approved by the Federal cognizant or awarding agency. When the depreciation method is introduced for application to an asset previously subject to a use allowance, the annual depreciation charge thereon may not exceed the amount that would have resulted had the depreciation method been in effect from the date of acquisition of the asset. The combination of use allowances and depreciation applicable to the asset shall not exceed the total acquisition cost of the asset or fair market value at time of donation.

e. When the depreciation method is used for buildings, a building's shell may be segregated from the major component of the building (e.g., plumbing system, heating, and air conditioning system, etc.) and each major component depreciated over its estimated useful life, or the entire building (i.e., the shell and all components) may be treated as a single asset and depreciated over a single useful life.

f. Where the use allowance method is followed, the use allowance for buildings and improvements (including land improvements, such as paved parking areas, fences, and sidewalks) will be computed at an annual rate not exceeding two percent of acquisition costs. The use allowance for equipment will be computed at an annual rate not exceeding 6 2/3 percent of acquisition cost. When the use allowance method is used for buildings, the entire building must be treated as a single asset; the building's components (e.g., plumbing system, heating and air condition, etc.) cannot be segregated from the building's shell.

The two percent limitation, however, need not be applied to equipment which is merely attached or fastened to the building but not permanently fixed to it and which is used as furnishings or decorations or for specialized purposes (e.g., dentist chairs and dental treatment units, counters, laboratory benches bolted to the floor, dishwashers, modular furniture, carpeting, etc.). Such equipment will be considered as not being permanently fixed to the building if it can be removed without the destruction of, or need for costly or extensive alterations or repairs, to the building or the equipment. Equipment that meets these criteria will be subject to the 6 2/3 percent equipment use allowance limitation.

g. A reasonable use allowance may be negotiated for any assets that are considered to be fully depreciated, after taking into consideration the amount of depreciation previously charged to the government, the estimated useful life remaining at the time of negotiation, the effect of any increased maintenance charges, decreased efficiency due to age, and any other factors pertinent to the utilization of the asset for the purpose contemplated.

h. Charges for use allowances or depreciation must be supported by adequate property records. Physical inventories must be taken at least once every two years (a statistical sampling approach is acceptable) to ensure that assets exist, and are in use. Governmental units will manage equipment in accordance with State laws and procedures. When the depreciation method is followed, depreciation records indicating the amount of depreciation taken each period must also be maintained.

12. ***Donations and contributions.***

a. Contributions or donations rendered. Contributions or donations, including cash, property, and services, made by the governmental unit, regardless of the recipient, are unallowable.

b. Donated services received:

(1) Donated or volunteer services may be furnished to a governmental unit by professional and technical personnel, consultants, and other skilled and unskilled labor. The value of these services is not reimbursable either as a direct or indirect cost. However, the value of donated services may be used to meet cost sharing or matching requirements in accordance with the Federal Grants Management Common Rule.

(2) The value of donated services utilized in the performance of a direct cost activity shall, when material in amount, be considered in the determination of the governmental unit's indirect costs or rate(s) and, accordingly, shall be allocated a proportionate share of applicable indirect costs.

(3) To the extent feasible, donated services will be supported by the same methods used by the governmental unit to support the allocability of regular personnel services.

13. ***Employee morale, health, and welfare costs.***

a. The costs of employee information publications, health or first-aid clinics and/or infirmaries, recreational activities, employee counseling services, and any other expenses incurred in accordance with the governmental unit's established practice or custom for the improvement of working conditions, employer-employee relations, employee morale, and employee performance are allowable.

b. Such costs will be equitably apportioned to all activities of the governmental unit. Income generated from any of these activities will be offset against expenses.

14. ***Entertainment.*** Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) are unallowable.

15. ***Equipment and other capital expenditures.***

a. For purposes of this subsection 15, the following definitions apply:

(1) "Capital Expenditures" means expenditures for the acquisition cost of capital assets (equipment, buildings, land), or expenditures to make improvements to capital assets that materially increase their value or useful life. Acquisition cost means the cost of the asset including the cost to put it in place. Acquisition cost for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges, such as taxes, duty, protective in transit insurance, freight, and installation may be included in, or excluded from the acquisition cost in accordance with the governmental unit's regular accounting practices.

(2) "Equipment" means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds the lesser of the capitalization level established by the governmental unit for financial statement purposes, or $5000.

(3) "Special purpose equipment" means equipment which is used only for research, medical, scientific, or other technical activities. Examples of special purpose equipment include microscopes, x-ray machines, surgical instruments, and spectrometers.

(4) "General purpose equipment" means equipment, which is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles.

b. The following rules of allowability shall apply to equipment and other capital expenditures:

(1) Capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except where approved in advance by the awarding agency.

(2) Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of $5000 or more have the prior approval of the awarding agency.

(3) Capital expenditures for improvements to land, buildings, or equipment which materially increase their value or useful life are unallowable as a direct cost except with the prior approval of the awarding agency.

(4) When approved as a direct charge pursuant to Attachment B, section 15.b (1), (2), and (3) above, capital expenditures will be charged in the period in which the expenditure is incurred, or as otherwise determined appropriate and negotiated with the awarding agency. In addition, Federal awarding agencies are authorized at their option to waive or delegate the prior approval requirement.

(5) Equipment and other capital expenditures are unallowable as indirect costs. However, see section 11, Depreciation and use allowance, for rules on the allowability of use allowances or depreciation on buildings, capital improvements, and equipment. Also, see section 37, Rental costs, concerning the allowability of rental costs for land, buildings, and equipment.

(6) The unamortized portion of any equipment written off as a result of a change in capitalization levels may be recovered by continuing to claim the otherwise allowable use allowances or depreciation on the equipment, or by amortizing the amount to be written off over a period of years negotiated with the cognizant agency.

(7) When replacing equipment purchased in whole or in part with Federal funds, the governmental unit may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

16. ***Fines and penalties.*** Fines, penalties, damages, and other settlements resulting from violations (or alleged violations) of, or failure of the governmental unit to comply with, Federal, State, local, or Indian tribal laws and regulations are unallowable except when incurred as a result of compliance with specific provisions

of the Federal award or written instructions by the awarding agency authorizing in advance such payments.

17. ***Fund raising and investment management costs.***

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

b. Costs of investment counsel and staff and similar expenses incurred to enhance income from investments are unallowable. However, such costs associated with investments covering pension, self insurance, or other funds which include Federal participation allowed by this Circular are allowable.

c. Fund raising and investment activities shall be allocated an appropriate share of indirect costs under the conditions described in subsection C.3.b. of Attachment A.

18. ***Gains and losses on disposition of depreciable property and other capital assets and substantial relocation of Federal programs.***

a. (1) Gains and losses on the sale, retirement, or other disposition of depreciable property shall be included in the year in which they occur as credits or charges to the asset cost grouping(s) in which the property was included. The amount of the gain or loss to be included as a credit or charge to the appropriate asset cost grouping(s) shall be the difference between the amount realized on the property and the undepreciated basis of the property.

(2) Gains and losses on the disposition of depreciable property shall not be recognized as a separate credit or charge under the following conditions:

(a) The gain or loss is processed through a depreciation account and is reflected in the depreciation allowable under sections 11 and 15.

(b) The property is given in exchange as part of the purchase price of a similar item and the gain or loss is taken into account in determining the depreciation cost basis of the new item.

(c) A loss results from the failure to maintain permissible insurance, except as otherwise provided in subsection 22.d.

(d) Compensation for the use of the property was provided through use allowances in lieu of depreciation.

b. Substantial relocation of Federal awards from a facility where the Federal Government participated in the financing to another facility prior to the expiration of the useful life of the financed facility requires Federal agency approval. The extent of the relocation, the amount of the Federal participation in the financing, and the depreciation charged to date may require negotiation of space charges for Federal awards.

c. Gains or losses of any nature arising from the sale or exchange of property other than the property covered in subsection a., e.g., land or included in the fair market value used in any adjustment resulting from a relocation of Federal awards covered in subsection b. shall be excluded in computing Federal award costs.

19. ***General government expenses.***

a. The general costs of government are unallowable (except as provided in Attachment B, section 43, Travel costs). These include:

(1) Salaries and expenses of the Office of the Governor of a State or the chief executive of a political subdivision or the chief executive of federally recognized Indian tribal government;

(2) Salaries and other expenses of a State legislature, tribal council, or similar local governmental body, such as a county supervisor, city council, school board, etc., whether incurred for purposes of legislation or executive direction;

(3) Costs of the judiciary branch of a government;

(4) Costs of prosecutorial activities unless treated as a direct cost to a specific program if authorized by program statute or regulation (however, this does not preclude the allowability of other legal activities of the Attorney General); and

(5) Costs of other general types of government services normally provided to the general public, such as fire and police, unless provided for as a direct cost under a program statute or regulation.

b. For federally recognized Indian tribal governments and Councils Of Governments (COGs), the portion of salaries and expenses directly attributable to managing and operating Federal programs by the chief executive and his staff is allowable.

20. ***Goods or services for personal use.*** Costs of goods or services for personal use of the governmental unit's employees are unallowable regardless of whether the cost is reported as taxable income to the employees.

21. ***Idle facilities and idle capacity.***

a. As used in this section the following terms have the meanings set forth below:

(1) "Facilities" means land and buildings or any portion thereof, equipment individually or collectively, or any other tangible capital asset, wherever located, and whether owned or leased by the governmental unit.

(2) "Idle facilities" means completely unused facilities that are excess to the governmental unit's current needs.

(3) "Idle capacity" means the unused capacity of partially used facilities. It is the difference between: (a) that which a facility could achieve under 100 percent operating time on a one-shift basis less operating interruptions resulting from time lost for repairs, setups, unsatisfactory materials, and other normal delays; and (b) the extent to which the facility was

actually used to meet demands during the accounting period. A multi-shift basis should be used if it can be shown that this amount of usage would normally be expected for the type of facility involved.

(4) "Cost of idle facilities or idle capacity" means costs such as maintenance, repair, housing, rent, and other related costs, e.g., insurance, interest, property taxes and depreciation or use allowances.

b. The costs of idle facilities are unallowable except to the extent that:

(1) They are necessary to meet fluctuations in workload; or

(2) Although not necessary to meet fluctuations in workload, they were necessary when acquired and are now idle because of changes in program requirements, efforts to achieve more economical operations, reorganization, termination, or other causes which could not have been reasonably foreseen. Under the exception stated in this subsection, costs of idle facilities are allowable for a reasonable period of time, ordinarily not to exceed one year, depending on the initiative taken to use, lease, or dispose of such facilities.

c. The costs of idle capacity are normal costs of doing business and are a factor in the normal fluctuations of usage or indirect cost rates from period to period. Such costs are allowable, provided that the capacity is reasonably anticipated to be necessary or was originally reasonable and is not subject to reduction or elimination by use on other Federal awards, subletting, renting, or sale, in accordance with sound business, economic, or security practices. Widespread idle capacity throughout an entire facility or among a group of assets having substantially the same function may be considered idle facilities.

22. *Insurance and indemnification.*

a. Costs of insurance required or approved and maintained, pursuant to the Federal award, are allowable.

b. Costs of other insurance in connection with the general conduct of activities are allowable subject to the following limitations:

(1) Types and extent and cost of coverage are in accordance with the governmental unit's policy and sound business practice.

(2) Costs of insurance or of contributions to any reserve covering the risk of loss of, or damage to, Federal Government property are unallowable except to the extent that the awarding agency has specifically required or approved such costs.

c. Actual losses which could have been covered by permissible insurance (through a self insurance program or otherwise) are unallowable, unless expressly provided for in the Federal award or as described below. However, the Federal Government will participate in actual losses of a self insurance fund that are in excess of reserves. Costs incurred because of losses not covered under nominal deductible insurance coverage provided in keeping with sound management practice, and minor losses not covered by insurance, such as spoilage, breakage, and disappearance of small hand tools, which occur in the ordinary course of operations, are

allowable.

d. Contributions to a reserve for certain self insurance programs including workers compensation, unemployment compensation, and severance pay are allowable subject to the following provisions:

(1) The type of coverage and the extent of coverage and the rates and premiums would have been allowed had insurance (including reinsurance) been purchased to cover the risks. However, provision for known or reasonably estimated self insured liabilities, which do not become payable for more than one year after the provision is made, shall not exceed the discounted present value of the liability. The rate used for discounting the liability must be determined by giving consideration to such factors as the governmental unit's settlement rate for those liabilities and its investment rate of return.

(2) Earnings or investment income on reserves must be credited to those reserves.

(3) Contributions to reserves must be based on sound actuarial principles using historical experience and reasonable assumptions. Reserve levels must be analyzed and updated at least biennially for each major risk being insured and take into account any reinsurance, coinsurance, etc. Reserve levels related to employee related coverages will normally be limited to the value of claims (a) submitted and adjudicated but not paid, (b) submitted but not adjudicated, and (c) incurred but not submitted. Reserve levels in excess of the amounts based on the above must be identified and justified in the cost allocation plan or indirect cost rate proposal.

(4) Accounting records, actuarial studies, and cost allocations (or billings) must recognize any significant differences due to types of insured risk and losses generated by the various insured activities or agencies of the governmental unit. If individual departments or agencies of the governmental unit experience significantly different levels of claims for a particular risk, those differences are to be recognized by the use of separate allocations or other techniques resulting in an equitable allocation.

(5) Whenever funds are transferred from a self insurance reserve to other accounts (e.g., general fund), refunds shall be made to the Federal Government for its share of funds transferred, including earned or imputed interest from the date of transfer.

e. Actual claims paid to or on behalf of employees or former employees for workers' compensation, unemployment compensation, severance pay, and similar employee benefits (e.g., subsection 8.f. for post retirement health benefits), are allowable in the year of payment provided (1) the governmental unit follows a consistent costing policy and (2) they are allocated as a general administrative expense to all activities of the governmental unit.

f. Insurance refunds shall be credited against insurance costs in the year the refund is received.

g. Indemnification includes securing the governmental unit against liabilities to third persons and other losses not compensated by insurance or otherwise. The Federal Government is obligated to indemnify the governmental unit only to the extent expressly provided for in the Federal award, except as provided in subsection d.

h. Costs of commercial insurance that protects against the costs of the contractor for correction of the contractor's own defects in materials or workmanship are unallowable.

23. *Interest.*

a. Costs incurred for interest on borrowed capital or the use of a governmental unit's own funds, however represented, are unallowable except as specifically provided in subsection b. or authorized by Federal legislation.

b. Financing costs (including interest) paid or incurred which are associated with the otherwise allowable costs of building acquisition, construction, or fabrication, reconstruction or remodeling completed on or after October 1, 1980 is allowable subject to the conditions in (1) through (4) of this section 23.b. Financing costs (including interest) paid or incurred on or after September 1, 1995 for land or associated with otherwise allowable costs of equipment is allowable, subject to the conditions in (1) through (4).

(1) The financing is provided (from other than tax or user fee sources) by a bona fide third party external to the governmental unit;

(2) Thee assets are used in support of Federal awards;

(3) Earnings on debt service reserve funds or interest earned on borrowed funds pending payment of the construction or acquisition costs are used to offset the current period's cost or the capitalized interest, as appropriate. Earnings subject to being reported to the Federal Internal Revenue Service under arbitrage requirements are excludable.

(4) For debt arrangements over $1 million, unless the governmental unit makes an initial equity contribution to the asset purchase of 25 percent or more, the governmental unit shall reduce claims for interest cost by an amount equal to imputed interest earnings on excess cash flow, which is to be calculated as follows. Annually, non-Federal entities shall prepare a cumulative (from the inception of the project) report of monthly cash flows that includes inflows and outflows, regardless of the funding source. Inflows consist of depreciation expense, amortization of capitalized construction interest, and annual interest cost. For cash flow calculations, the annual inflow figures shall be divided by the number of months in the year (i.e., usually 12) that the building is in service for monthly amounts. Outflows consist of initial equity contributions, debt principal payments (less the pro rata share attributable to the unallowable costs of land) and interest payments. Where cumulative inflows exceed cumulative outflows, interest shall be calculated on the excess inflows for that period and be treated as a reduction to allowable interest cost. The rate of interest to be used to compute earnings on excess cash flows shall be the three-month Treasury bill closing rate as of the last business day of that month.

(5) Interest attributable to fully depreciated assets is unallowable.

24. *Lobbying.*

a. General. The cost of certain influencing activities associated with obtaining grants, contracts, cooperative agreements, or loans is an unallowable cost. Lobbying with respect to certain grants, contracts, cooperative agreements, and loans shall be governed by the common rule, "New Restrictions on Lobbying" published at 55 FR 6736 (February 26, 1990), including definitions, and the Office of Management and Budget "Government wide Guidance for New

Restrictions on Lobbying" and notices published at 54 FR 52306 (December 20, 1989), 55 FR 24540 (June 15, 1990), and 57 FR 1772 (January 15, 1992), respectively.

b. Executive lobbying costs. Costs incurred in attempting to improperly influence either directly or indirectly, an employee or officer of the Executive Branch of the Federal Government to give consideration or to act regarding a sponsored agreement or a regulatory matter are unallowable. Improper influence means any influence that induces or tends to induce a Federal employee or officer to give consideration or to act regarding a federally sponsored agreement or regulatory matter on any basis other than the merits of the matter.

25. ***Maintenance, operations, and repairs.*** Unless prohibited by law, the cost of utilities, insurance, security, janitorial services, elevator service, upkeep of grounds, necessary maintenance, normal repairs and alterations, and the like are allowable to the extent that they: (1) keep property (including Federal property, unless otherwise provided for) in an efficient operating condition, (2) do not add to the permanent value of property or appreciably prolong its intended life, and (3) are not otherwise included in rental or other charges for space. Costs which add to the permanent value of property or appreciably prolong its intended life shall be treated as capital expenditures (see sections 11 and 15).

26. ***Materials and supplies costs.***

a. Costs incurred for materials, supplies, and fabricated parts necessary to carry out a Federal award are allowable.

b. Purchased materials and supplies shall be charged at their actual prices, net of applicable credits. Withdrawals from general stores or stockrooms should be charged at their actual net cost under any recognized method of pricing inventory withdrawals, consistently applied. Incoming transportation charges are a proper part of materials and supplies costs.

c. Only materials and supplies actually used for the performance of a Federal award may be charged as direct costs.

d. Where federally donated or furnished materials are used in performing the Federal award, such materials will be used without charge.

27. ***Meetings and conferences.*** Costs of meetings and conferences, the primary purpose of which is the dissemination of technical information, are allowable. This includes costs of meals, transportation, rental of facilities, speakers' fees, and other items incidental to such meetings or conferences. But see Attachment B, section 14, Entertainment costs.

28. ***Memberships, subscriptions, and professional activity costs.***

a. Costs of the governmental unit's memberships in business, technical, and professional organizations are allowable.

b. Costs of the governmental unit's subscriptions to business, professional, and technical periodicals are allowable.

c. Costs of membership in civic and community, social organizations are allowable as a direct cost with the approval of the Federal awarding agency.

d. Costs of membership in organizations substantially engaged in lobbying are unallowable.

29. ***Patent costs.***

a. The following costs relating to patent and copyright matters are allowable:

(i) cost of preparing disclosures, reports, and other documents required by the Federal award and of searching the art to the extent necessary to make such disclosures;

(ii) cost of preparing documents and any other patent costs in connection with the filing and prosecution of a United States patent application where title or royalty-free license is required by the Federal Government to be conveyed to the Federal Government; and

(iii) general counseling services relating to patent and copyright matters, such as advice on patent and copyright laws, regulations, clauses, and employee agreements (but see Attachment B, sections 32, Professional service costs, and 38, Royalties and other costs for use of patents and copyrights).

b. The following costs related to patent and copyright matter are unallowable:

(i) Cost of preparing disclosures, reports, and other documents and of searching the art to the extent necessary to make disclosures not required by the award

(ii) Costs in connection with filing and prosecuting any foreign patent application, or (ii) any United States patent application, where the Federal award does not require conveying title or a royalty-free license to the Federal Government (but see Attachment B, section 38., Royalties and other costs for use of patents and copyrights).

30. ***Plant and homeland security costs.*** Necessary and reasonable expenses incurred for routine and homeland security to protect facilities, personnel, and work products are allowable. Such costs include, but are not limited to, wages and uniforms of personnel engaged in security activities; equipment; barriers; contractual security services; consultants; etc. Capital expenditures for homeland and plant security purposes are subject to section 15., Equipment and other capital expenditures, of this Circular.

31. ***Pre award costs.*** Pre award costs are those incurred prior to the effective date of the award directly pursuant to the negotiation and in anticipation of the award where

such costs are necessary to comply with the proposed delivery schedule or period of performance. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the award and only with the written approval of the awarding agency.

32. ***Professional service costs.***

a. Costs of professional and consultant services rendered by persons who are members of a particular profession or possess a special skill, and who are not officers or employees of the governmental unit, are allowable, subject to subparagraphs b and c when reasonable in relation to the services rendered and when not contingent upon recovery of the costs from the Federal Government.

   In addition, legal and related services are limited under Attachment B, section 10.

b. In determining the allowability of costs in a particular case, no single factor or any special combination of factors is necessarily determinative. However, the following factors are relevant:

   (1) The nature and scope of the service rendered in relation to the service required.

   (2) The necessity of contracting for the service, considering the governmental unit's capability in the particular area.

   (3) The past pattern of such costs, particularly in the years prior to Federal awards.

   (4) The impact of Federal awards on the governmental unit's business (i.e., what new problems have arisen).

   (5) Whether the proportion of Federal work to the governmental unit's total business is such as to influence the governmental unit in favor of incurring the cost, particularly where the services rendered are not of a continuing nature and have little relationship to work under Federal grants and contracts.

   (6) Whether the service can be performed more economically by direct employment rather than contracting.

   (7) The qualifications of the individual or concern rendering the service and the customary fees charged, especially on non-Federal awards.

   (8) Adequacy of the contractual agreement for the service (e.g., description of the service, estimate of time required, rate of compensation, and termination provisions).

c. In addition to the factors in subparagraph b, retainer fees to be allowable must be supported by available or rendered evidence of bona fide services available or rendered.

33. ***Proposal costs.*** Costs of preparing proposals for potential Federal awards are allowable. Proposal costs should normally be treated as indirect costs and should be allocated to all activities of the governmental unit utilizing the cost allocation plan and

indirect cost rate proposal. However, proposal costs may be charged directly to Federal awards with the prior approval of the Federal awarding agency.

34. ***Publication and printing costs.***

a. Publication costs include the costs of printing (including the processes of composition, plate-making, press work, binding, and the end products produced by such processes), distribution, promotion, mailing, and general handling. Publication costs also include page charges in professional publications.

b. If these costs are not identifiable with a particular cost objective, they should be allocated as indirect costs to all benefiting activities of the governmental unit.

c. Page charges for professional journal publications are allowable as a necessary part of research costs where:

(1) The research papers report work supported by the Federal Government: and

(2) The charges are levied impartially on all research papers published by the journal, whether or not by federally sponsored authors

35. ***Rearrangement and alteration costs.*** Costs incurred for ordinary and normal rearrangement and alteration of facilities are allowable. Special arrangements and alterations costs incurred specifically for a Federal award are allowable with the prior approval of the Federal awarding agency.

36. ***Reconversion costs.*** Costs incurred in the restoration or rehabilitation of the governmental unit's facilities to approximately the same condition existing immediately prior to commencement of Federal awards, less costs related to normal wear and tear, are allowable.

37. ***Rental costs of buildings and equipment.***

a. Subject to the limitations described in subsections b. through d. of this section, rental costs are allowable to the extent that the rates are reasonable in light of such factors as: rental costs of comparable property, if any; market conditions in the area; alternatives available; and, the type, life expectancy, condition, and value of the property leased. Rental arrangements should be reviewed periodically to determine if circumstances have changed and other options are available.

b. Rental costs under "sale and lease back" arrangements are allowable only up to the amount that would be allowed had the governmental unit continued to own the property. This amount would include expenses such as depreciation or use allowance, maintenance, taxes, and insurance.

c. Rental costs under "less-than-arms-length" leases are allowable only up to the amount (as explained in Attachment B, section 37.b) that would be allowed had title to the property vested

in the governmental unit. For this purpose, a less-than-arms-length lease is one under which one party to the lease agreement is able to control or substantially influence the actions of the other. Such leases include, but are not limited to those between (i) divisions of a governmental unit; (ii) governmental units under common control through common officers, directors, or members; and (iii) a governmental unit and a director, trustee, officer, or key employee of the governmental unit or his immediate family, either directly or through corporations, trusts, or similar arrangements in which they hold a controlling interest. For example, a governmental unit may establish a separate corporation for the sole purpose of owning property and leasing it back to the governmental unit.

d. Rental costs under leases which are required to be treated as capital leases under GAAP are allowable only up to the amount (as explained in subsection b) that would be allowed had the governmental unit purchased the property on the date the lease agreement was executed. The provisions of Financial Accounting Standards Board Statement 13, Accounting for Leases, shall be used to determine whether a lease is a capital lease. Interest costs related to capital leases are allowable to the extent they meet the criteria in Attachment B, section 23. Unallowable costs include amounts paid for profit, management fees, and taxes that would not have been incurred had the governmental unit purchased the facility.

38. *Royalties and other costs for the use of patents.*

a. Royalties on a patent or copyright or amortization of the cost of acquiring by purchase a copyright, patent, or rights thereto, necessary for the proper performance of the award are allowable unless:

(1) The Federal Government has a license or the right to free use of the patent or copyright.

(2) The patent or copyright has been adjudicated to be invalid, or has been administratively determined to be invalid.

(3) The patent or copyright is considered to be unenforceable.

(4) The patent or copyright is expired.

b. Special care should be exercised in determining reasonableness where the royalties may have been arrived at as a result of less-than-arm's-length bargaining, e.g.:

(1) Royalties paid to persons, including corporations, affiliated with the governmental unit.

(2) Royalties paid to unaffiliated parties, including corporations, under an agreement entered into in contemplation that a Federal award would be made.

(3) Royalties paid under an agreement entered into after an award is made to a governmental unit.

c. In any case involving a patent or copyright formerly owned by the governmental unit, the amount of royalty allowed should not exceed the cost which would have been allowed had the governmental unit retained title thereto.

39. ***Selling and marketing.*** Costs of selling and marketing any products or services of the governmental unit are unallowable (unless allowed under Attachment B, section 1. as allowable public relations costs or under Attachment B, section 33. as allowable proposal costs.

40. ***Taxes.***

a. Taxes that a governmental unit is legally required to pay are allowable, except for self assessed taxes that disproportionately affect Federal programs or changes in tax policies that disproportionately affect Federal programs. This provision becomes effective for taxes paid during the governmental unit's first fiscal year that begins on or after January 1, 1998, and applies thereafter.

b. Gasoline taxes, motor vehicle fees, and other taxes that are in effect user fees for benefits provided to the Federal Government are allowable.

c. This provision does not restrict the authority of Federal agencies to identify taxes where Federal participation is inappropriate. Where the identification of the amount of unallowable taxes would require an inordinate amount of effort, the cognizant agency may accept a reasonable approximation thereof.

41. ***Termination costs applicable to sponsored agreements.*** Termination of awards generally gives rise to the incurrence of costs, or the need for special treatment of costs, which would not have arisen had the Federal award not been terminated. Cost principles covering these items are set forth below. They are to be used in conjunction with the other provisions of this Circular in termination situations.

a. The cost of items reasonably usable on the governmental unit's other work shall not be allowable unless the governmental unit submits evidence that it would not retain such items at cost without sustaining a loss. In deciding whether such items are reasonably usable on other work of the governmental unit, the awarding agency should consider the governmental unit's plans and orders for current and scheduled activity.

   Contemporaneous purchases of common items by the governmental unit shall be regarded as evidence that such items are reasonably usable on the governmental unit's other work. Any acceptance of common items as allocable to the terminated portion of the Federal award shall be limited to the extent that the quantities of such items on hand, in transit, and on order are in excess of the reasonable quantitative requirements of other work.

b. If in a particular case, despite all reasonable efforts by the governmental unit, certain costs cannot be discontinued immediately after the effective date of termination, such costs are generally allowable within the limitations set forth in this Circular, except that any such costs continuing after termination due to the negligent or willful failure of the governmental unit to discontinue such costs shall be unallowable.

c. Loss of useful value of special tooling, machinery, and equipment is generally allowable if:

(1) Such special tooling, special machinery, or equipment is not reasonably capable of use in the other work of the governmental unit,

(2) The interest of the Federal Government is protected by transfer of title or by other means deemed appropriate by the awarding agency, and

(3) The loss of useful value for any one terminated Federal award is limited to that portion of the acquisition cost which bears the same ratio to the total acquisition cost as the terminated portion of the Federal award bears to the entire terminated Federal award and other Federal awards for which the special tooling, machinery, or equipment was acquired.

d. Rental costs under unexpired leases are generally allowable where clearly shown to have been reasonably necessary for the performance of the terminated Federal award less the residual value of such leases, if:

(1) the amount of such rental claimed does not exceed the reasonable use value of the property leased for the period of the Federal award and such further period as may be reasonable, and

(2) the governmental unit makes all reasonable efforts to terminate, assign, settle, or otherwise reduce the cost of such lease. There also may be included the cost of alterations of such leased property, provided such alterations were necessary for the performance of the Federal award, and of reasonable restoration required by the provisions of the lease.

e. Settlement expenses including the following are generally allowable:

(1) Accounting, legal, clerical, and similar costs reasonably necessary for:

(a) The preparation and presentation to the awarding agency of settlement claims and supporting data with respect to the terminated portion of the Federal award, unless the termination is for default (see Subpart __.44 of the Grants Management Common Rule implementing OMB Circular A-102); and

(b) The termination and settlement of subawards.

(2) Reasonable costs for the storage, transportation, protection, and disposition of property provided by the Federal Government or acquired or produced for the Federal award, except when grantees or contractors are reimbursed for disposals at a predetermined amount in accordance with Subparts__.31 and ___.32 of the Grants Management Common Rule implementing OMB Circular A-102.

f. Claims under subawards, including the allocable portion of claims which are common to the Federal award, and to other work of the governmental unit are generally allowable.

An appropriate share of the governmental unit's indirect expense may be allocated to the amount of settlements with subcontractors and/or subgrantees, provided that the amount allocated is otherwise consistent with the basic guidelines contained in Attachment A. The indirect expense so allocated shall exclude the same and similar costs claimed directly or indirectly as settlement expenses.

42. ***Training costs.*** The cost of training provided for employee development is allowable.

43. ***Travel costs.***

a. General. Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the governmental unit. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the governmental unit's non-federally sponsored activities. Notwithstanding the provisions of Attachment B, section 19, General government expenses, travel costs of officials covered by that section are allowable with the prior approval of an awarding agency when they are specifically related to Federal awards.

b. Lodging and subsistence. Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, shall be considered reasonable and allowable only to the extent such costs do not exceed charges normally allowed by the governmental unit in its regular operations as the result of the governmental unit's written travel policy. In the absence of an acceptable, written governmental unit policy regarding travel costs, the rates and amounts established under subchapter I of Chapter 57, Title 5, United States Code ("Travel and Subsistence Expenses; Mileage Allowances"), or by the Administrator of General Services, or by the President (or his or her designee) pursuant to any provisions of such subchapter shall apply to travel under Federal awards (48 CFR 31.205-46(a)).

c. Commercial air travel.

(1) Airfare costs in excess of the customary standard commercial airfare (coach or equivalent), Federal Government contract airfare (where authorized and available), or the lowest commercial discount airfare are unallowable except when such accommodations would:

(a) require circuitous routing;
(b) require travel during unreasonable hours;
(c) excessively prolong travel;
(d) result in additional costs that would offset the transportation savings; or
(e) offer accommodations not reasonably adequate for the traveler's medical needs.
The governmental unit must justify and document these conditions on a case-by-case basis in order for the use of first-class airfare to be allowable in such cases.

(2) Unless a pattern of avoidance is detected, the Federal Government will generally not question a governmental unit's determinations that customary standard airfare or other discount airfare is unavailable for specific trips if the governmental unit can demonstrate either of the following: (a) that such airfare was not available in the specific case; or (b) that it is the governmental unit's overall practice to make routine use of such airfare.

d. Air travel by other than commercial carrier. Costs of travel by governmental unit-owned, -leased, or -chartered aircraft include the cost of lease, charter, operation (including personnel

costs), maintenance, depreciation, insurance, and other related costs. The portion of such costs that exceeds the cost of allowable commercial air travel, as provided for in subsection c., is unallowable.

e. Foreign travel. Direct charges for foreign travel costs are allowable only when the travel has received prior approval of the awarding agency. Each separate foreign trip must receive such approval. For purposes of this provision, "foreign travel" includes any travel outside Canada, Mexico, the United States, and any United States territories and possessions. However, the term "foreign travel" for a governmental unit located in a foreign country means travel outside that country.

ATTACHMENT C
Circular No. A 87

STATE/LOCAL WIDE CENTRAL SERVICE COST ALLOCATION PLANS

TABLE OF CONTENTS

A. General

B. Definitions

1. Billed central services
2. Allocated central services
3. Agency or operating agency

C. Scope of the Central Service Cost Allocation Plans

D. Submission Requirements

E. Documentation Requirements for Submitted Plans

1. General
2. Allocated central services
3. Billed services
   a. General
   b. Internal service funds
   c. Self insurance funds
   d. Fringe benefits
4. Required Certification

F. Negotiation and Approval of Central Service Plans

G. Other Policies

1. Billed central service activities
2. Working capital reserves
3. Carry forward adjustments of allocated central service costs
4. Adjustments of billed central services
5. Records retention
6. Appeals
7. OMB assistance

A. ***General.***

1. Most governmental units provide certain services, such as motor pools, computer centers, purchasing, accounting, etc., to operating agencies on a centralized basis. Since federally supported awards are performed within the individual operating agencies, there needs to be a process whereby these central service costs can be identified and assigned to benefitted activities on a reasonable and consistent basis. The central service cost allocation plan provides that process. All costs and other data used to distribute the costs included in the plan should be supported by formal accounting and other records that will support the propriety of the costs assigned to Federal awards.

2. Guidelines and illustrations of central service cost allocation plans are provided in a brochure published by the Department of Health and Human Services entitled "A Guide for State and Local Government Agencies: Cost Principles and Procedures for Establishing Cost Allocation Plans and Indirect Cost Rates for Grants and Contracts with the Federal Government." A copy of this brochure may be obtained from the Superintendent of Documents, U.S. Government Printing Office.

B. ***Definitions.***

1. "Billed central services" means central services that are billed to benefitted agencies and/or programs on an individual fee for service or similar basis. Typical examples of billed central services include computer services, transportation services, insurance, and fringe benefits.

2. "Allocated central services" means central services that benefit operating agencies but are not billed to the agencies on a fee for service or similar basis. These costs are allocated to benefitted agencies on some reasonable basis. Examples of such services might include general accounting, personnel administration, purchasing, etc.

3. "Agency or operating agency" means an organizational unit or sub division within a governmental unit that is responsible for the performance or administration of awards or activities of the governmental unit.

C. ***Scope of the Central Service Cost Allocation Plans.*** The central service cost allocation plan will include all central service costs that will be claimed (either as a billed or an allocated cost) under Federal awards and will be documented as described in section E. Costs of central services omitted from the plan will not be reimbursed.

D. ***Submission Requirements.***

1. Each State will submit a plan to the Department of Health and Human Services for each year in which it claims central service costs under Federal awards. The plan should include (a) a projection of the next year's allocated central service cost (based either on actual costs for the most recently completed year or the budget projection for the coming year), and (b) a reconciliation of actual allocated central service costs to the estimated costs used for either the most recently completed year or the year immediately preceding the most recently completed year.

2. Each local government that has been designated as a "major local government" by the Office of Management and Budget (OMB) is also required to submit a plan to its cognizant agency annually. OMB periodically lists major local governments in the Federal Register.

3. All other local governments claiming central service costs must develop a plan in accordance with the requirements described in this Circular and maintain the plan and related supporting documentation for audit. These local governments are not required to submit their plans for Federal approval unless they are specifically requested to do so by the cognizant agency. Where a local government only receives funds as a sub recipient, the primary recipient will be responsible for negotiating indirect cost rates and/or monitoring the sub recipient's plan.

4. All central service cost allocation plans will be prepared and, when required, submitted within six months prior to the beginning of each of the governmental unit's fiscal years in which it proposes to claim central service costs. Extensions may be granted by the cognizant agency on a case by case basis.

E. ***Documentation Requirements for Submitted Plans.*** The documentation requirements described in this section may be modified, expanded, or reduced by the cognizant agency on a case by case basis. For example, the requirements may be reduced for those central services which have little or no impact on Federal awards. Conversely, if a review of a plan indicates that certain additional information is needed, and will likely be needed in future years, it may be routinely requested in future plan submissions. Items marked with an asterisk (*) should be submitted only once; subsequent plans should merely indicate any changes since the last plan.

1. General. All proposed plans must be accompanied by the following: an organization chart sufficiently detailed to show operations including the central service activities of the State/local government whether or not they are shown as benefiting from central service functions; a copy of the Comprehensive Annual Financial Report (or a copy of

the Executive Budget if budgeted costs are being proposed) to support the allowable costs of each central service activity included in the plan; and, a certification (see subsection 4.) that the plan was prepared in accordance with this Circular, contains only allowable costs, and was prepared in a manner that treated similar costs consistently among the various Federal awards and between Federal and non Federal awards/activities.

2. Allocated central services. For each allocated central service, the plan must also include the following: a brief description of the service*, an identification of the unit rendering the service and the operating agencies receiving the service, the items of expense included in the cost of the service, the method used to distribute the cost of the service to benefitted agencies, and a summary schedule showing the allocation of each service to the specific benefitted agencies. If any self insurance funds or fringe benefits costs are treated as allocated (rather than billed) central services, documentation discussed in subsections 3.b. and c. shall also be included.

3. Billed services.

a. a. General. The information described below shall be provided for all billed central services, including internal service funds, self insurance funds, and fringe benefit funds.

b. Internal service funds.

(1) For each internal service fund or similar activity with an operating budget of $5 million or more, the plan shall include: a brief description of each service; a balance sheet for each fund based on individual accounts contained in the governmental unit's accounting system; a revenue/expenses statement, with revenues broken out by source, e.g., regular billings, interest earned, etc.; a listing of all non operating transfers (as defined by Generally Accepted Accounting Principles (GAAP)) into and out of the fund; a description of the procedures (methodology) used to charge the costs of each service to users, including how billing rates are determined; a schedule of current rates; and, a schedule comparing total revenues (including imputed revenues) generated by the service to the allowable costs of the service, as determined under this Circular, with an explanation of how variances will be handled.

(2) Revenues shall consist of all revenues generated by the service, including unbilled and uncollected revenues. If some users were not billed for the services (or were not billed at the full rate for that class of users), a schedule showing the full imputed revenues associated with these users shall be provided. Expenses shall be broken out by object cost categories (e.g., salaries, supplies, etc.).

c. Self insurance funds. For each self insurance fund, the plan shall include: the fund balance sheet; a statement of revenue and expenses including a summary of billings and claims paid by agency; a listing of all non operating transfers into and out of the fund; the type(s) of risk(s) covered by the fund (e.g., automobile liability, workers' compensation, etc.); an explanation of how the level of fund contributions are determined, including a copy of the current actuarial report (with the actuarial assumptions used) if the contributions are determined on an actuarial basis; and, a description of the procedures used to charge or allocate fund contributions to benefitted activities. Reserve levels in excess of claims (1) submitted and adjudicated but not paid, (2) submitted but not adjudicated, and (3) incurred but not submitted must be identified

and explained.

d. Fringe benefits. For fringe benefit costs, the plan shall include: a listing of fringe benefits provided to covered employees, and the overall annual cost of each type of benefit; current fringe benefit policies*; and procedures used to charge or allocate the costs of the benefits to benefitted activities. In addition, for pension and post retirement health insurance plans, the following information shall be provided: the governmental unit's funding policies, e.g., legislative bills, trust agreements, or State mandated contribution rules, if different from actuarially determined rates; the pension plan's costs accrued for the year; the amount funded, and date(s) of funding; a copy of the current actuarial report (including the actuarial assumptions); the plan trustee's report; and, a schedule from the activity showing the value of the interest cost associated with late funding.

4. Required certification. Each central service cost allocation plan will be accompanied by a certification in the following form:

CERTIFICATE OF COST ALLOCATION PLAN

This is to certify that I have reviewed the cost allocation plan submitted herewith and to the best of my knowledge and belief:

(1) All costs included in this proposal [identify date] to establish cost allocations or billings for [identify period covered by plan] are allowable in accordance with the requirements of OMB Circular A 87, "Cost Principles for State, Local, and Indian Tribal Governments," and the Federal award(s) to which they apply. Unallowable costs have been adjusted for in allocating costs as indicated in the cost allocation plan.

(2) All costs included in this proposal are properly allocable to Federal awards on the basis of a beneficial or causal relationship between the expenses incurred and the awards to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently.

I declare that the foregoing is true and correct.

Governmental Unit: _____

Signature: _____

Name of Official: _____

Title: _____

Date of Execution: _____

F. ***Negotiation and Approval of Central Service Plans.***

1. All proposed central service cost allocation plans that are required to be submitted will be reviewed, negotiated, and approved by the Federal cognizant agency on a timely basis. The cognizant agency will review the proposal within six months of receipt of the proposal and either negotiate/approve the proposal or advise the governmental unit of the additional documentation needed to support/evaluate the proposed plan or the changes required to make the proposal acceptable. Once an agreement with the governmental unit has been reached, the agreement will be accepted and used by all Federal agencies, unless prohibited or limited by statute. Where a Federal funding agency has reason to believe that special operating factors affecting its awards necessitate special consideration, the funding agency will, prior to the time the plans are negotiated, notify the cognizant agency.

2. The results of each negotiation shall be formalized in a written agreement between the cognizant agency and the governmental unit. This agreement will be subject to re opening if the agreement is subsequently found to violate a statute or the information upon which the plan was negotiated is later found to be materially incomplete or inaccurate. The results of the negotiation shall be made available to all Federal agencies for their use.

3. Negotiated cost allocation plans based on a proposal later found to have included costs that: (a) are unallowable (i) as specified by law or regulation, (ii) as identified in Attachment B of this Circular, or (iii) by the terms and conditions of Federal awards, or (b) are unallowable because they are clearly not allocable to Federal awards, shall be adjusted, or a refund shall be made at the option of the Federal cognizant agency. These adjustments or refunds are designed to correct the plans and do not constitute a reopening of the negotiation.

G. ***Other Policies.***

1. Billed central service activities. Each billed central service activity must separately account for all revenues (including imputed revenues) generated by the service, expenses incurred to furnish the service, and profit/loss.

2. Working capital reserves. Internal service funds are dependent upon a reasonable level of working capital reserve to operate from one billing cycle to the next. Charges by an internal service activity to provide for the establishment and maintenance of a reasonable level of working capital reserve, in addition to the full recovery of costs, are allowable. A working capital reserve as part of retained earnings of up to 60 days cash expenses for normal operating purposes is considered reasonable. A working capital reserve exceeding 60 days may be approved by the cognizant Federal agency in exceptional cases.

3. Carry forward adjustments of allocated central service costs. Allocated central service costs are usually negotiated and approved for a future fiscal year on a "fixed with carry forward" basis. Under this procedure, the fixed amounts for the future year covered by agreement are not subject to adjustment for that year. However, when the

actual costs of the year involved become known, the differences between the fixed amounts previously approved and the actual costs will be carried forward and used as an adjustment to the fixed amounts established for a later year. This "carry forward" procedure applies to all central services whose costs were fixed in the approved plan. However, a carry forward adjustment is not permitted, for a central service activity that was not included in the approved plan, or for unallowable costs that must be reimbursed immediately.

4. Adjustments of billed central services. Billing rates used to charge Federal awards shall be based on the estimated costs of providing the services, including an estimate of the allocable central service costs. A comparison of the revenue generated by each billed service (including total revenues whether or not billed or collected) to the actual allowable costs of the service will be made at least annually, and an adjustment will be made for the difference between the revenue and the allowable costs. These adjustments will be made through one of the following adjustment methods: (a) a cash refund to the Federal Government for the Federal share of the adjustment, (b) credits to the amounts charged to the individual programs, (c) adjustments to future billing rates, or (d) adjustments to allocated central service costs. Adjustments to allocated central services will not be permitted where the total amount of the adjustment for a particular service (Federal share and non Federal) share exceeds $500,000.

5. Records retention. All central service cost allocation plans and related documentation used as a basis for claiming costs under Federal awards must be retained for audit in accordance with the records retention requirements contained in the Common Rule.

6. Appeals. If a dispute arises in the negotiation of a plan between the cognizant agency and the governmental unit, the dispute shall be resolved in accordance with the appeals procedures of the cognizant agency.

7. OMB assistance. To the extent that problems are encountered among the Federal agencies and/or governmental units in connection with the negotiation and approval process, OMB will lend assistance, as required, to resolve such problems in a timely manner.

ATTACHMENT D
Circular No. A 87

PUBLIC ASSISTANCE COST ALLOCATION PLANS

TABLE OF CONTENTS

A. General

B. Definitions

1. State public assistance agency
2. State public assistance agency costs

C. Policy

D. Submission, Documentation, and Approval of Public Assistance Cost Allocation Plans

E. Review of Implementation of Approved Plans

F. Unallowable Costs

A. ***General.*** Federally financed programs administered by State public assistance agencies are funded predominately by the Department of Health and Human Services (HHS). In support of its stewardship requirements, HHS has published requirements for the development, documentation, submission, negotiation, and approval of public assistance cost allocation plans in Subpart E of 45 CFR Part 95. All administrative costs (direct and indirect) are normally charged to Federal awards by implementing the public assistance cost allocation plan. This Attachment extends these requirements to all Federal agencies whose programs are administered by a State public assistance agency. Major federally financed programs typically administered by State public assistance agencies include: Temporary Assistance to Needy Families (TANF), Medicaid, Food Stamps, Child Support Enforcement, Adoption Assistance and Foster Care, and Social Services Block Grant.

B. ***Definitions.***

1. "State public assistance agency" means a State agency administering or supervising the administration of one or more public assistance programs operated by the State as identified in Subpart E of 45 CFR Part 95. For the purpose of this Attachment, these programs include all programs administered by the State public assistance agency.

2. "State public assistance agency costs" means all costs incurred by, or allocable to, the State public assistance agency, except expenditures for financial assistance, medical vendor

payments, food stamps, and payments for services and goods provided directly to program recipients.

C. ***Policy.*** State public assistance agencies will develop, document and implement, and the Federal Government will review, negotiate, and approve, public assistance cost allocation plans in accordance with Subpart E of 45 CFR Part 95. The plan will include all programs administered by the State public assistance agency. Where a letter of approval or disapproval is transmitted to a State public assistance agency in

accordance with Subpart E, the letter will apply to all Federal agencies and programs. The remaining sections of this Attachment (except for the requirement for certification) summarize the provisions of Subpart E of 45 CFR Part 95.

D. ***Submission, Documentation, and Approval of Public Assistance Cost Allocation Plans.***

1. State public assistance agencies are required to promptly submit amendments to the cost allocation plan to HHS for review and approval.

2. Under the coordination process outlined in subsection E, affected Federal agencies will review all new plans and plan amendments and provide comments, as appropriate, to HHS. The effective date of the plan or plan amendment will be the first day of the quarter following the submission of the plan or amendment, unless another date is specifically approved by HHS. HHS, as the cognizant agency acting on behalf of all affected Federal agencies, will, as necessary, conduct negotiations with the State public assistance agency and will inform the State agency of the action taken on the plan or plan amendment.

E. ***Review of Implementation of Approved Plans.***

1. Since public assistance cost allocation plans are of a narrative nature, the review during the plan approval process consists of evaluating the appropriateness of the proposed groupings of costs (cost centers) and the related allocation bases. As such, the Federal Government needs some assurance that the cost allocation plan has been implemented as approved. This is accomplished by reviews by the funding agencies, single audits, or audits conducted by the cognizant audit agency.

2. Where inappropriate charges affecting more than one funding agency are identified, the cognizant HHS cost negotiation office will be advised and will take the lead in resolving the issue(s) as provided for in Subpart E of 45 CFR Part 95.

3. If a dispute arises in the negotiation of a plan or from a disallowance involving two or more funding agencies, the dispute shall be resolved in accordance with the appeals procedures set out in 45 CFR Part 75. Disputes involving only one funding agency will be resolved in accordance with the funding agency's appeal process.

4. To the extent that problems are encountered among the Federal agencies and/or governmental units in connection with the negotiation and approval process, the Office of Management and Budget will lend assistance, as required, to resolve such problems in a timely manner.

F. ***Unallowable Costs.*** Claims developed under approved cost allocation plans will be based on allowable costs as identified in this Circular. Where unallowable costs have been claimed and reimbursed, they will be refunded to the program that reimbursed

the unallowable cost using one of the following methods: (a) a cash refund, (b) offset to a subsequent claim, or (c) credits to the amounts charged to individual awards.

ATTACHMENT E
Circular No. A 87

STATE AND LOCAL INDIRECT COST RATE PROPOSALS

TABLE OF CONTENTS

A. General

B. Definitions

1. Indirect cost rate proposal
2. Indirect cost rate
3. Indirect cost pool
4. Base
5. Predetermined rate
6. Fixed rate
7. Provisional rate
8. Final rate
9. Base period

C. Allocation of Indirect Costs and Determination of Indirect Cost Rates

1. General
2. Simplified method
3. Multiple allocation base method
4. Special indirect cost rates

D. Submission and Documentation of Proposals

1. Submission of indirect cost rate proposals
2. Documentation of proposals
3. Required certification

E. Negotiation and Approval of Rates

F. Other Policies

1. Fringe benefit rates
2. Billed services provided by the grantee agency
3. Indirect cost allocations not using rates
4. Appeals
5. Collections of unallowable costs and erroneous payments
6. OMB assistance

A. ***General.***

1. Indirect costs are those that have been incurred for common or joint puroses. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned directly to Federal awards and other activities as appropriate, indirect costs are those remaining to be allocated to benefitted cost objectives. A cost may not be allocated to a Federal award as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to a Federal award as a direct cost.

2. Indirect costs include (a) the indirect costs originating in each department or agency of the governmental unit carrying out Federal awards and (b) the costs of central governmental services distributed through the central service cost allocation plan (as described in Attachment C) and not otherwise treated as direct costs.

3. Indirect costs are normally charged to Federal awards by the use of an indirect cost rate. A separate indirect cost rate(s) is usually necessary for each department or agency of the governmental unit claiming indirect costs under Federal awards. Guidelines and illustrations of indirect cost proposals are provided in a brochure published by the Department of Health and Human Services entitled "A Guide for State and Local Government Agencies: Cost Principles and Procedures for Establishing Cost Allocation Plans and Indirect Cost Rates for Grants and Contracts with the Federal Government." A copy of this brochure may be obtained from the Superintendent of Documents, U.S. Government Printing Office.

4. Because of the diverse characteristics and accounting practices of governmental units, the types of costs which may be classified as indirect costs cannot be specified in all situations. However, typical examples of indirect costs may include certain State/local wide central service costs, general administration of the grantee department

or agency, accounting and personnel services performed within the grantee department or agency, depreciation or use allowances on buildings and equipment, the costs of operating and maintaining facilities, etc.

5. This Attachment does not apply to State public assistance agencies. These agencies should refer instead to Attachment D.

B. ***Definitions.***

1. "Indirect cost rate proposal" means the documentation prepared by a governmental unit or subdivision thereof to substantiate its request for the establishment of an indirect cost rate.

2. "Indirect cost rate" is a device for determining in a reasonable manner the proportion of indirect costs each program should bear. It is the ratio (expressed as a percentage) of the indirect costs to a direct cost base.

3. "Indirect cost pool" is the accumulated costs that jointly benefit two or more programs or other cost objectives.

4. "Base" means the accumulated direct costs (normally either total direct salaries and wages or total direct costs exclusive of any extraordinary or distorting expenditures) used to distribute indirect costs to individual Federal awards. The direct cost base selected should result in each award bearing a fair share of the indirect costs in reasonable relation to the benefits received from the costs.

5. "Predetermined rate" means an indirect cost rate, applicable to a specified current or future period, usually the governmental unit's fiscal year. This rate is based on an estimate of the costs to be incurred during the period. Except under very unusual circumstances, a predetermined rate is not subject to adjustment. (Because of legal constraints, predetermined rates are not permitted for Federal contracts; they may, however, be used for grants or cooperative agreements.) Predetermined rates may not be used by governmental units that have not submitted and negotiated the rate with the cognizant agency. In view of the potential advantages offered by this procedure, negotiation of predetermined rates for indirect costs for a period of two to four years should be the norm in those situations where the cost experience and other pertinent facts available are deemed sufficient to enable the parties involved to reach an informed judgment as to the probable level of indirect costs during the ensuing accounting periods.

6. "Fixed rate" means an indirect cost rate which has the same characteristics as a predetermined rate, except that the difference between the estimated costs and the actual, allowable costs of the period covered by the rate is carried forward as an adjustment to the rate computation of a subsequent period.

7. "Provisional rate" means a temporary indirect cost rate applicable to a specified period which is used for funding, interim reimbursement, and reporting indirect costs on Federal awards pending the establishment of a "final" rate for that period.

8. "Final rate" means an indirect cost rate applicable to a specified past period which is based on the actual allowable costs of the period. A final audited rate is not subject to adjustment.

9. "Base period" for the allocation of indirect costs is the period in which such costs are incurred and accumulated for allocation to activities performed in that period. The base period normally should coincide with the governmental unit's fiscal year, but in any event, shall be so selected as to avoid inequities in the allocation of costs.

C. ***Allocation of Indirect Costs and Determination of Indirect Cost Rates.***

1. General.

a. Where a governmental unit's department or agency has only one major function, or where all its major functions benefit from the indirect costs to approximately the same degree, the allocation of indirect costs and the computation of an indirect cost rate may be accomplished through simplified allocation procedures as described in subsection 2.

b. Where a governmental unit's department or agency has several major functions which benefit from its indirect costs in varying degrees, the allocation of indirect costs may require the accumulation of such costs into separate cost groupings which then are allocated individually to benefitted functions by means of a base which best measures the relative degree of benefit. The indirect costs allocated to each function are then distributed to individual awards and other activities included in that function by means of an indirect cost rate(s).

c. Specific methods for allocating indirect costs and computing indirect cost rates along with the conditions under which each method should be used are described in subsections 2, 3 and 4.

2. Simplified method.

a. Where a grantee agency's major functions benefit from its indirect costs to approximately the same degree, the allocation of indirect costs may be accomplished by (1) classifying the grantee agency's total costs for the base period as either direct or indirect, and (2) dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate which is used to distribute indirect costs to individual Federal awards. The rate should be expressed as the percentage which the total amount of allowable indirect costs bears to the base selected. This method should also be used where a governmental unit's department or agency has only one major function encompassing a number of individual projects or activities, and may be used where the level of Federal awards to that department or agency is relatively small.

b. Both the direct costs and the indirect costs shall exclude capital expenditures and unallowable costs. However, unallowable costs must be included in the direct costs if they represent

activities to which indirect costs are properly allocable.

c. The distribution base may be (1) total direct costs (excluding capital expenditures and other distorting items, such as pass through funds, major subcontracts, etc.), (2) direct salaries and wages, or (3) another base which results in an equitable distribution.

3. Multiple allocation base method.

a. Where a grantee agency's indirect costs benefit its major functions in varying degrees, such costs shall be accumulated into separate cost groupings. Each grouping shall then be allocated individually to benefitted functions by means of a base which best measures the relative benefits.

b. The cost groupings should be established so as to permit the allocation of each grouping on the basis of benefits provided to the major functions. Each grouping should constitute a pool of expenses that are of like character in terms of the functions they benefit and in terms of the allocation base which best measures the relative benefits provided to each function. The number of separate groupings should be held within practical limits, taking into consideration the materiality of the amounts involved and the degree of precision needed.

c. Actual conditions must be taken into account in selecting the base to be used in allocating the expenses in each grouping to benefitted functions. When an allocation can be made by assignment of a cost grouping directly to the function benefitted, the allocation shall be made in that manner. When the expenses in a grouping are more general in nature, the allocation should be made through the use of a selected base which produces results that are equitable to both the Federal Government and the governmental unit. In general, any cost element or related factor associated with the governmental unit's activities is potentially adaptable for use as an allocation base provided that: (1) it can readily be expressed in terms of dollars or other quantitative measures (total direct costs, direct salaries and wages, staff hours applied, square feet used, hours of usage, number of documents processed, population served, and the like), and (2) it is common to the benefitted functions during the base period.

d. Except where a special indirect cost rate(s) is required in accordance with subsection 4, the separate groupings of indirect costs allocated to each major function shall be aggregated and treated as a common pool for that function. The costs in the common pool shall then be distributed to individual Federal awards included in that function by use of a single indirect cost rate.

e. The distribution base used in computing the indirect cost rate for each function may be (1) total direct costs (excluding capital expenditures and other distorting items such as pass through funds, major subcontracts, etc.), (2) direct salaries and wages, or (3) another base which results in an equitable distribution. An indirect cost rate should be developed for each separate indirect cost pool developed. The rate in each case should be stated as the percentage relationship between the particular indirect cost pool and the distribution base identified with that pool.

4. Special indirect cost rates.

a. In some instances, a single indirect cost rate for all activities of a grantee department or agency or for each major function of the agency may not be appropriate. It may not take into account those different factors which may substantially affect the indirect costs applicable to a particular program or group of programs. The factors may include the physical location of the work, the level of administrative support required, the nature of the facilities or other resources employed, the organizational arrangements used, or any combination thereof. When a particular award is carried out in an environment which appears to generate a significantly different level of indirect costs, provisions should be made for a separate indirect cost pool applicable to that award. The separate indirect cost pool should be developed during the course of the regular allocation process, and the separate indirect cost rate resulting therefrom should be used, provided that: (1) the rate differs significantly from the rate which would have been developed under subsections 2. and 3., and (2) the award to which the rate would apply is material in amount.

b. Although this Circular adopts the concept of the full allocation of indirect costs, there are some Federal statutes which restrict the reimbursement of certain indirect costs. Where such restrictions exist, it may be necessary to develop a special rate for the affected award. Where a "restricted rate" is required, the procedure for developing a non restricted rate will be used except for the additional step of the elimination from the indirect cost pool those costs for which the law prohibits reimbursement.

D. ***Submission and Documentation of Proposals.***

1. Submission of indirect cost rate proposals.

a. All departments or agencies of the governmental unit desiring to claim indirect costs under Federal awards must prepare an indirect cost rate proposal and related documentation to support those costs. The proposal and related documentation must be retained for audit in accordance with the records retention requirements contained in the Common Rule.

b. A governmental unit for which a cognizant agency assignment has been specifically designated must submit its indirect cost rate proposal to its cognizant agency. The Office of Management and Budget (OMB) will periodically publish lists of governmental units identifying the appropriate Federal cognizant agencies. The cognizant agency for all governmental units or agencies not identified by OMB will be determined based on the Federal agency providing the largest amount of Federal funds. In these cases, a governmental unit must develop an indirect cost proposal in accordance with the requirements of this Circular and maintain the proposal and related supporting documentation for audit. These governmental units are not required to submit their proposals unless they are specifically requested to do so by the cognizant agency. Where a local government only receives funds as a sub recipient, the primary recipient will be responsible for negotiating and/or monitoring the sub recipient's plan.

c. Each Indian tribal government desiring reimbursement of indirect costs must submit its indirect cost proposal to the Department of the Interior (its cognizant Federal agency).

d. Indirect cost proposals must be developed (and, when required, submitted) within six months after the close of the governmental unit's fiscal year, unless an exception is approved by the cognizant Federal agency. If the proposed central service cost allocation plan for the same period has not been approved by that time, the indirect cost proposal may be prepared

including an amount for central services that is based on the latest federally approved central service cost allocation plan. The difference between these central service amounts and the amounts ultimately approved will be compensated for by an adjustment in a subsequent period.

2. Documentation of proposals. The following shall be included with each indirect cost proposal:

a. The rates proposed, including subsidiary work sheets and other relevant data, cross referenced and reconciled to the financial data noted in subsection b. Allocated central service costs will be supported by the summary table included in the approved central service cost allocation plan. This summary table is not required to be submitted with the indirect cost proposal if the central service cost allocation plan for the same fiscal year has been approved by the cognizant agency and is available to the funding agency.

b. A copy of the financial data (financial statements, comprehensive annual financial report, executive budgets, accounting reports, etc.) upon which the rate is based. Adjustments resulting from the use of unaudited data will be recognized, where appropriate, by the Federal cognizant agency in a subsequent proposal.

c. The approximate amount of direct base costs incurred under Federal awards. These costs should be broken out between salaries and wages and other direct costs.

d. A chart showing the organizational structure of the agency during the period for which the proposal applies, along with a functional statement(s) noting the duties and/or responsibilities of all units that comprise the agency. (Once this is submitted, only revisions need be submitted with subsequent proposals.)

3. Required certification. Each indirect cost rate proposal shall be accompanied by a certification in the following form:

CERTIFICATE OF INDIRECT COSTS

This is to certify that I have reviewed the indirect cost rate proposal submitted herewith and to the best of my knowledge and belief:

(1) All costs included in this proposal [identify date] to establish billing or final indirect costs rates for [identify period covered by rate] are allowable in accordance with the requirements of the Federal award(s) to which they apply and OMB Circular A 87, "Cost Principles for State, Local, and Indian Tribal Governments." Unallowable costs have been adjusted for in allocating costs as indicated in the cost allocation plan.

(2) All costs included in this proposal are properly allocable to Federal awards on the basis of a beneficial or causal relationship between the expenses incurred and the agreements to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently and the

Federal Government will be notified of any accounting changes that would affect the predetermined rate.

I declare that the foregoing is true and correct.

Governmental Unit: _____

Signature: _____

Name of Official: _____

Title: _____

Date of Execution: _____

E. ***Negotiation and Approval of Rates.***

1. Indirect cost rates will be reviewed, negotiated, and approved by the cognizant Federal agency on a timely basis. Once a rate has been agreed upon, it will be accepted and used by all Federal agencies unless prohibited or limited by statute. Where a Federal funding agency has reason to believe that special operating factors affecting its awards necessitate special indirect cost rates, the funding agency will, prior to the time the rates are negotiated, notify the cognizant Federal agency.

2. The use of predetermined rates, if allowed, is encouraged where the cognizant agency has reasonable assurance based on past experience and reliable projection of the grantee agency's costs, that the rate is not likely to exceed a rate based on actual costs. Long term agreements utilizing predetermined rates extending over two or more years are encouraged, where appropriate.

3. The results of each negotiation shall be formalized in a written agreement between the cognizant agency and the governmental unit. This agreement will be subject to re opening if the agreement is subsequently found to violate a statute, or the information upon which the plan was negotiated is later found to be materially incomplete or inaccurate. The agreed upon rates shall be made available to all Federal agencies for their use.

4. Refunds shall be made if proposals are later found to have included costs that (a) are unallowable (i) as specified by law or regulation, (ii) as identified in Attachment B of this Circular, or (iii) by the terms and conditions of Federal awards, or (b) are unallowable because they are clearly not allocable to Federal awards. These adjustments or refunds will be made regardless of the type of rate negotiated (predetermined, final, fixed, or provisional).

F. ***Other Policies.***

1. Fringe benefit rates. If overall fringe benefit rates are not approved for the governmental unit as part of the central service cost allocation plan, these rates will be reviewed, negotiated and approved for individual grantee agencies during the indirect cost negotiation process. In these cases, a proposed fringe benefit rate computation should accompany the indirect cost proposal. If fringe benefit rates are not used at the grantee agency level (i.e., the agency specifically identifies fringe benefit costs to individual employees), the governmental unit should so advise the cognizant agency.

2. Billed services provided by the grantee agency. In some cases, governmental units provide and bill for services similar to those covered by central service cost allocation plans (e.g., computer centers). Where this occurs, the governmental unit should be guided by the requirements in Attachment C relating to the development of billing rates and documentation requirements, and should advise the cognizant agency of any billed services. Reviews of these types of services (including reviews of costing/billing methodology, profits or losses, etc.) will be made on a case by case basis as warranted by the circumstances involved.

3. Indirect cost allocations not using rates. In certain situations, a governmental unit, because of the nature of its awards, may be required to develop a cost allocation plan that distributes indirect (and, in some cases, direct) costs to the specific funding sources. In these cases, a narrative cost allocation methodology should be developed, documented, maintained for audit, or submitted, as appropriate, to the cognizant agency for review, negotiation, and approval.

4. Appeals. If a dispute arises in a negotiation of an indirect cost rate (or other rate) between the cognizant agency and the governmental unit, the dispute shall be resolved in accordance with the appeals procedures of the cognizant agency.

5. Collection of unallowable costs and erroneous payments. Costs specifically identified as unallowable and charged to Federal awards either directly or indirectly will be refunded (including interest chargeable in accordance with applicable Federal agency regulations).

6. OMB assistance. To the extent that problems are encountered among the Federal agencies and/or governmental units in connection with the negotiation and approval process, OMB will lend assistance, as required, to resolve such problems in a timely manner.

Appendix H OMB Circular A-122: Cost Principals For Non-Profit Organizations

To read the entire document, follow this link:
http://www.whitehouse.gov/omb/circulars/%5Fa122%5F2004/

CIRCULAR NO. A-122 Revised May 10, 2004

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Cost Principles for Non-Profit Organizations

1. *Purpose.* This Circular establishes principles for determining costs of grants, contracts and other agreements with non-profit organizations. It does not apply to colleges and universities which are covered by Office of Management and Budget (OMB) Circular A-21, "Cost Principles for Educational Institutions"; State, local, and federally recognized Indian tribal governments which are covered by OMB Circular A-87, "Cost Principles for State, Local, and Indian Tribal Governments"; or hospitals. The principles are designed to provide that the Federal Government bear its fair share of costs except where restricted or prohibited by law. The principles do not attempt to prescribe the extent of cost sharing or matching on grants, contracts, or other agreements. However, such cost sharing or matching shall not be accomplished through arbitrary limitations on individual cost elements by Federal agencies. Provision for profit or other increment above cost is outside the scope of this Circular.

2. *Supersession.* This Circular supersedes cost principles issued by individual agencies for non-profit organizations.

3. *Applicability.*

a. These principles shall be used by all Federal agencies in determining the costs of work performed by non-profit organizations under grants, cooperative agreements, cost reimbursement contracts, and other contracts in which costs are used in pricing, administration, or settlement. All of these instruments are hereafter referred to as awards. The principles do not apply to awards under which an organization is not required to account to the Federal Government for actual costs incurred.

b. All cost reimbursement subawards (subgrants, subcontracts, etc.) are subject to those Federal cost principles applicable to the particular organization concerned. Thus, if a subaward is to a non-profit organization, this Circular shall apply; if a subaward is to a commercial organization, the cost principles applicable to commercial concerns shall apply; if a subaward

is to a college or university, Circular A-21 shall apply; if a subaward is to a State, local, or federally recognized Indian tribal government, Circular A-87 shall apply.

4. *Definitions.*

a. Non-profit organization means any corporation, trust, association, cooperative, or other organization which:

(1) is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest;

(2) is not organized primarily for profit; and

(3) uses its net proceeds to maintain, improve, and/or expand its operations. For this purpose, the term "non-profit organization" excludes (i) colleges and universities; (ii) hospitals; (iii) State, local, and federally recognized Indian tribal governments; and (iv) those non-profit organizations which are excluded from coverage of this Circular in accordance with paragraph 5.

b. Prior approval means securing the awarding agency's permission in advance to incur cost for those items that are designated as requiring prior approval by the Circular. Generally this permission will be in writing. Where an item of cost requiring prior approval is specified in the budget of an award, approval of the budget constitutes approval of that cost.

5. *Exclusion of some non-profit organizations.* Some non-profit organizations, because of their size and nature of operations, can be considered to be similar to commercial concerns for purpose of applicability of cost principles. Such non-profit organizations shall operate under Federal cost principles applicable to commercial concerns. A listing of these organizations is contained in Attachment C. Other organizations may be added from time to time.

6. *Responsibilities.* Agencies responsible for administering programs that involve awards to non-profit organizations shall implement the provisions of this Circular. Upon request, implementing instruction shall be furnished to OMB. Agencies shall designate a liaison official to serve as the agency representative on matters relating to the implementation of this Circular. The name and title of such representative shall be furnished to OMB within 30 days of the date of this Circular.

7. *Attachments.* The principles and related policy guides are set forth in the following Attachments:

Attachment A - General Principles

Attachment B - Selected Items of Cost

Attachment C - Non-Profit Organizations Not Subject To This Circular

8. *Requests for exceptions.* OMB may grant exceptions to the requirements of this Circular when permissible under existing law. However, in the interest of achieving maximum uniformity, exceptions will be permitted only in highly unusual circumstances.

9. *Effective Date.* The provisions of this Circular are effective immediately. Implementation shall be phased in by incorporating the provisions into new awards made after the start of the organization's next fiscal year. For existing awards, the new principles may be applied if an organization and the cognizant Federal agency agree. Earlier implementation, or a delay in implementation of individual provisions, is also permitted by mutual agreement between an organization and the cognizant Federal agency.

10. *Inquiries.* Further information concerning this Circular may be obtained by contacting the Office of Federal Financial Management, OMB, Washington, DC 20503, telephone (202) 395-3993.

Attachments

ATTACHMENT A
Circular No. A-122

GENERAL PRINCIPLES

Table of Contents

A. Basic Considerations

1. Composition of total costs
2. Factors affecting allowability of costs
3. Reasonable costs
4. Allocable costs
5. Applicable credits
6. Advance understandings
7. Conditional exemptions

B. Direct Costs

C. Indirect Costs

D. Allocation of Indirect Costs and Determination of Indirect Cost Rates

1. General
2. Simplified allocation method
3. Multiple allocation base method
4. Direct allocation method
5. Special indirect cost rates

E. Negotiation and Approval of Indirect Cost Rates

1. Definitions
2. Negotiation and approval of rates

ATTACHMENT A
Circular No. A-122

GENERAL PRINCIPLES

A. *Basic Considerations*

1. Composition of total costs. The total cost of an award is the sum of the allowable direct and allocable indirect costs less any applicable credits.

2. Factors affecting allowability of costs. To be allowable under an award, costs must meet the following general criteria:

a. Be reasonable for the performance of the award and be allocable thereto under these principles.

b. Conform to any limitations or exclusions set forth in these principles or in the award as to types or amount of cost items.

c. Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the organization.

d. Be accorded consistent treatment.

e. Be determined in accordance with generally accepted accounting principles (GAAP).

f. 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.

g. Be adequately documented.

3. Reasonable costs. A cost is reasonable if, in its nature or 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 costs. The question of the reasonableness of specific costs must be scrutinized with particular care in connection with organizations or separate divisions thereof which receive the preponderance of their support from awards made by Federal agencies. In determining the reasonableness of a given cost, consideration shall be given to:

a. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the organization or the performance of the award.

b. The restraints or requirements imposed by such factors as generally accepted sound business practices, arms length bargaining, Federal and State laws and regulations, and terms and conditions of the award.

c. Whether the individuals concerned acted with prudence in the circumstances, considering their responsibilities to the organization, its members, employees, and clients, the public at large, and the Federal Government.

d. Significant deviations from the established practices of the organization which may unjustifiably increase the award costs.

4. Allocable costs.

a. A cost is allocable to a particular cost objective, such as a grant, contract, project, service, or other activity, in accordance with the relative benefits received. A cost is allocable to a Federal award if it is treated consistently with other costs incurred for the same purpose in like circumstances and if it:

(1) Is incurred specifically for the award.

(2) Benefits both the award and other work and can be distributed in reasonable proportion to the benefits received, or

(3) Is necessary to the overall operation of the organization, although a direct relationship to any particular cost objective cannot be shown.

b. Any cost allocable to a particular award or other cost objective under these principles may not be shifted to other Federal awards to overcome funding deficiencies, or to avoid restrictions imposed by law or by the terms of the award.

5. Applicable credits.

a. The term applicable credits refers to those receipts, or reduction of expenditures which operate to offset or reduce expense items that are allocable to awards as direct or indirect costs.

Typical examples of such transactions are: purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds, and adjustments of overpayments or erroneous charges. To the extent that such credits accruing or received by the organization relate to allowable cost, they shall be credited to the Federal Government either as a cost reduction or cash refund, as appropriate.

b. In some instances, the amounts received from the Federal Government to finance organizational activities or service operations should be treated as applicable credits. Specifically, the concept of netting such credit items against related expenditures should be applied by the organization in determining the rates or amounts to be charged to Federal awards for services rendered whenever the facilities or other resources used in providing such services have been financed directly, in whole or in part, by Federal funds.

c. For rules covering program income (i.e., gross income earned from federally supported activities) see Sec. __.24 of Office of Management and Budget (OMB) Circular A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations."

6. Advance understandings. Under any given award, the reasonableness and allocability of certain items of costs may be difficult to determine. This is particularly true in connection with organizations that receive a preponderance of their support from Federal agencies. In order to avoid subsequent disallowance or dispute based on unreasonableness or nonallocability, it is often desirable to seek a written agreement with the cognizant or awarding agency in advance of the incurrence of special or unusual costs. The absence of an advance agreement on any element of cost will not, in itself, affect the reasonableness or allocability of that element.

7. Conditional exemptions.

a. OMB authorizes conditional exemption from OMB administrative requirements and cost principles circulars for certain Federal programs with statutorily-authorized consolidated planning and consolidated administrative funding, that are identified by a Federal agency and approved by the head of the Executive department or establishment. A Federal agency shall consult with OMB during its consideration of whether to grant such an exemption.

b. To promote efficiency in State and local program administration, when Federal non-entitlement programs with common purposes have specific statutorily-authorized consolidated planning and consolidated administrative funding and where most of the State agency's resources come from non-Federal sources, Federal agencies may exempt these covered State-administered, non-entitlement grant programs from certain OMB grants management requirements. The exemptions would be from all but the allocability of costs provisions of OMB Circulars A-87 (Attachment A, subsection C.3), "Cost Principles for State, Local, and Indian Tribal Governments," A-21 (Section C, subpart 4), "Cost Principles for Educational Institutions," and A-122 (Attachment A, subsection A.4), "Cost Principles for Non-Profit Organizations," and from all of the administrative requirements provisions of OMB Circular A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations," and the agencies' grants management common rule.

c. When a Federal agency provides this flexibility, as a prerequisite to a State's exercising this option, a State must adopt its own written fiscal and administrative requirements for expending and accounting for all funds, which are consistent with the provisions of OMB Circular A-87, and extend such policies to all subrecipients. These fiscal and administrative requirements must be sufficiently specific to ensure that: funds are used in compliance with all applicable Federal statutory and regulatory provisions, costs are reasonable and necessary for operating these programs, and funds are not be used for general expenses required to carry out other responsibilities of a State or its subrecipients.

B. *Direct Costs*

1. Direct costs are those that can be identified specifically with a particular final cost objective, i.e., a particular award, project, service, or other direct activity of an organization. However, a cost may not be assigned to an award as a direct cost if any other cost incurred for the same purpose, in like circumstance, has been allocated to an award as an indirect cost. Costs identified specifically with awards are direct costs of the awards and are to be assigned directly thereto. Costs identified specifically with other final cost objectives of the organization are direct costs of those cost objectives and are not to be assigned to other awards directly or indirectly.

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

3. The cost of certain activities are not allowable as charges to Federal awards (see, for example, fundraising costs in paragraph 17 of Attachment B). However, even though these costs are unallowable for purposes of computing charges to Federal awards, they nonetheless must be treated as direct costs for purposes of determining indirect cost rates and be allocated their share of the organization's indirect costs if they represent activities which (1) include the salaries of personnel, (2) occupy space, and (3) benefit from the organization's indirect costs.

4. The costs of activities performed primarily as a service to members, clients, or the general public when significant and necessary to the organization's mission must be treated as direct costs whether or not allowable and be allocated an equitable share of indirect costs. Some examples of these types of activities include:

a. Maintenance of membership rolls, subscriptions, publications, and related functions.

b. Providing services and information to members, legislative or administrative bodies, or the public.

c. Promotion, lobbying, and other forms of public relations.

d. Meetings and conferences except those held to conduct the general administration of the organization.

e. Maintenance, protection, and investment of special funds not used in operation of the organization.

f. Administration of group benefits on behalf of members or clients, including life and hospital insurance, annuity or retirement plans, financial aid, etc.

C. *Indirect Costs*

1. Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective. Direct cost of minor amounts may be treated as indirect costs under the conditions described in subparagraph B.2. After direct costs have been determined and assigned directly to awards or other work as appropriate, indirect costs are those remaining to be allocated to benefiting cost objectives. A cost may not be allocated to an award as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to an award as a direct cost.

2. Because of the diverse characteristics and accounting practices of non-profit organizations, it is not possible to specify the types of cost which may be classified as indirect cost in all situations. However, typical examples of indirect cost for many non-profit organizations may include depreciation or use allowances on buildings and equipment, the costs of operating and maintaining facilities, and general administration and general expenses, such as the salaries and expenses of executive officers, personnel administration, and accounting.

3. Indirect costs shall be classified within two broad categories: "Facilities" and "Administration." "Facilities" is defined as depreciation and use allowances on buildings, equipment and capital improvement, interest on debt associated with certain buildings, equipment and capital improvements, and operations and maintenance expenses. "Administration" is defined as general administration and general expenses such as the director's office, accounting, personnel, library expenses and all other types of expenditures not listed specifically under one of the subcategories of "Facilities" (including cross allocations from other pools, where applicable). See indirect cost rate reporting requirements in subparagraphs D.2.e and D.3.g.

D. *Allocation of Indirect Costs and Determination of Indirect Cost Rates*

1. General.

a. Where a non-profit organization has only one major function, or where all its major functions benefit from its indirect costs to approximately the same degree, the allocation of indirect costs and the computation of an indirect cost rate may be accomplished through simplified allocation

procedures, as described in subparagraph 2.

b. Where an organization has several major functions which benefit from its indirect costs in varying degrees, allocation of indirect costs may require the accumulation of such costs into separate cost groupings which then are allocated individually to benefiting functions by means of a base which best measures the relative degree of benefit. The indirect costs allocated to each function are then distributed to individual awards and other activities included in that function by means of an indirect cost rate(s).

c. The determination of what constitutes an organization's major functions will depend on its purpose in being; the types of services it renders to the public, its clients, and its members; and the amount of effort it devotes to such activities as fundraising, public information and membership activities.

d. Specific methods for allocating indirect costs and computing indirect cost rates along with the conditions under which each method should be used are described in subparagraphs 2 through 5.

e. The base period for the allocation of indirect costs is the period in which such costs are incurred and accumulated for allocation to work performed in that period. The base period normally should coincide with the organization's fiscal year but, in any event, shall be so selected as to avoid inequities in the allocation of the costs.

2. Simplified allocation method.

a. Where an organization's major functions benefit from its indirect costs to approximately the same degree, the allocation of indirect costs may be accomplished by (i) separating the organization's total costs for the base period as either direct or indirect, and (ii) dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate which is used to distribute indirect costs to individual awards. The rate should be expressed as the percentage which the total amount of allowable indirect costs bears to the base selected. This method should also be used where an organization has only one major function encompassing a number of individual projects or activities, and may be used where the level of Federal awards to an organization is relatively small.

b. Both the direct costs and the indirect costs shall exclude capital expenditures and unallowable costs. However, unallowable costs which represent activities must be included in the direct costs under the conditions described in subparagraph B.3.

c. The distribution base may be total direct costs (excluding capital expenditures and other distorting items, such as major subcontracts or subgrants), direct salaries and wages, or other base which results in an equitable distribution. The distribution base shall generally exclude participant support costs as defined in paragraph 32 of Attachment B.

d. Except where a special rate(s) is required in accordance with subparagraph 5, the indirect cost rate developed under the above principles is applicable to all awards at the organization. If a

special rate(s) is required, appropriate modifications shall be made in order to develop the special rate(s).

e. For an organization that receives more than $10 million in Federal funding of direct costs in a fiscal year, a breakout of the indirect cost component into two broad categories, Facilities and Administration as defined in subparagraph C.3, is required. The rate in each case shall be stated as the percentage which the amount of the particular indirect cost category (i.e., Facilities or Administration) is of the distribution base identified with that category.

3. Multiple allocation base method

a. General. Where an organization's indirect costs benefit its major functions in varying degrees, indirect costs shall be accumulated into separate cost groupings, as described in subparagraph b. Each grouping shall then be allocated individually to benefitting functions by means of a base which best measures the relative benefits. The default allocation bases by cost pool are described in subparagraph c.

b. Identification of indirect costs. Cost groupings shall be established so as to permit the allocation of each grouping on the basis of benefits provided to the major functions. Each grouping shall constitute a pool of expenses that are of like character in terms of functions they benefit and in terms of the allocation base which best measures the relative benefits provided to each function. The groupings are classified within the two broad categories: "Facilities" and "Administration," as described in subparagraph C.3. The indirect cost pools are defined as follows:

(1) Depreciation and use allowances. The expenses under this heading are the portion of the costs of the organization's buildings, capital improvements to land and buildings, and equipment which are computed in accordance with paragraph 11 of Attachment B ("Depreciation and use allowances").

(2) Interest. Interest on debt associated with certain buildings, equipment and capital improvements are computed in accordance with paragraph 23 of Attachment B ("Interest").

(3) Operation and maintenance expenses. The expenses under this heading are those that have been incurred for the administration, operation, maintenance, preservation, and protection of the organization's physical plant. They include expenses normally incurred for such items as: janitorial and utility services; repairs and ordinary or normal alterations of buildings, furniture and equipment; care of grounds; maintenance and operation of buildings and other plant facilities; security; earthquake and disaster preparedness; environmental safety; hazardous waste disposal; property, liability and other insurance relating to property; space and capital leasing; facility planning and management; and, central receiving. The operation and maintenance expenses category shall also include its allocable share of fringe benefit costs, depreciation and use allowances, and interest costs.

(4) General administration and general expenses. The expenses under this heading are those that have been incurred for the overall general executive and administrative offices of the organization and other expenses of a general nature which do not relate solely to any major function of the organization. This category shall also include its allocable share of fringe benefit costs, operation and maintenance expense, depreciation and use allowances, and interest costs. Examples of this category include central offices, such as the director's office, the office of finance, business services, budget and planning, personnel, safety and risk

management, general counsel, management information systems, and library costs.

In developing this cost pool, special care should be exercised to ensure that costs incurred for the same purpose in like circumstances are treated consistently as either direct or indirect costs. For example, salaries of technical staff, project supplies, project publication, telephone toll charges, computer costs, travel costs, and specialized services costs shall be treated as direct costs wherever identifiable to a particular program. The salaries and wages of administrative and pooled clerical staff should normally be treated as indirect costs. Direct charging of these costs may be appropriate where a major project or activity explicitly requires and budgets for administrative or clerical services and other individuals involved can be identified with the program or activity. Items such as office supplies, postage, local telephone costs, periodicals and memberships should normally be treated as indirect costs.

c. Allocation bases. Actual conditions shall be taken into account in selecting the base to be used in allocating the expenses in each grouping to benefitting functions. The essential consideration in selecting a method or a base is that it is the one best suited for assigning the pool of costs to cost objectives in accordance with benefits derived; a traceable cause and effect relationship; or logic and reason, where neither the cause nor the effect of the relationship is determinable. When an allocation can be made by assignment of a cost grouping directly to the function benefited, the allocation shall be made in that manner. When the expenses in a cost grouping are more general in nature, the allocation shall be made through the use of a selected base which produces results that are equitable to both the Federal Government and the organization. The distribution shall be made in accordance with the bases described herein unless it can be demonstrated that the use of a different base would result in a more equitable allocation of the costs, or that a more readily available base would not increase the costs charged to sponsored awards. The results of special cost studies (such as an engineering utility study) shall not be used to determine and allocate the indirect costs to sponsored awards.

(1) Depreciation and use allowances. Depreciation and use allowances expenses shall be allocated in the following manner:

(a) Depreciation or use allowances on buildings used exclusively in the conduct of a single function, and on capital improvements and equipment used in such buildings, shall be assigned to that function.

(b) Depreciation or use allowances on buildings used for more than one function, and on capital improvements and equipment used in such buildings, shall be allocated to the individual functions performed in each building on the basis of usable square feet of space, excluding common areas, such as hallways, stairwells, and restrooms.

(c) Depreciation or use allowances on buildings, capital improvements and equipment related space (e.g., individual rooms, and laboratories) used jointly by more than one function (as determined by the users of the space) shall be treated as follows. The cost of each jointly used unit of space shall be allocated to the benefitting functions on the basis of:

(i) the employees and other users on a full-time equivalent (FTE) basis or salaries and wages of those individual functions benefitting from the use of that space; or

(ii) organization-wide employee FTEs or salaries and wages applicable to the benefitting functions of the organization.

(d) Depreciation or use allowances on certain capital improvements to land, such as paved parking areas, fences, sidewalks, and the like, not included in the cost of buildings, shall be allocated to user categories on a FTE basis and distributed to major functions in proportion to the salaries and wages of all employees applicable to the functions.

(2) Interest. Interest costs shall be allocated in the same manner as the depreciation or use allowances on the buildings, equipment and capital equipments to which the interest relates.

(3) Operation and maintenance expenses. Operation and maintenance expenses shall be allocated in the same manner as the depreciation and use allowances.

(4) General administration and general expenses. General administration and general expenses shall be allocated to benefitting functions based on modified total direct costs (MTDC), as described in subparagraph D.3.f. The expenses included in this category could be grouped first according to major functions of the organization to which they render services or provide benefits. The aggregate expenses of each group shall then be allocated to benefitting functions based on MTDC.

d. Order of distribution.

(1) Indirect cost categories consisting of depreciation and use allowances, interest, operation and maintenance, and general administration and general expenses shall be allocated in that order to the remaining indirect cost categories as well as to the major functions of the organization. Other cost categories could be allocated in the order determined to be most appropriate by the organization. When cross allocation of costs is made as provided in subparagraph (2), this order of allocation does not apply.

(2) Normally, an indirect cost category will be considered closed once it has been allocated to other cost objectives, and costs shall not be subsequently allocated to it. However, a cross allocation of costs between two or more indirect costs categories could be used if such allocation will result in a more equitable allocation of costs. If a cross allocation is used, an appropriate modification to the composition of the indirect cost categories is required.

e. Application of indirect cost rate or rates. Except where a special indirect cost rate(s) is required in accordance with subparagraph D.5, the separate groupings of indirect costs allocated to each major function shall be aggregated and treated as a common pool for that function. The costs in the common pool shall then be distributed to individual awards included in that function by use of a single indirect cost rate.

f. Distribution basis. Indirect costs shall be distributed to applicable sponsored awards and other benefitting activities within each major function on the basis of MTDC. MTDC consists of all salaries and wages, fringe benefits, materials and supplies, services, travel, and subgrants and subcontracts up to the first $25,000 of each subgrant or subcontract (regardless of the period covered by the subgrant or subcontract). Equipment, capital expenditures, charges for patient care, rental costs and the portion in excess of $25,000 shall be excluded from MTDC. Participant support costs shall generally be excluded from MTDC. Other items may only be excluded when the Federal cost cognizant agency determines that an exclusion is necessary to avoid a serious inequity in the distribution of indirect costs.

g. Individual Rate Components. An indirect cost rate shall be determined for each separate indirect cost pool developed. The rate in each case shall be stated as the percentage which the amount of the particular indirect cost pool is of the distribution base identified with that pool. Each indirect cost rate negotiation or determination agreement shall include development of the rate for each indirect cost pool as well as the overall indirect cost rate. The indirect cost pools shall be classified within two broad categories: "Facilities" and "Administration," as described in subparagraph C.3.

4. Direct allocation method.

a. Some non-profit organizations treat all costs as direct costs except general administration and general expenses. These organizations generally separate their costs into three basic categories: (i) General administration and general expenses, (ii) fundraising, and (iii) other direct functions (including projects performed under Federal awards). Joint costs, such as depreciation, rental costs, operation and maintenance of facilities, telephone expenses, and the like are prorated individually as direct costs to each category and to each award or other activity using a base most appropriate to the particular cost being prorated.

b. This method is acceptable, provided each joint cost is prorated using a base which accurately measures the benefits provided to each award or other activity. The bases must be established in accordance with reasonable criteria, and be supported by current data. This method is compatible with the Standards of Accounting and Financial Reporting for Voluntary Health and Welfare Organizations issued jointly by the National Health Council, Inc., the National Assembly of Voluntary Health and Social Welfare Organizations, and the United Way of America.

c. Under this method, indirect costs consist exclusively of general administration and general expenses. In all other respects, the organization's indirect cost rates shall be computed in the same manner as that described in subparagraph 2.

5. Special indirect cost rates. In some instances, a single indirect cost rate for all activities of an organization or for each major function of the organization may not be appropriate, since it would not take into account those different factors which may substantially affect the indirect costs applicable to a particular segment of work. For this purpose, a particular segment of work may be that performed under a single award or it may consist of work under a group of awards performed in a common environment. These factors may include the physical location of the work, the level of administrative support required, the nature of the facilities or other resources employed, the scientific disciplines or technical skills involved, the organizational arrangements used, or any combination thereof. When a particular segment of work is performed in an environment which appears to generate a significantly different level of indirect costs, provisions should be made for a separate indirect cost pool applicable to such work. The separate indirect cost pool should be developed during the course of the regular allocation process, and the separate indirect cost rate resulting therefrom should be used, provided it is determined that (i) the rate differs significantly from that which would have been obtained under subparagraphs 2, 3, and 4, and (ii) the volume of work to which the rate would apply is material.

E. *Negotiation and Approval of Indirect Cost Rates*

1. Definitions. As used in this section, the following terms have the meanings set forth below:

a. Cognizant agency means the Federal agency responsible for negotiating and approving indirect cost rates for a non-profit organization on behalf of all Federal agencies.

b. Predetermined rate means an indirect cost rate, applicable to a specified current or future period, usually the organization's fiscal year. The rate is based on an estimate of the costs to be incurred during the period. A predetermined rate is not subject to adjustment.

c. Fixed rate means an indirect cost rate which has the same characteristics as a predetermined rate, except that the difference between the estimated costs and the actual costs of the period covered by the rate is carried forward as an adjustment to the rate computation of a subsequent period.

d. Final rate means an indirect cost rate applicable to a specified past period which is based on the actual costs of the period. A final rate is not subject to adjustment.

e. Provisional rate or billing rate means a temporary indirect cost rate applicable to a specified period which is used for funding, interim reimbursement, and reporting indirect costs on awards pending the establishment of a final rate for the period.

f. Indirect cost proposal means the documentation prepared by an organization to substantiate its claim for the reimbursement of indirect costs. This proposal provides the basis for the review and negotiation leading to the establishment of an organization's indirect cost rate.

g. Cost objective means a function, organizational subdivision, contract, grant, or other work unit for which cost data are desired and for which provision is made to accumulate and measure the cost of processes, projects, jobs and capitalized projects.

2. Negotiation and approval of rates.

a. Unless different arrangements are agreed to by the agencies concerned, the Federal agency with the largest dollar value of awards with an organization will be designated as the cognizant agency for the negotiation and approval of the indirect cost rates and, where necessary, other rates such as fringe benefit and computer charge-out rates. Once an agency is assigned cognizance for a particular non-profit organization, the assignment will not be changed unless there is a major long-term shift in the dollar volume of the Federal awards to the organization. All concerned Federal agencies shall be given the opportunity to participate in the negotiation process but, after a rate has been agreed upon, it will be accepted by all Federal agencies. When a Federal agency has reason to believe that special operating factors affecting its awards necessitate special indirect cost rates in accordance with subparagraph D.5, it will, prior to the time the rates are negotiated, notify the cognizant agency.

b. A non-profit organization which has not previously established an indirect cost rate with a Federal agency shall submit its initial indirect cost proposal immediately after the organization is advised that an award will be made and, in no event, later than three months after the effective date of the award.

c. Organizations that have previously established indirect cost rates must submit a new indirect cost proposal to the cognizant agency within six months after the close of each fiscal year.

d. A predetermined rate may be negotiated for use on awards where there is reasonable assurance, based on past experience and reliable projection of the organization's costs, that the rate is not likely to exceed a rate based on the organization's actual costs.

e. Fixed rates may be negotiated where predetermined rates are not considered appropriate. A fixed rate, however, shall not be negotiated if (i) all or a substantial portion of the organization's awards are expected to expire before the carry-forward adjustment can be made; (ii) the mix of Federal and non-Federal work at the organization is too erratic to permit an equitable carry-forward adjustment; or (iii) the organization's operations fluctuate significantly from year to year.

f. Provisional and final rates shall be negotiated where neither predetermined nor fixed rates are appropriate.

g. The results of each negotiation shall be formalized in a written agreement between the cognizant agency and the non-profit organization. The cognizant agency shall distribute copies of the agreement to all concerned Federal agencies.

h. If a dispute arises in a negotiation of an indirect cost rate between the cognizant agency and the non-profit organization, the dispute shall be resolved in accordance with the appeals procedures of the cognizant agency.

i. To the extent that problems are encountered among the Federal agencies in connection with the negotiation and approval process, OMB will lend assistance as required to resolve such problems in a timely manner.

ATTACHMENT B
Circular No. A-122

SELECTED ITEMS OF COST

Table of Contents

1. Advertising and public relations costs
2. Advisory councils
3. Alcoholic beverages

4. Audit costs and related services
5. Bad debts
6. Bonding costs
7. Communication costs
8. Compensation for personal services
9. Contingency provisions
10. Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringement
11. Depreciation and use allowances
12. Donations and contributions
13. Employee morale, health, and welfare costs
14. Entertainment costs
15. Equipment and other capital expenditures
16. Fines and penalties
17. Fund raising and investment management costs
18. Gains and losses on depreciable assets
19. Goods or services for personal use
20. Housing and personal living expenses
21. Idle facilities and idle capacity
22. Insurance and indemnification
23. Interest
24. Labor relations costs
25. Lobbying
26. Losses on other sponsored agreements or contracts
27. Maintenance and repair costs
28. Materials and supplies costs
29. Meetings and conferences
30. Memberships, subscriptions, and professional activity costs
31. Organization costs
32. Page charges in professional journals

33. Participant support costs
34. Patent costs
35. Plant and homeland security costs
36. Pre-agreement costs
37. Professional services costs
38. Publication and printing costs
39. Rearrangement and alteration costs
40. Reconversion costs
41. Recruiting costs
42. Relocation costs
43. Rental costs of buildings and equipment
44. Royalties and other costs for use of patents and copyrights
45. Selling and marketing
46. Specialized service facilities
47. Taxes
48. Termination costs applicable to sponsored agreements
49. Training costs
50. Transportation costs
51. Travel costs
52. Trustees

ATTACHMENT B
Circular No. A-122

SELECTED ITEMS OF COST

Paragraphs 1 through 53 provide principles to be applied in establishing the allowability of certain items of cost. These principles apply whether a cost is treated as direct or indirect. Failure to mention a particular item of cost is not intended to imply that it is unallowable; rather, determination as to allowability in each case should be based on the treatment or principles provided for similar or related items of cost.

1. *Advertising and public relations costs.*

a. The term advertising costs means the costs of advertising media and corollary administrative costs. Advertising media include magazines, newspapers, radio and television, direct mail,

exhibits, electronic or computer transmittals, and the like.

b. The term public relations includes community relations and means those activities dedicated to maintaining the image of the non-profit organization or maintaining or promoting understanding and favorable relations with the community or public at large or any segment of the public.

c. The only allowable advertising costs are those which are solely for:

(1) The recruitment of personnel required for the performance by the non-profit organization of obligations arising under a Federal award (See also Attachment B, paragraph 41, Recruiting costs, and paragraph 42, Relocation costs);

(2) The procurement of goods and services for the performance of a Federal award;

(3) The disposal of scrap or surplus materials acquired in the performance of a Federal award except when non-profit organizations are reimbursed for disposal costs at a predetermined amount; or

(4) Other specific purposes necessary to meet the requirements of the Federal award.

d. The only allowable public relations costs are:

(1) Costs specifically required by the Federal award;

(2) Costs of communicating with the public and press pertaining to specific activities or accomplishments which result from performance of Federal awards (these costs are considered necessary as part of the outreach effort for the Federal award); or

(3) Costs of conducting general liaison with news media and government public relations officers, to the extent that such activities are limited to communication and liaison necessary keep the public informed on matters of public concern, such as notices of Federal contract/grant awards, financial matters, etc.

e. Costs identified in subparagraphs c and d if incurred for more than one Federal award or for both sponsored work and other work of the non-profit organization, are allowable to the extent that the principles in Attachment A, paragraphs B. ("Direct Costs") and C. ("Indirect Costs") are observed.

f. Unallowable advertising and public relations costs include the following:

(1) All advertising and public relations costs other than as specified in subparagraphs c, d, and e; (2) Costs of meetings, conventions, convocations, or other events related to other activities of the non-profit organization, including:

(a) Costs of displays, demonstrations, and exhibits;

(b) Costs of meeting rooms, hospitality suites, and other special facilities used in conjunction with shows and other special events; and

(c) Salaries and wages of employees engaged in setting up and displaying exhibits, making demonstrations, and providing briefings;

(3) Costs of promotional items and memorabilia, including models, gifts, and souvenirs;

(4) Costs of advertising and public relations designed solely to promote the non-profit organization.

2. *Advisory Councils*

Costs incurred by advisory councils or committees are allowable as a direct cost where authorized by the Federal awarding agency or as an indirect cost where allocable to Federal awards.

3. *Alcoholic beverages.* Costs of alcoholic beverages are unallowable.

4. *Audit costs and related services*

a. The costs of audits required by, and performed in accordance with, the Single Audit Act, as implemented by Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" are allowable. Also see 31 USC 7505(b) and section 230 ("Audit Costs") of Circular A-133.

b. Other audit costs are allowable if included in an indirect cost rate proposal, or if specifically approved by the awarding agency as a direct cost to an award.

c. The cost of agreed-upon procedures engagements to monitor subrecipients who are exempted from A-133 under section 200(d) are allowable, subject to the conditions listed in A-133, section 230 (b)(2).

5. *Bad debts.* Bad debts, including losses (whether actual or estimated) arising from uncollectable accounts and other claims, related collection costs, and related legal costs, are unallowable.

6. *Bonding costs.*

a. Bonding costs arise when the Federal Government requires assurance against financial loss to itself or others by reason of the act or default of the non-profit organization. They arise also in instances where the non-profit organization requires similar assurance. Included are such bonds as bid, performance, payment, advance payment, infringement, and fidelity bonds.

b. Costs of bonding required pursuant to the terms of the award are allowable.

c. Costs of bonding required by the non-profit organization in the general conduct of its operations are allowable to the extent that such bonding is in accordance with sound business practice and the rates and premiums are reasonable under the circumstances.

7. *Communication costs.* Costs incurred for telephone services, local and long distance telephone calls, telegrams, postage, messenger, electronic or computer transmittal services and the like are allowable.

8. *Compensation for personal services*.

a. Definition. Compensation for personal services includes all compensation paid currently or accrued by the organization for services of employees rendered during the period of the award (except as otherwise provided in subparagraph h). It includes, but is not limited to, salaries, wages, director's and executive committee member's fees, incentive awards, fringe benefits, pension plan costs, allowances for off-site pay, incentive pay, location allowances, hardship pay, and cost of living differentials.

b. Allowability. Except as otherwise specifically provided in this paragraph, the costs of such compensation are allowable to the extent that:

(1) Total compensation to individual employees is reasonable for the services rendered and conforms to the established policy of the organization consistently applied to both Federal and non-Federal activities; and

(2) Charges to awards whether treated as direct or indirect costs are determined and supported as required in this paragraph.

c. Reasonableness.

(1) When the organization is predominantly engaged in activities other than those sponsored by the Federal Government, compensation for employees on federally sponsored work will be considered reasonable to the extent that it is consistent with that paid for similar work in the organization's other activities.

(2) When the organization is predominantly engaged in federally sponsored activities and in cases where the kind of employees required for the Federal activities are not found in the organization's other activities, compensation for employees on federally sponsored work will be considered reasonable to the extent that it is comparable to that paid for similar work in the labor markets in which the organization competes for the kind of employees involved.

d. Special considerations in determining allowability. Certain conditions require special consideration and possible limitations in determining costs under Federal awards where amounts or types of compensation appear unreasonable. Among such conditions are the following:

(1) Compensation to members of non-profit organizations, trustees, directors, associates, officers, or the immediate families thereof. Determination should be made that such compensation is reasonable for the actual personal services rendered rather than a distribution of earnings in excess of costs.

(2) Any change in an organization's compensation policy resulting in a substantial increase in the organization's level of compensation, particularly when it was concurrent with an increase in the ratio of Federal awards to other activities of the organization or any change in the treatment of allowability of specific types of compensation due to changes in Federal policy.

e. Unallowable costs. Costs which are unallowable under other paragraphs of this Attachment shall not be allowable under this paragraph solely on the basis that they constitute personal compensation.

f. Overtime, extra-pay shift, and multi-shift premiums. Premiums for overtime, extra-pay shifts, and multi-shift work are allowable only with the prior approval of the awarding agency except:

(1) When necessary to cope with emergencies, such as those resulting from accidents, natural disasters, breakdowns of equipment, or occasional operational bottlenecks of a sporadic nature.

(2) When employees are performing indirect functions, such as administration, maintenance, or accounting.

(3) In the performance of tests, laboratory procedures, or other similar operations which are continuous in nature and cannot reasonably be interrupted or otherwise completed.

(4) When lower overall cost to the Federal Government will result.

g. Fringe benefits.

(1) Fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as vacation leave, sick leave, military leave, and the like, are allowable, provided such costs are absorbed by all organization activities in proportion to the relative amount of time or effort actually devoted to each.

(2) Fringe benefits in the form of employer contributions or expenses for social security, employee insurance, workmen's compensation insurance, pension plan costs (see subparagraph h), and the like, are allowable, provided such benefits are granted in accordance with established written organization policies. Such benefits whether treated as indirect costs or as direct costs, shall be distributed to particular awards and other activities in a manner consistent with the pattern of benefits accruing to the individuals or group of employees whose salaries and wages are chargeable to such awards and other activities.

(3) (a) Provisions for a reserve under a self-insurance program for unemployment compensation or workers' compensation are allowable to the extent that the provisions represent reasonable estimates of the liabilities for such compensation, and the types of coverage, extent of coverage, and rates and premiums would have been allowable had insurance been purchased to cover the risks. However, provisions for self-insured liabilities which do not become payable for more than one year after the provision is made shall not exceed the present value of the liability.

(b) Where an organization follows a consistent policy of expensing actual payments to, or on behalf of, employees or former employees for unemployment compensation or workers' compensation, such payments are allowable in the year of payment with the prior approval of the awarding agency, provided they are allocated to all activities of the organization.

(4) Costs of insurance on the lives of trustees, officers, or other employees holding positions of similar responsibility are allowable only to the extent that the insurance represents additional compensation. The costs of such insurance when the organization is named as beneficiary are unallowable.

h. Organization-furnished automobiles. That portion of the cost of organization-furnished automobiles that relates to personal use by employees (including transportation to and from work) is unallowable as fringe benefit or indirect costs regardless of whether the cost is reported as taxable income to the employees. These costs are allowable as direct costs to sponsored award when necessary for the performance of the sponsored award and approved by awarding agencies.

i. Pension plan costs.

(1) Costs of the organization's pension plan which are incurred in accordance with the established policies of the organization are allowable, provided:

(a) Such policies meet the test of reasonableness;

(b) The methods of cost allocation are not discriminatory;

(c) The cost assigned to each fiscal year is determined in accordance with generally accepted accounting principles (GAAP), as prescribed in Accounting Principles Board Opinion No. 8 issued by the American Institute of Certified Public Accountants; and

(d) The costs assigned to a given fiscal year are funded for all plan participants within six months after the end of that year. However, increases to normal and past service pension costs caused by a delay in funding the actuarial liability beyond 30 days after each quarter of the year to which such costs are assignable are unallowable.

(2) Pension plan termination insurance premiums paid pursuant to the Employee Retirement Income Security Act (ERISA) of 1974 (Pub. L. 93-406) are allowable. Late payment charges on such premiums are unallowable.

(3) Excise taxes on accumulated funding deficiencies and other penalties imposed under ERISA are unallowable.

j. Incentive compensation. Incentive compensation to employees based on cost reduction, or efficient performance, suggestion awards, safety awards, etc., are allowable to the extent that the overall compensation is determined to be reasonable and such costs are paid or accrued pursuant to an agreement entered into in good faith between the organization and the employees before the services were rendered, or pursuant to an established plan followed by the organization so consistently as to imply, in effect, an agreement to make such payment.

k. Severance pay.

(1) Severance pay, also commonly referred to as dismissal wages, is a payment in addition to

regular salaries and wages, by organizations to workers whose employment is being terminated. Costs of severance pay are allowable only to the extent that in each case, it is required by

(a) law,

(b) employer-employee agreement,

(c) established policy that constitutes, in effect, an implied agreement on the organization's part, or

(d) circumstances of the particular employment.

(2) Costs of severance payments are divided into two categories as follows:

(a) Actual normal turnover severance payments shall be allocated to all activities; or, where the organization provides for a reserve for normal severances, such method will be acceptable if the charge to current operations is reasonable in light of payments actually made for normal severances over a representative past period, and if amounts charged are allocated to all activities of the organization.

(b) Abnormal or mass severance pay is of such a conjectural nature that measurement of costs by means of an accrual will not achieve equity to both parties. Thus, accruals for this purpose are not allowable. However, the Federal Government recognizes its obligation to participate, to the extent of its fair share, in any specific payment. Thus, allowability will be considered on a case-by-case basis in the event or occurrence.

(c) Costs incurred in certain severance pay packages (commonly known as "a golden parachute" payment) which are in an amount in excess of the normal severance pay paid by the organization to an employee upon termination of employment and are paid to the employee contingent upon a change in management control over, or ownership of, the organization's assets are unallowable.

(d) Severance payments to foreign nationals employed by the organization outside the United States, to the extent that the amount exceeds the customary or prevailing practices for the organization in the United States are unallowable, unless they are necessary for the performance of Federal programs and approved by awarding agencies.

(e) Severance payments to foreign nationals employed by the organization outside the United States due to the termination of the foreign national as a result of the closing of, or curtailment of activities by, the organization in that country, are unallowable, unless they are necessary for the performance of Federal programs and approved by awarding agencies.

l. Training costs. See paragraph 49.

m. Support of salaries and wages.

(1) Charges to awards for salaries and wages, whether treated as direct costs or indirect costs, will be based on documented payrolls approved by a responsible official(s) of the organization. The distribution of salaries and wages to awards must be supported by personnel activity

reports, as prescribed in subparagraph (2), except when a substitute system has been approved in writing by the cognizant agency. (See subparagraph E.2 of Attachment A.)

(2) Reports reflecting the distribution of activity of each employee must be maintained for all staff members (professionals and nonprofessionals) whose compensation is charged, in whole or in part, directly to awards. In addition, in order to support the allocation of indirect costs, such reports must also be maintained for other employees whose work involves two or more functions or activities if a distribution of their compensation between such functions or activities is needed in the determination of the organization's indirect cost rate(s) (e.g., an employee engaged part-time in indirect cost activities and part-time in a direct function). Reports maintained by non-profit organizations to satisfy these requirements must meet the following standards:

(a) The reports must reflect an after-the-fact determination of the actual activity of each employee. Budget estimates (i.e., estimates determined before the services are performed) do not qualify as support for charges to awards.

(b) Each report must account for the total activity for which employees are compensated and which is required in fulfillment of their obligations to the organization.

(c) The reports must be signed by the individual employee, or by a responsible supervisory official having first hand knowledge of the activities performed by the employee, that the distribution of activity represents a reasonable estimate of the actual work performed by the employee during the periods covered by the reports.

(d) The reports must be prepared at least monthly and must coincide with one or more pay periods.

(3) Charges for the salaries and wages of nonprofessional employees, in addition to the supporting documentation described in subparagraphs (1) and (2), must also be supported by records indicating the total number of hours worked each day maintained in conformance with Department of Labor regulations implementing the Fair Labor Standards Act (FLSA) (29 CFR Part 516). For this purpose, the term "nonprofessional employee" shall have the same meaning as "nonexempt employee," under FLSA.

(4) Salaries and wages of employees used in meeting cost sharing or matching requirements on awards must be supported in the same manner as salaries and wages claimed for reimbursement from awarding agencies.

9. *Contingency provisions.* Contributions to a contingency reserve or any similar provision made for events the occurrence of which cannot be foretold with certainty as to time, intensity, or with an assurance of their happening, are unallowable.

The term "contingency reserve" excludes self-insurance reserves (see Attachment B, paragraphs 8.g. (3) and 22.a(2)(d)); pension funds (see paragraph 8.i): and reserves for normal severance pay (see paragraph 8.k.)

10. *Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringement.*

a. Definitions.

(1) Conviction, as used herein, means a judgment or a conviction of a criminal offense by any court of competent jurisdiction, whether entered upon as a verdict or a plea, including a conviction due to a plea of nolo contendere.

(2) Costs include, but are not limited to, administrative and clerical expenses; the cost of legal services, whether performed by in-house or private counsel; and the costs of the services of accountants, consultants, or others retained by the organization to assist it; costs of employees, officers and trustees, and any similar costs incurred before, during, and after commencement of a judicial or administrative proceeding that bears a direct relationship to the proceedings.

(3) Fraud, as used herein, means (i) acts of fraud corruption or attempts to defraud the Federal Government or to corrupt its agents, (ii) acts that constitute a cause for debarment or suspension (as specified in agency regulations), and (iii) acts which violate the False Claims Act, 31 U.S.C., sections 3729-3731, or the Anti-Kickback Act, 41 U.S.C., sections 51 and 54.

(4) Penalty does not include restitution, reimbursement, or compensatory damages.

(5) Proceeding includes an investigation.

b. (1) Except as otherwise described herein, costs incurred in connection with any criminal, civil or administrative proceeding (including filing of a false certification) commenced by the Federal Government, or a State, local or foreign government, are not allowable if the proceeding: (1) relates to a violation of, or failure to comply with, a Federal, State, local or foreign statute or regulation by the organization (including its agents and employees), and (2) results in any of the following dispositions:

(a) In a criminal proceeding, a conviction.

(b) In a civil or administrative proceeding involving an allegation of fraud or similar misconduct, a determination of organizational liability.

(c) In the case of any civil or administrative proceeding, the imposition of a monetary penalty.

(d) A final decision by an appropriate Federal official to debar or suspend the organization, to rescind or void an award, or to terminate an award for default by reason of a violation or failure to comply with a law or regulation.

(e) A disposition by consent or compromise, if the action could have resulted in any of the dispositions described in (a), (b), (c) or (d).

(2) If more than one proceeding involves the same alleged misconduct, the costs of all such proceedings shall be unallowable if any one of them results in one of the dispositions shown in subparagraph b.(1).

c. If a proceeding referred to in subparagraph b is commenced by the Federal Government and is resolved by consent or compromise pursuant to an agreement entered into by the organization and the Federal Government, then the costs incurred by the organization in connection with such proceedings that are otherwise not allowable under subparagraph b may be allowed to the

extent specifically provided in such agreement.

d. If a proceeding referred to in subparagraph b is commenced by a State, local or foreign government, the authorized Federal official may allow the costs incurred by the organization for such proceedings, if such authorized official determines that the costs were incurred as a result of (1) a specific term or condition of a federally sponsored award, or (2) specific written direction of an authorized official of the sponsoring agency.

e. Costs incurred in connection with proceedings described in subparagraph b, but which are not made unallowable by that subparagraph, may be allowed by the Federal Government, but only to the extent that:

(1) The costs are reasonable in relation to the activities required to deal with the proceeding and the underlying cause of action;

(2) Payment of the costs incurred, as allowable and allocable costs, is not prohibited by any other provision(s) of the sponsored award;

(3) The costs are not otherwise recovered from the Federal Government or a third party, either directly as a result of the proceeding or otherwise; and,

(4) The percentage of costs allowed does not exceed the percentage determined by an authorized Federal official to be appropriate, considering the complexity of the litigation, generally accepted principles governing the award of legal fees in civil actions involving the United States as a party, and such other factors as may be appropriate. Such percentage shall not exceed 80 percent. However, if an agreement reached under subparagraph c has explicitly considered this 80 percent limitation and permitted a higher percentage, then the full amount of costs resulting from that agreement shall be allowable.

f. Costs incurred by the organization in connection with the defense of suits brought by its employees or ex-employees under section 2 of the Major Fraud Act of 1988 (Pub. L. 100-700), including the cost of all relief necessary to make such employee whole, where the organization was found liable or settled, are unallowable.

g. Costs of legal, accounting, and consultant services, and related costs, incurred in connection with defense against Federal Government claims or appeals, antitrust suits, or the prosecution of claims or appeals against the Federal Government, are unallowable.

h. Costs of legal, accounting, and consultant services, and related costs, incurred in connection with patent infringement litigation, are unallowable unless otherwise provided for in the sponsored awards.

i. Costs which may be unallowable under this paragraph, including directly associated costs, shall be segregated and accounted for by the organization separately. During the pendency of any proceeding covered by subparagraphs b and f, the Federal Government shall generally withhold payment of such costs. However, if in the best interests of the Federal Government, the Federal Government may provide for conditional payment upon provision of adequate security, or other adequate assurance, and agreements by the organization to repay all unallowable costs, plus interest, if the costs are subsequently determined to be unallowable.

11. *Depreciation and use allowances.*

a. Compensation for the use of buildings, other capital improvements, and equipment on hand may be made through use allowance or depreciation. However, except as provided in Attachment B, paragraph f, a combination of the two methods may not be used in connection with a single class of fixed assets (e.g., buildings, office equipment, computer equipment, etc.).

b. The computation of use allowances or depreciation shall be based on the acquisition cost of the assets involved. The acquisition cost of an asset donated to the non-profit organization by a third party shall be its fair market value at the time of the donation.

c. The computation of use allowances or depreciation will exclude:

(1) The cost of land;

(2) Any portion of the cost of buildings and equipment borne by or donated by the Federal Government irrespective of where title was originally vested or where it presently resides; and

(3) Any portion of the cost of buildings and equipment contributed by or for the non-profit organization in satisfaction of a statutory matching requirement.

d. Where depreciation method is followed, the period of useful service (useful life) established in each case for usable capital assets must take into consideration such factors as type of construction, nature of the equipment used, technological developments in the particular program area, and the renewal and replacement policies followed for the individual items or classes of assets involved. The method of depreciation used to assign the cost of an asset (or group of assets) to accounting periods shall reflect the pattern of consumption of the asset during its useful life.

In the absence of clear evidence indicating that the expected consumption of the asset will be significantly greater or lesser in the early portions of its useful life than in the later portions, the straight-line method shall be presumed to be the appropriate method.

Depreciation methods once used shall not be changed unless approved in advance by the cognizant Federal agency. When the depreciation method is introduced for application to assets previously subject to a use allowance, the combination of use allowances and depreciation applicable to such assets must not exceed the total acquisition cost of the assets.

e. When the depreciation method is used for buildings, a building's shell may be segregated from each building component (e.g., plumbing system, heating, and air conditioning system, etc.) and each item depreciated over its estimated useful life; or the entire building (i.e., the shell and all components) may be treated as a single asset and depreciated over a single useful life.

f. When the depreciation method is used for a particular class of assets, no depreciation may be allowed on any such assets that, under subparagraph d, would be viewed as fully depreciated. However, a reasonable use allowance may be negotiated for such assets if warranted after taking into consideration the amount of depreciation previously charged to the Federal Government, the estimated useful life remaining at time of negotiation, the effect of any

increased maintenance charges or decreased efficiency due to age, and any other factors pertinent to the utilization of the asset for the purpose contemplated.

g. Where the use allowance method is followed, the use allowance for buildings and improvement (including land improvements, such as paved parking areas, fences, and sidewalks) will be computed at an annual rate not exceeding two percent of acquisition cost.

The use allowance for equipment will be computed at an annual rate not exceeding six and two-thirds percent of acquisition cost. When the use allowance method is used for buildings, the entire building must be treated as a single asset; the building's components (e.g., plumbing system, heating and air conditioning, etc.) cannot be segregated from the building's shell.

The two percent limitation, however, need not be applied to equipment which is merely attached or fastened to the building but not permanently fixed to it and which is used as furnishings or decorations or for specialized purposes (e.g., dentist chairs and dental treatment units, counters, laboratory benches bolted to the floor, dishwashers, modular furniture, carpeting, etc.). Such equipment will be considered as not being permanently fixed to the building if it can be removed without the need for costly or extensive alterations or repairs to the building or the equipment. Equipment that meets these criteria will be subject to the 6 2/3 percent equipment use allowance limitation.

h. Charges for use allowances or depreciation must be supported by adequate property records and physical inventories must be taken at least once every two years (a statistical sampling basis is acceptable) to ensure that assets exist and are usable and needed. When the depreciation method is followed, adequate depreciation records indicating the amount of depreciation taken each period must also be maintained.

12. *Donations and contributions.*

a. Contributions or donations rendered. Contributions or donations, including cash, property, and services, made by the organization, regardless of the recipient, are unallowable.

b. Donated services received:

(1) Donated or volunteer services may be furnished to an organization by professional and technical personnel, consultants, and other skilled and unskilled labor. The value of these services is not reimbursable either as a direct or indirect cost. However, the value of donated services may be used to meet cost sharing or matching requirements in accordance with the Common Rule.

(2)The value of donated services utilized in the performance of a direct cost activity shall, when material in amount, be considered in the determination of the non-profit organization's indirect costs or rate(s) and, accordingly, shall be allocated a proportionate share of applicable indirect costs when the following exist:

(a) The aggregate value of the services is material;

(b) The services are supported by a significant amount of the indirect costs incurred by the non-profit organization; and

(c) The direct cost activity is not pursued primarily for the benefit of the Federal Government.

(3) In those instances where there is no basis for determining the fair market value of the services rendered, the recipient and the cognizant agency shall negotiate an appropriate allocation of indirect cost to the services.

(4) Where donated services directly benefit a project supported by an award, the indirect costs allocated to the services will be considered as a part of the total costs of the project. Such indirect costs may be reimbursed under the award or used to meet cost sharing or matching requirements.

(5) The value of the donated services may be used to meet cost sharing or matching requirements under conditions described in Sec.__.23 of Circular A-110. Where donated services are treated as indirect costs, indirect cost rates will separate the value of the donations so that reimbursement will not be made.

c. Donated goods or space.

(1) Donated goods; i.e., expendable personal property/supplies, and donated use of space may be furnished to a non-profit organization. The value of the goods and space is not reimbursable either as a direct or indirect cost.

(2) The value of the donations may be used to meet cost sharing or matching share requirements under the conditions described in Circular A-110. Where donations are treated as indirect costs, indirect cost rates will separate the value of the donations so that reimbursement will not be made.

13. *Employee morale, health, and welfare costs.*

a. The costs of employee information publications, health or first-aid clinics and/or infirmaries, recreational activities, employee counseling services, and any other expenses incurred in accordance with the non-profit organization's established practice or custom for the improvement of working conditions, employer-employee relations, employee morale, and employee performance are allowable.

b. Such costs will be equitably apportioned to all activities of the non-profit organization. Income generated from any of these activities will be credited to the cost thereof unless such income has been irrevocably set over to employee welfare organizations.

14. E*ntertainment costs.* Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) are unallowable.

15. *Equipment and other capital expenditures.*

a. For purposes of this subparagraph, the following definitions apply:

(1) "Capital Expenditures" means expenditures for the acquisition cost of capital assets (equipment, buildings, land), or expenditures to make improvements to capital assets that materially increase their value or useful life. Acquisition cost means the cost of the asset including the cost to put it in place. Acquisition cost for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges, such as taxes, duty, protective in transit insurance, freight, and installation may be included in, or excluded from the acquisition cost in accordance with the non-profit organization's regular accounting practices.

(2) "Equipment" means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-profit organization for financial statement purposes, or $5000.

(3) "Special purpose equipment" means equipment which is used only for research, medical, scientific, or other technical activities. Examples of special purpose equipment include microscopes, x-ray machines, surgical instruments, and spectrometers.

(4) "General purpose equipment" means equipment, which is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles.

b. The following rules of allowability shall apply to equipment and other capital expenditures:

(1) Capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except where approved in advance by the awarding agency.

(2) Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of $5000 or more have the prior approval of the awarding agency.

(3) Capital expenditures for improvements to land, buildings, or equipment which materially increase their value or useful life are unallowable as a direct cost except with the prior approval of the awarding agency.

(4) When approved as a direct charge pursuant to paragraph 15.b.(1), (2), and (3) above, capital expenditures will be charged in the period in which the expenditure is incurred, or as otherwise determined appropriate by and negotiated with the awarding agency.

(5) Equipment and other capital expenditures are unallowable as indirect costs. However, see Attachment B, paragraph 11., Depreciation and use allowance, for rules on the allowability of use allowances or depreciation on buildings, capital improvements, and equipment. Also, see Attachment B, paragraph 43., Rental costs of buildings and equipment, for rules on the allowability of rental costs for land, buildings, and equipment.

(6) The unamortized portion of any equipment written off as a result of a change in capitalization levels may be recovered by continuing to claim the otherwise allowable use allowances or depreciation on the equipment, or by amortizing the amount to be written off over a period of years negotiated with the cognizant agency.

16. *Fines and penalties.* Costs of fines and penalties resulting from violations of, or

failure of the organization to comply with Federal, State, and local laws and regulations are unallowable except when incurred as a result of compliance with specific provisions of an award or instructions in writing from the awarding agency.

17. *Fund raising and investment management costs.*

a. Costs of organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred solely to raise capital or obtain contributions are unallowable.

b. Costs of investment counsel and staff and similar expenses incurred solely to enhance income from investments are unallowable.

c. Fund raising and investment activities shall be allocated an appropriate share of indirect costs under the conditions described in subparagraph B.3 of Attachment A.

18. *Gains and losses on depreciable assets.*

a. (1) Gains and losses on sale, retirement, or other disposition of depreciable property shall be included in the year in which they occur as credits or charges to cost grouping(s) in which the depreciation applicable to such property was included. The amount of the gain or loss to be included as a credit or charge to the appropriate cost grouping(s) shall be the difference between the amount realized on the property and the undepreciated basis of the property.

(2) Gains and losses on the disposition of depreciable property shall not be recognized as a separate credit or charge under the following conditions:

(a) The gain or loss is processed through a depreciation account and is reflected in the depreciation allowable under paragraph 11.

(b) The property is given in exchange as part of the purchase price of a similar item and the gain or loss is taken into account in determining the depreciation cost basis of the new item.

(c) A loss results from the failure to maintain permissible insurance, except as otherwise provided in Attachment B, paragraph 22.

(d) Compensation for the use of the property was provided through use allowances in lieu of depreciation in accordance with paragraph 9.

(e) Gains and losses arising from mass or extraordinary sales, retirements, or other dispositions shall be considered on a case-by-case basis.

b. Gains or losses of any nature arising from the sale or exchange of property other than the property covered in subparagraph a shall be excluded in computing award costs.

19. *Goods or services for personal use.* Costs of goods or services for personal use of

the organization's employees are unallowable regardless of whether the cost is reported as taxable income to the employees.

20. *Housing and personal living expenses.*

a. Costs of housing (e.g., depreciation, maintenance, utilities, furnishings, rent, etc.), housing allowances and personal living expenses for/of the organization's officers are unallowable as fringe benefit or indirect costs regardless of whether the cost is reported as taxable income to the employees. These costs are allowable as direct costs to sponsored award when necessary for the performance of the sponsored award and approved by awarding agencies.

b. The term "officers" includes current and past officers and employees.

21. *Idle facilities and idle capacity.*

a. As used in this section the following terms have the meanings set forth below:

(1) "Facilities" means land and buildings or any portion thereof, equipment individually or collectively, or any other tangible capital asset, wherever located, and whether owned or leased by the non-profit organization.

(2) "Idle facilities" means completely unused facilities that are excess to the non-profit organization's current needs.

(3) "Idle capacity" means the unused capacity of partially used facilities. It is the difference between: (a) that which a facility could achieve under 100 percent operating time on a one-shift basis less operating interruptions resulting from time lost for repairs, setups, unsatisfactory materials, and other normal delays; and (b) the extent to which the facility was actually used to meet demands during the accounting period. A multi-shift basis should be used if it can be shown that this amount of usage would normally be expected for the type of facility involved.

(4) "Cost of idle facilities or idle capacity" means costs such as maintenance, repair, housing, rent, and other related costs, e.g., insurance, interest, property taxes and depreciation or use allowances.

b. The costs of idle facilities are unallowable except to the extent that:

(1) They are necessary to meet fluctuations in workload; or

(2) Although not necessary to meet fluctuations in workload, they were necessary when acquired and are now idle because of changes in program requirements, efforts to achieve more economical operations, reorganization, termination, or other causes which could not have been reasonably foreseen. Under the exception stated in this subparagraph, costs of idle facilities are allowable for a reasonable period of time, ordinarily not to exceed one year, depending on the initiative taken to use, lease, or dispose of such facilities.

c. The costs of idle capacity are normal costs of doing business and are a factor in the normal fluctuations of usage or indirect cost rates from period to period. Such costs are allowable,

provided that the capacity is reasonably anticipated to be necessary or was originally reasonable and is not subject to reduction or elimination by use on other Federal awards, subletting, renting, or sale, in accordance with sound business, economic, or security practices. Widespread idle capacity throughout an entire facility or among a group of assets having substantially the same function may be considered idle facilities.

22. *Insurance and indemnification.*

a. Insurance includes insurance which the organization is required to carry, or which is approved, under the terms of the award and any other insurance which the organization maintains in connection with the general conduct of its operations. This paragraph does not apply to insurance which represents fringe benefits for employees (see subparagraphs 8.g and 8.i(2)).

(1) Costs of insurance required or approved, and maintained, pursuant to the award are allowable.

(2) Costs of other insurance maintained by the organization in connection with the general conduct of its operations are allowable subject to the following limitations:

(a) Types and extent of coverage shall be in accordance with sound business practice and the rates and premiums shall be reasonable under the circumstances.

(b) Costs allowed for business interruption or other similar insurance shall be limited to exclude coverage of management fees.

(c) Costs of insurance or of any provisions for a reserve covering the risk of loss or damage to Federal property are allowable only to the extent that the organization is liable for such loss or damage.

(d) Provisions for a reserve under a self-insurance program are allowable to the extent that types of coverage, extent of coverage, rates, and premiums would have been allowed had insurance been purchased to cover the risks. However, provision for known or reasonably estimated self-insured liabilities, which do not become payable for more than one year after the provision is made, shall not exceed the present value of the liability.

(e) Costs of insurance on the lives of trustees, officers, or other employees holding positions of similar responsibilities are allowable only to the extent that the insurance represents additional compensation (see subparagraph 8.g(4)). The cost of such insurance when the organization is identified as the beneficiary is unallowable.

(f) Insurance against defects. Costs of insurance with respect to any costs incurred to correct defects in the organization's materials or workmanship are unallowable.

(g) Medical liability (malpractice) insurance. Medical liability insurance is an allowable cost of Federal research programs only to the extent that the Federal research programs involve human subjects or training of participants in research techniques. Medical liability insurance costs shall be treated as a direct cost and shall be assigned to individual projects based on the manner in which the insurer allocates the risk to the population covered by the insurance.

(3) Actual losses which could have been covered by permissible insurance (through the purchase of insurance or a self-insurance program) are unallowable unless expressly provided for in the award, except:

(a) Costs incurred because of losses not covered under nominal deductible insurance coverage provided in keeping with sound business practice are allowable.

(b) Minor losses not covered by insurance, such as spoilage, breakage, and disappearance of supplies, which occur in the ordinary course of operations, are allowable.

b. Indemnification includes securing the organization against liabilities to third persons and any other loss or damage, not compensated by insurance or otherwise. The Federal Government is obligated to indemnify the organization only to the extent expressly provided in the award.

23. *Interest*.

a. Costs incurred for interest on borrowed capital, temporary use of endowment funds, or the use of the non-profit organization's own funds, however represented, are unallowable. However, interest on debt incurred after September 29, 1995 to acquire or replace capital assets (including renovations, alterations, equipment, land, and capital assets acquired through capital leases), acquired after September 29, 1995 and used in support of Federal awards is allowable, provided that:

(1) For facilities acquisitions (excluding renovations and alterations) costing over $10 million where the Federal Government's reimbursement is expected to equal or exceed 40 percent of an asset's cost, the non-profit organization prepares, prior to the acquisition or replacement of the capital asset(s), a justification that demonstrates the need for the facility in the conduct of federally sponsored activities. Upon request, the needs justification must be provided to the Federal agency with cost cognizance authority as a prerequisite to the continued allowability of interest on debt and depreciation related to the facility. The needs justification for the acquisition of a facility should include, at a minimum, the following:

(a) A statement of purpose and justification for facility acquisition or replacement

(b) A statement as to why current facilities are not adequate

(c) A statement of planned future use of the facility

(d) A description of the financing agreement to be arranged for the facility

(e) A summary of the building contract with estimated cost information and statement of source and use of funds

(f) A schedule of planned occupancy dates

(2) For facilities costing over $500,000, the non-profit organization prepares, prior to the acquisition or replacement of the facility, a lease/purchase analysis in accordance with the provisions of Sec. __.30 through __.37 of Circular A-110, which shows that a financed purchase or capital lease is less costly to the organization than other leasing alternatives, on a net present value basis. Discount rates used should be equal to the non-profit organization's

anticipated interest rates and should be no higher than the fair market rate available to the non-profit organization from an unrelated ("arm's length") third-party. The lease/purchase analysis shall include a comparison of the net present value of the projected total cost comparisons of both alternatives over the period the asset is expected to be used by the non-profit organization. The cost comparisons associated with purchasing the facility shall include the estimated purchase price, anticipated operating and maintenance costs (including property taxes, if applicable) not included in the debt financing, less any estimated asset salvage value at the end of the period defined above. The cost comparison for a capital lease shall include the estimated total lease payments, any estimated bargain purchase option, operating and maintenance costs, and taxes not included in the capital leasing arrangement, less any estimated credits due under the lease at the end of the period defined above. Projected operating lease costs shall be based on the anticipated cost of leasing comparable facilities at fair market rates under rental agreements that would be renewed or reestablished over the period defined above, and any expected maintenance costs and allowable property taxes to be borne by the non-profit organization directly or as part of the lease arrangement.

(3) The actual interest cost claimed is predicated upon interest rates that are no higher than the fair market rate available to the non-profit organization from an unrelated ("arm's length") third party.

(4) Investment earnings, including interest income, on bond or loan principal, pending payment of the construction or acquisition costs, are used to offset allowable interest cost. Arbitrage earnings reportable to the Internal Revenue Service are not required to be offset against allowable interest costs.

(5) Reimbursements are limited to the least costly alternative based on the total cost analysis required under subparagraph (b). For example, if an operating lease is determined to be less costly than purchasing through debt financing, then reimbursement is limited to the amount determined if leasing had been used. In all cases where a lease/purchase analysis is performed, Federal reimbursement shall be based upon the least expensive alternative.

(6) Non-profit organizations are also subject to the following conditions:

(a) Interest on debt incurred to finance or refinance assets acquired before or reacquired after September 29, 1995, is not allowable.

(b) Interest attributable to fully depreciated assets is unallowable.

(c) For debt arrangements over $1 million, unless the non-profit organization makes an initial equity contribution to the asset purchase of 25 percent or more, non-profit organizations shall reduce claims for interest expense by an amount equal to imputed interest earnings on excess cash flow, which is to be calculated as follows. Annually, non-profit organizations shall prepare a cumulative (from the inception of the project) report of monthly cash flows that includes inflows and outflows, regardless of the funding source. Inflows consist of depreciation expense, amortization of capitalized construction interest, and annual interest expense. For cash flow calculations, the annual inflow figures shall be divided by the number of months in the year (usually 12) that the building is in service for monthly amounts. Outflows consist of initial equity contributions, debt principal payments (less the pro rata share attributable to the unallowable costs of land) and interest payments. Where cumulative inflows exceed cumulative outflows, interest shall be calculated on the excess inflows for that period and be treated as a reduction to allowable interest expense. The rate of interest to be used to compute earnings on excess cash flows shall be the three month Treasury Bill closing rate as of the last business day of that month.

(d) Substantial relocation of federally sponsored activities from a facility financed by indebtedness, the cost of which was funded in whole or part through Federal reimbursements, to another facility prior to the expiration of a period of 20 years requires notice to the Federal cognizant agency. The extent of the relocation, the amount of the Federal participation in the financing, and the depreciation and interest charged to date may require negotiation and/or downward adjustments of replacement space charged to Federal programs in the future.

(e) The allowable costs to acquire facilities and equipment are limited to a fair market value available to the non-profit organization from an unrelated ("arm's length") third party.

b. For non-profit organizations subject to "full coverage"' under the Cost Accounting Standards (CAS) as defined at 48 CFR 9903.201, the interest allowability provisions of subparagraph a do not apply. Instead, these organizations' sponsored agreements are subject to CAS 414 (48 CFR 9903.414), cost of money as an element of the cost of facilities capital, and CAS 417 (48 CFR 9903.417), cost of money as an element of the cost of capital assets under construction.

c. The following definitions are to be used for purposes of this paragraph:

(1) Re-acquired assets means assets held by the non-profit organization prior to September 29, 1995 that have again come to be held by the organization, whether through repurchase or refinancing. It does not include assets acquired to replace older assets.

(2) Initial equity contribution means the amount or value of contributions made by non-profit organizations for the acquisition of the asset or prior to occupancy of facilities.

(3) Asset costs means the capitalizable costs of an asset, including construction costs, acquisition costs, and other such costs capitalized in accordance with GAAP.

24. *Labor relations costs.* Costs incurred in maintaining satisfactory relations between the organization and its employees, including costs of labor management committees, employee publications, and other related activities are allowable.

25. *Lobbying.*

a. Notwithstanding other provisions of this Circular, costs associated with the following activities are unallowable:

(1) Attempts to influence the outcomes of any Federal, State, or local election, referendum, initiative, or similar procedure, through in kind or cash contributions, endorsements, publicity, or similar activity;

(2) Establishing, administering, contributing to, or paying the expenses of a political party, campaign, political action committee, or other organization established for the purpose of influencing the outcomes of elections;

(3) Any attempt to influence: (i) The introduction of Federal or State legislation; or (ii) the enactment or modification of any pending Federal or State legislation through communication with any member or employee of the Congress or State legislature (including efforts to

influence State or local officials to engage in similar lobbying activity), or with any Government official or employee in connection with a decision to sign or veto enrolled legislation;

(4) Any attempt to influence: (i) The introduction of Federal or State legislation; or (ii) the enactment or modification of any pending Federal or State legislation by preparing, distributing or using publicity or propaganda, or by urging members of the general public or any segment thereof to contribute to or participate in any mass demonstration, march, rally, fundraising drive, lobbying campaign or letter writing or telephone campaign; or

(5) Legislative liaison activities, including attendance at legislative sessions or committee hearings, gathering information regarding legislation, and analyzing the effect of legislation, when such activities are carried on in support of or in knowing preparation for an effort to engage in unallowable lobbying.

b. The following activities are excepted from the coverage of subparagraph a:

(1) Providing a technical and factual presentation of information on a topic directly related to the performance of a grant, contract or other agreement through hearing testimony, statements or letters to the Congress or a State legislature, or subdivision, member, or cognizant staff member thereof, in response to a documented request (including a Congressional Record notice requesting testimony or statements for the record at a regularly scheduled hearing) made by the recipient member, legislative body or subdivision, or a cognizant staff member thereof; provided such information is readily obtainable and can be readily put in deliverable form; and further provided that costs under this section for travel, lodging or meals are unallowable unless incurred to offer testimony at a regularly scheduled Congressional hearing pursuant to a written request for such presentation made by the Chairman or Ranking Minority Member of the Committee or Subcommittee conducting such hearing.

(2) Any lobbying made unallowable by subparagraph a(3) to influence State legislation in order to directly reduce the cost, or to avoid material impairment of the organization's authority to perform the grant, contract, or other agreement.

(3) Any activity specifically authorized by statute to be undertaken with funds from the grant, contract, or other agreement.

c. (1) When an organization seeks reimbursement for indirect costs, total lobbying costs shall be separately identified in the indirect cost rate proposal, and thereafter treated as other unallowable activity costs in accordance with the procedures of subparagraph B.3 of Attachment A.

(2) Organizations shall submit, as part of the annual indirect cost rate proposal, a certification that the requirements and standards of this paragraph have been complied with.

(3) Organizations shall maintain adequate records to demonstrate that the determination of costs as being allowable or unallowable pursuant to paragraph 25 complies with the requirements of this Circular.

(4) Time logs, calendars, or similar records shall not be required to be created for purposes of complying with this paragraph during any particular calendar month when: (1) the employee engages in lobbying (as defined in subparagraphs (a) and (b)) 25 percent or less of the employee's compensated hours of employment during that calendar month, and (2) within the

preceding five-year period, the organization has not materially misstated allowable or unallowable costs of any nature, including legislative lobbying costs. When conditions (1) and (2) are met, organizations are not required to establish records to support the allowabliliy of claimed costs in addition to records already required or maintained. Also, when conditions (1) and (2) are met, the absence of time logs, calendars, or similar records will not serve as a basis for disallowing costs by contesting estimates of lobbying time spent by employees during a calendar month.

(5) Agencies shall establish procedures for resolving in advance, in consultation with OMB, any significant questions or disagreements concerning the interpretation or application of paragraph 25. Any such advance resolution shall be binding in any subsequent settlements, audits or investigations with respect to that grant or contract for purposes of interpretation of this Circular; provided, however, that this shall not be construed to prevent a contractor or grantee from contesting the lawfulness of such a determination.

d. Executive lobbying costs. Costs incurred in attempting to improperly influence either directly or indirectly, an employee or officer of the Executive Branch of the Federal Government to give consideration or to act regarding a sponsored agreement or a regulatory matter are unallowable. Improper influence means any influence that induces or tends to induce a Federal employee or officer to give consideration or to act regarding a federally sponsored agreement or regulatory matter on any basis other than the merits of the matter.

26. L*osses on other sponsored agreements or contracts.* Any excess of costs over income on any award is unallowable as a cost of any other award. This includes, but is not limited to, the organization's contributed portion by reason of cost sharing agreements or any under-recoveries through negotiation of lump sums for, or ceilings on, indirect costs.

27. *Maintenance and repair costs.* Costs incurred for necessary maintenance, repair, or upkeep of buildings and equipment (including Federal property unless otherwise provided for) which neither add to the permanent value of the property nor appreciably prolong its intended life, but keep it in an efficient operating condition, are allowable. Costs incurred for improvements which add to the permanent value of the buildings and equipment or appreciably prolong their intended life shall be treated as capital expenditures (see paragraph 15).

28. *Materials and supplies costs.*

a. Costs incurred for materials, supplies, and fabricated parts necessary to carry out a Federal award are allowable.

b. Purchased materials and supplies shall be charged at their actual prices, net of applicable credits. Withdrawals from general stores or stockrooms should be charged at their actual net cost under any recognized method of pricing inventory withdrawals, consistently applied. Incoming transportation charges are a proper part of materials and supplies costs.

c. Only materials and supplies actually used for the performance of a Federal award may be charged as direct costs.

d. Where federally donated or furnished materials are used in performing the Federal award, such materials will be used without charge.

29. *Meetings and conferences.* Costs of meetings and conferences, the primary purpose of which is the dissemination of technical information, are allowable. This includes costs of meals, transportation, rental of facilities, speakers' fees, and other items incidental to such meetings or conferences. But see Attachment B, paragraphs 14., Entertainment costs, and 33., Participant support costs.

30. *Memberships, subscriptions, and professional activity costs.*

a. Costs of the non-profit organization's membership in business, technical, and professional organizations are allowable.

b. Costs of the non-profit organization's subscriptions to business, professional, and technical periodicals are allowable.

c. Costs of membership in any civic or community organization are allowable with prior approval by Federal cognizant agency.

d. Costs of membership in any country club or social or dining club or organization are unallowable.

31. *Organization costs.* Expenditures, such as incorporation fees, brokers' fees, fees to promoters, organizers or management consultants, attorneys, accountants, or investment counselors, whether or not employees of the organization, in connection with establishment or reorganization of an organization, are unallowable except with prior approval of the awarding agency.

32. *Page charges in professional journals.* Page charges for professional journal publications are allowable as a necessary part of research costs, where:

a. The research papers report work supported by the Federal Government; and

b. The charges are levied impartially on all research papers published by the journal, whether or not by federally sponsored authors.

33. *Participant support costs.* Participant support costs are direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with

meetings, conferences, symposia, or training projects. These costs are allowable with the prior approval of the awarding agency.

34. *Patent costs.*

a. The following costs relating to patent and copyright matters are allowable: (i) cost of preparing disclosures, reports, and other documents required by the Federal award and of searching the art to the extent necessary to make such disclosures; (ii) cost of preparing documents and any other patent costs in connection with the filing and prosecution of a United States patent application where title or royalty-free license is required by the Federal Government to be conveyed to the Federal Government; and (iii) general counseling services relating to patent and copyright matters, such as advice on patent and copyright laws, regulations, clauses, and employee agreements (but see paragraphs 37., Professional services costs, and 44., Royalties and other costs for use of patents and copyrights).

b. The following costs related to patent and copyright matter are unallowable:

(1) Cost of preparing disclosures, reports, and other documents and of searching the art to the extent necessary to make disclosures not required by the award

(2) Costs in connection with filing and prosecuting any foreign patent application, or any United States patent application, where the Federal award does not require conveying title or a royalty-free license to the Federal Government (but see paragraph 45., Royalties and other costs for use of patents and copyrights).

35. *Plant and homeland security costs.* Necessary and reasonable expenses incurred for routine and homeland security to protect facilities, personnel, and work products are allowable. Such costs include, but are not limited to, wages and uniforms of personnel engaged in security activities; equipment; barriers; contractual security services; consultants; etc. Capital expenditures for homeland and plant security purposes are subject to paragraph 15., Equipment and other capital expenditures, of this Circular.

36. *Pre-agreement costs.* Pre-award costs are those incurred prior to the effective date of the award directly pursuant to the negotiation and in anticipation of the award where such costs are necessary to comply with the proposed delivery schedule or period of performance. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the award and only with the written approval of the awarding agency.

37. *Professional services costs.*

a. Costs of professional and consultant services rendered by persons who are members of a particular profession or possess a special skill, and who are not officers or employees of the non-profit organization, are allowable, subject to subparagraphs b and c when reasonable in relation to the services rendered and when not contingent upon recovery of the costs from the Federal Government.

In addition, legal and related services are limited under Attachment B, paragraph 10.

b. In determining the allowability of costs in a particular case, no single factor or any special combination of factors is necessarily determinative. However, the following factors are relevant:

(1) The nature and scope of the service rendered in relation to the service required.

(2) The necessity of contracting for the service, considering the non-profit organization's capability in the particular area.

(3) The past pattern of such costs, particularly in the years prior to Federal awards.

(4) The impact of Federal awards on the non-profit organization's business (i.e., what new problems have arisen).

(5) Whether the proportion of Federal work to the non-profit organization's total business is such as to influence the non-profit organization in favor of incurring the cost, particularly where the services rendered are not of a continuing nature and have little relationship to work under Federal grants and contracts.

(6) Whether the service can be performed more economically by direct employment rather than contracting.

(7) The qualifications of the individual or concern rendering the service and the customary fees charged, especially on non-Federal awards.

(8) Adequacy of the contractual agreement for the service (e.g., description of the service, estimate of time required, rate of compensation, and termination provisions).

c. In addition to the factors in subparagraph b, retainer fees to be allowable must be supported by evidence of bona fide services available or rendered

38. *Publication and printing costs.*

a. Publication costs include the costs of printing (including the processes of composition, plate-making, press work, binding, and the end products produced by such processes), distribution, promotion, mailing, and general handling. Publication costs also include page charges in professional publications.

b. If these costs are not identifiable with a particular cost objective, they should be allocated as indirect costs to all benefiting activities of the non-profit organization.

c. Page charges for professional journal publications are allowable as a necessary part of research costs where:

(1) The research papers report work supported by the Federal Government: and

(2) The charges are levied impartially on all research papers published by the journal, whether or not by federally sponsored authors.

39. *Rearrangement and alteration costs.* Costs incurred for ordinary or normal rearrangement and alteration of facilities are allowable. Special arrangement and alteration costs incurred specifically for the project are allowable with the prior approval of the awarding agency.

40. *Reconversion costs.* Costs incurred in the restoration or rehabilitation of the non-profit organization's facilities to approximately the same condition existing immediately prior to commencement of Federal awards, less costs related to normal wear and tear, are allowable.

41. *Recruiting costs.*

a. Subject to subparagraphs b, c, and d, and provided that the size of the staff recruited and maintained is in keeping with workload requirements, costs of "help wanted" advertising, operating costs of an employment office necessary to secure and maintain an adequate staff, costs of operating an aptitude and educational testing program, travel costs of employees while engaged in recruiting personnel, travel costs of applicants for interviews for prospective employment, and relocation costs incurred incident to recruitment of new employees, are allowable to the extent that such costs are incurred pursuant to a well-managed recruitment program. Where the organization uses employment agencies, costs that are not in excess of standard commercial rates for such services are allowable.

b. In publications, costs of help wanted advertising that includes color, includes advertising material for other than recruitment purposes, or is excessive in size (taking into consideration recruitment purposes for which intended and normal organizational practices in this respect), are unallowable.

c. Costs of help wanted advertising, special emoluments, fringe benefits, and salary allowances incurred to attract professional personnel from other organizations that do not meet the test of reasonableness or do not conform with the established practices of the organization, are unallowable.

d. Where relocation costs incurred incident to recruitment of a new employee have been allowed either as an allocable direct or indirect cost, and the newly hired employee resigns for reasons within his control within twelve months after being hired, the organization will be required to refund or credit such relocation costs to the Federal Government.

42. *Relocation costs.*

a. Relocation costs are costs incident to the permanent change of duty assignment (for an indefinite period or for a stated period of not less than 12 months) of an existing employee or upon recruitment of a new employee. Relocation costs are allowable, subject to the limitation described in subparagraphs b, c, and d, provided that:

(1) The move is for the benefit of the employer.

(2) Reimbursement to the employee is in accordance with an established written policy consistently followed by the employer.

(3) The reimbursement does not exceed the employee's actual (or reasonably estimated) expenses.

b. Allowable relocation costs for current employees are limited to the following:

(1) The costs of transportation of the employee, members of his immediate family and his household, and personal effects to the new location.

(2) The costs of finding a new home, such as advance trips by employees and spouses to locate living quarters and temporary lodging during the transition period, up to maximum period of 30 days, including advance trip time.

(3) Closing costs, such as brokerage, legal, and appraisal fees, incident to the disposition of the employee's former home. These costs, together with those described in (4), are limited to 8 percent of the sales price of the employee's former home.

(4) The continuing costs of ownership of the vacant former home after the settlement or lease date of the employee's new permanent home, such as maintenance of buildings and grounds (exclusive of fixing up expenses), utilities, taxes, and property insurance.

(5) Other necessary and reasonable expenses normally incident to relocation, such as the costs of canceling an unexpired lease, disconnecting and reinstalling household appliances, and purchasing insurance against loss of or damages to personal property. The cost of canceling an unexpired lease is limited to three times the monthly rental.

c. Allowable relocation costs for new employees are limited to those described in (1) and (2) of subparagraph b. When relocation costs incurred incident to the recruitment of new employees have been allowed either as a direct or indirect cost and the employee resigns for reasons within his control within 12 months after hire, the organization shall refund or credit the Federal Government for its share of the cost. However, the costs of travel to an overseas location shall be considered travel costs in accordance with paragraph 50 and not relocation costs for the purpose of this paragraph if dependents are not permitted at the location for any reason and the costs do not include costs of transporting household goods.

d. The following costs related to relocation are unallowable:

(1) Fees and other costs associated with acquiring a new home.

(2) A loss on the sale of a former home.

(3) Continuing mortgage principal and interest payments on a home being sold.

(4) Income taxes paid by an employee related to reimbursed relocation costs.

43. *Rental costs of buildings and equipment.*

a. Subject to the limitations described in subparagraphs b. through d. of this paragraph 43, rental costs are allowable to the extent that the rates are reasonable in light of such factors as: rental costs of comparable property, if any; market conditions in the area; alternatives available; and, the type, life expectancy, condition, and value of the property leased. Rental arrangements should be reviewed periodically to determine if circumstances have changed and other options are available.

b. Rental costs under "sale and lease back" arrangements are allowable only up to the amount that would be allowed had the non-profit organization continued to own the property. This amount would include expenses such as depreciation or use allowance, maintenance, taxes, and insurance.

c. Rental costs under "less-than-arms-length" leases are allowable only up to the amount (as explained in subparagraph b. of this paragraph 43.) that would be allowed had title to the property vested in the non-profit organization. For this purpose, a less-than-arms-length lease is one under which one party to the lease agreement is able to control or substantially influence the actions of the other. Such leases include, but are not limited to those between (i) divisions of a non-profit organization; (ii) non-profit organizations under common control through common officers, directors, or members; and (iii) a non-profit organization and a director, trustee, officer, or key employee of the non-profit organization or his immediate family, either directly or through corporations, trusts, or similar arrangements in which they hold a controlling interest. For example, a non-profit organization may establish a separate corporation for the sole purpose of owning property and leasing it back to the non-profit organization.

d. Rental costs under leases which are required to be treated as capital leases under GAAP are allowable only up to the amount (as explained in subparagraph b) that would be allowed had the non-profit organization purchased the property on the date the lease agreement was executed. The provisions of Financial Accounting Standards Board Statement 13, Accounting for Leases, shall be used to determine whether a lease is a capital lease. Interest costs related to capital leases are allowable to the extent they meet the criteria in subparagraph 23. Unallowable costs include amounts paid for profit, management fees, and taxes that would not have been incurred had the non-profit organization purchased the facility.

44. *Royalties and other costs for use of patents and copyrights.*

a. Royalties on a patent or copyright or amortization of the cost of acquiring by purchase a copyright, patent, or rights thereto, necessary for the proper performance of the award are allowable unless:

(1) The Federal Government has a license or the right to free use of the patent or copyright.

(2) The patent or copyright has been adjudicated to be invalid, or has been administratively determined to be invalid.

(3) The patent or copyright is considered to be unenforceable.

(4) The patent or copyright is expired.

b. Special care should be exercised in determining reasonableness where the royalties may have arrived at as a result of less-than-arm's-length bargaining, e.g.:

(1) Royalties paid to persons, including corporations, affiliated with the non-profit organization.

(2) Royalties paid to unaffiliated parties, including corporations, under an agreement entered into in contemplation that a Federal award would be made.

(3) Royalties paid under an agreement entered into after an award is made to a non-profit organization.

c. In any case involving a patent or copyright formerly owned by the non-profit organization, the amount of royalty allowed should not exceed the cost which would have been allowed had the non-profit organization retained title thereto.

45. *Selling and marketing.* Costs of selling and marketing any products or services of the non-profit organization are unallowable (unless allowed under Attachment B, paragraph 1. as allowable public relations cost. However, these costs are allowable as direct costs, with prior approval by awarding agencies, when they are necessary for the performance of Federal programs.

46. *Specialized service facilities.*

a. The costs of services provided by highly complex or specialized facilities operated by the non-profit organization, such as computers, wind tunnels, and reactors are allowable, provided the charges for the services meet the conditions of either 46 b. or c. and, in addition, take into account any items of income or Federal financing that qualify as applicable credits under Attachment A, subparagraph A.5. of this Circular.

b. The costs of such services, when material, must be charged directly to applicable awards based on actual usage of the services on the basis of a schedule of rates or established methodology that (i) does not discriminate against federally supported activities of the non-profit organization, including usage by the non-profit organization for internal purposes, and (ii) is designed to recover only the aggregate costs of the services. The costs of each service shall consist normally of both its direct costs and its allocable share of all indirect costs. Rates shall be adjusted at least biennially, and shall take into consideration over/under applied costs of the previous period(s).

c. Where the costs incurred for a service are not material, they may be allocated as indirect costs.

d. Under some extraordinary circumstances, where it is in the best interest of the Federal Government and the institution to establish alternative costing arrangements, such arrangements may be worked out with the cognizant Federal agency.

47. *Taxes.*

a. In general, taxes which the organization is required to pay and which are paid or accrued in accordance with GAAP, and payments made to local governments in lieu of taxes which are commensurate with the local government services received are allowable, except for (i) taxes from which exemptions are available to the organization directly or which are available to the organization based on an exemption afforded the Federal Government and in the latter case when the awarding agency makes available the necessary exemption certificates, (ii) special assessments on land which represent capital improvements, and (iii) Federal income taxes.

b. Any refund of taxes, and any payment to the organization of interest thereon, which were allowed as award costs, will be credited either as a cost reduction or cash refund, as appropriate, to the Federal Government.

48. *Termination costs applicable to sponsored agreements.*

Termination of awards generally gives rise to the incurrence of costs, or the need for special treatment of costs, which would not have arisen had the Federal award not been terminated. Cost principles covering these items are set forth below. They are to be used in conjunction with the other provisions of this Circular in termination situations.

a. The cost of items reasonably usable on the non-profit organization's other work shall not be allowable unless the non-profit organization submits evidence that it would not retain such items at cost without sustaining a loss. In deciding whether such items are reasonably usable on other work of the non-profit organization, the awarding agency should consider the non-profit organization's plans and orders for current and scheduled activity.

   Contemporaneous purchases of common items by the non-profit organization shall be regarded as evidence that such items are reasonably usable on the non-profit organization's other work. Any acceptance of common items as allocable to the terminated portion of the Federal award shall be limited to the extent that the quantities of such items on hand, in transit, and on order are in excess of the reasonable quantitative requirements of other work.

b. If in a particular case, despite all reasonable efforts by the non-profit organization, certain costs cannot be discontinued immediately after the effective date of termination, such costs are generally allowable within the limitations set forth in this Circular, except that any such costs continuing after termination due to the negligent or willful failure of the non-profit organization to discontinue such costs shall be unallowable.

c. Loss of useful value of special tooling, machinery, and is generally allowable if:

   (1) Such special tooling, special machinery, or equipment is not reasonably capable of use in the other work of the non-profit organization,

   (2) The interest of the Federal Government is protected by transfer of title or by other means deemed appropriate by the awarding agency, and

   (3) The loss of useful value for any one terminated Federal award is limited to that portion of the acquisition cost which bears the same ratio to the total acquisition cost as the terminated portion of the Federal award bears to the entire terminated Federal award and other Federal

awards for which the special tooling, special machinery, or equipment was acquired.

d. Rental costs under unexpired leases are generally allowable where clearly shown to have been reasonably necessary for the performance of the terminated Federal award less the residual value of such leases, if:

(1) the amount of such rental claimed does not exceed the reasonable use value of the property leased for the period of the Federal award and such further period as may be reasonable, and

(2) the non-profit organization makes all reasonable efforts to terminate, assign, settle, or otherwise reduce the cost of such lease. There also may be included the cost of alterations of such leased property, provided such alterations were necessary for the performance of the Federal award, and of reasonable restoration required by the provisions of the lease.

e. Settlement expenses including the following are generally allowable:

(1) Accounting, legal, clerical, and similar costs reasonably necessary for:

(a) The preparation and presentation to the awarding agency of settlement claims and supporting data with respect to the terminated portion of the Federal award, unless the termination is for default (see Subpart __.61 of Circular A-110); and

(b) The termination and settlement of subawards.

(2) Reasonable costs for the storage, transportation, protection, and disposition of property provided by the Federal Government or acquired or produced for the Federal award, except when grantees or contractors are reimbursed for disposals at a predetermined amount in accordance with Subparts __.32 through ___.37 of Circular A-110.
(3) Indirect costs related to salaries and wages incurred as settlement expenses in subparagraphs (1) and (2). Normally, such indirect costs shall be limited to fringe benefits, occupancy cost, and immediate supervision.

f. Claims under sub awards, including the allocable portion of claims which are common to the Federal award, and to other work of the non-profit organization are generally allowable.

An appropriate share of the non-profit organization's indirect expense may be allocated to the amount of settlements with subcontractors and/or subgrantees, provided that the amount allocated is otherwise consistent with the basic guidelines contained in Attachment A. The indirect expense so allocated shall exclude the same and similar costs claimed directly or indirectly as settlement expenses.

49. *Training costs.*

a. Costs of preparation and maintenance of a program of instruction including but not limited to on-the-job, classroom, and apprenticeship training, designed to increase the vocational effectiveness of employees, including training materials, textbooks, salaries or wages of trainees (excluding overtime compensation which might arise therefrom), and (i) salaries of the director of training and staff when the training program is conducted by the organization; or (ii) tuition and fees when the training is in an institution not operated by the organization, are

allowable.

b. Costs of part-time education, at an undergraduate or post-graduate college level, including that provided at the organization's own facilities, are allowable only when the course or degree pursued is relative to the field in which the employee is now working or may reasonably be expected to work, and are limited to:

(1) Training materials.

(2) Textbooks.

(3) Fees charges by the educational institution.

(4) Tuition charged by the educational institution or, in lieu of tuition, instructors' salaries and the related share of indirect costs of the educational institution to the extent that the sum thereof is not in excess of the tuition which would have been paid to the participating educational institution.

(5) Salaries and related costs of instructors who are employees of the organization.

(6) Straight-time compensation of each employee for time spent attending classes during working hours not in excess of 156 hours per year and only to the extent that circumstances do not permit the operation of classes or attendance at classes after regular working hours; otherwise, such compensation is unallowable.

c. Costs of tuition, fees, training materials, and textbooks (but not subsistence, salary, or any other emoluments) in connection with full-time education, including that provided at the organization's own facilities, at a post-graduate (but not undergraduate) college level, are allowable only when the course or degree pursued is related to the field in which the employee is now working or may reasonably be expected to work, and only where the costs receive the prior approval of the awarding agency. Such costs are limited to the costs attributable to a total period not to exceed one school year for each employee so trained. In unusual cases the period may be extended.

d. Costs of attendance of up to 16 weeks per employee per year at specialized programs specifically designed to enhance the effectiveness of executives or managers or to prepare employees for such positions are allowable. Such costs include enrollment fees, training materials, textbooks and related charges, employees' salaries, subsistence, and travel. Costs allowable under this paragraph do not include those for courses that are part of a degree-oriented curriculum, which are allowable only to the extent set forth in subparagraphs b and c.

e. Maintenance expense, and normal depreciation or fair rental, on facilities owned or leased by the organization for training purposes are allowable to the extent set forth in paragraphs 11, 27, and 50.

f. Contributions or donations to educational or training institutions, including the donation of facilities or other properties, and scholarships or fellowships, are unallowable.

g. Training and education costs in excess of those otherwise allowable under subparagraphs b and c may be allowed with prior approval of the awarding agency. To be considered for approval, the organization must demonstrate that such costs are consistently incurred pursuant to an established training and education program, and that the course or degree pursued is relative to the field in which the employee is now working or may reasonably be expected to work.

50. *Transportation costs.* Transportation costs include freight, express, cartage, and postage charges relating either to goods purchased, in process, or delivered. These costs are allowable. When such costs can readily be identified with the items involved, they may be directly charged as transportation costs or added to the cost of such items (see paragraph 28). Where identification with the materials received cannot readily be made, transportation costs may be charged to the appropriate indirect cost accounts if the organization follows a consistent, equitable procedure in this respect.

51. *Travel costs.*

a. General. Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the non-profit organization. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the non-profit organization's non-federally sponsored activities.

b. Lodging and subsistence. Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, shall be considered reasonable and allowable only to the extent such costs do not exceed charges normally allowed by the non-profit organization in its regular operations as the result of the non-profit organization's written travel policy. In the absence of an acceptable, written non-profit organization policy regarding travel costs, the rates and amounts established under subchapter I of Chapter 57, Title 5, United States Code ("Travel and Subsistence Expenses; Mileage Allowances"), or by the Administrator of General Services, or by the President (or his or her designee) pursuant to any provisions of such subchapter shall apply to travel under Federal awards (48 CFR 31.205-46(a)).

c. Commercial air travel.

(1) Airfare costs in excess of the customary standard commercial airfare (coach or equivalent), Federal Government contract airfare (where authorized and available), or the lowest commercial discount airfare are unallowable except when such accommodations would: (a) require circuitous routing; (b) require travel during unreasonable hours; (c) excessively prolong travel; (d) result in additional costs that would offset the transportation savings; or (e) offer accommodations not reasonably adequate for the traveler's medical needs. The non-profit organization must justify and document these conditions on a case-by-case basis in order for the use of first-class airfare to be allowable in such cases.

(2) Unless a pattern of avoidance is detected, the Federal Government will generally not question a non-profit organization's determinations that customary standard airfare or other discount airfare is unavailable for specific trips if the non-profit organization can demonstrate either of the following: (a) that such airfare was not available in the specific case; or (b) that it

is the non-profit organization's overall practice to make routine use of such airfare.

d. Air travel by other than commercial carrier. Costs of travel by non-profit organization-owned, -leased, or -chartered aircraft include the cost of lease, charter, operation (including personnel costs), maintenance, depreciation, insurance, and other related costs. The portion of such costs that exceeds the cost of allowable commercial air travel, as provided for in subparagraph] c., is unallowable.

e. Foreign travel. Direct charges for foreign travel costs are allowable only when the travel has received prior approval of the awarding agency. Each separate foreign trip must receive such approval. For purposes of this provision, "foreign travel" includes any travel outside Canada, Mexico, the United States, and any United States territories and possessions. However, the term "foreign travel" for a non-profit organization located in a foreign country means travel outside that country.

52. *Trustees.* Travel and subsistence costs of trustees (or directors) are allowable. The costs are subject to restrictions regarding lodging, subsistence and air travel costs provided in paragraph 51.

ATTACHMENT C
Circular No. A-122

NON-PROFIT ORGANIZATIONS NOT SUBJECT TO THIS CIRCULAR

- Advance Technology Institute (ATI), Charleston, South Carolina
- Aerospace Corporation, El Segundo, California
- American Institutes of Research (AIR), Washington D.C.
- Argonne National Laboratory, Chicago, Illinois
- Atomic Casualty Commission, Washington, D.C.
- Battelle Memorial Institute, Headquartered in Columbus, Ohio
- Brookhaven National Laboratory, Upton, New York
- Charles Stark Draper Laboratory, Incorporated, Cambridge, Massachusetts
- CNA Corporation (CNAC), Alexandria, Virginia
- Environmental Institute of Michigan, Ann Arbor, Michigan
- Georgia Institute of Technology/Georgia Tech Applied Research Corporation/Georgia Tech Research Institute, Atlanta, Georgia
- Hanford Environmental Health Foundation, Richland, Washington
- IIT Research Institute, Chicago, Illinois

- Institute of Gas Technology, Chicago, Illinois
- Institute for Defense Analysis, Alexandria, Virginia
- LMI, McLean, Virginia
- Mitre Corporation, Bedford, Massachusetts
- Mitretek Systems, Inc., Falls Church, Virginia
- National Radiological Astronomy Observatory, Green Bank, West Virginia
- National Renewable Energy Laboratory, Golden, Colorado
- Oak Ridge Associated Universities, Oak Ridge, Tennessee
- Rand Corporation, Santa Monica, California
- Research Triangle Institute, Research Triangle Park, North Carolina
- Riverside Research Institute, New York, New York
- South Carolina Research Authority (SCRA), Charleston, South Carolina
- Southern Research Institute, Birmingham, Alabama
- Southwest Research Institute, San Antonio, Texas
- SRI International, Menlo Park, California
- Syracuse Research Corporation, Syracuse, New York
- Universities Research Association, Incorporated (National Acceleration Lab), Argonne, Illinois
- Urban Institute, Washington D.C.
- Non-profit insurance companies, such as Blue Cross and Blue Shield Organizations
- Other non-profit organizations as negotiated with awarding agencies

Appendix I Establishing and Maintaining a System of Internal Controls

I.1 The Control Environment

The governing body (such as a county's finance and human services committees) and top managers of an agency receiving state and federal funds shall establish a sound control environment. In general, a sound control environment exists when everyone's role and responsibility in an agency for ensuring the appropriate, effective, and efficient use of agency funds is all of the following:

- clearly stated in specific policies and procedures (including formal position descriptions)
- routinely monitored and evaluated against clear performance standards
- clarified and improved upon as necessary to achieve critical control objectives

The following is a brief summary of seven key elements of an effective internal control environment:

I.1.1 Management's Philosophy and Operating Style

The agency's management should have a philosophy and operating style which has a positive overall influence on agency operations. For example, the agency should act responsibly when deciding which business risks to accept, have a constructive attitude toward meeting financial reporting requirements, and emphasize the importance of meeting budget and program performance goals.

I.1.2 The Agency's Organizational Structure

The agency's organizational structure needs to provide the overall framework for planning, directing, and controlling activities for achieving the agency's objectives. The organizational structure also needs to clearly delineate authority and responsibility within the agency and to establish appropriate lines of reporting.

I.1.3 Activities of the Governing Entity

The governing entity (e.g., a non-profit board or county human services committee) should actively provide guidance and oversight by engaging in activities such as the following:

(1) carefully selecting and performing ongoing evaluation of the agency's director

(2) receiving and evaluating key information such as financial statements, program performance information, and significant contracts
(3) fulfilling its fiduciary and accountability responsibilities
(4) ensuring that all board or committee members are well-trained

I.1.4 Assigning Authority and Responsibility

The agency needs to assign authority and responsibility in a manner which ensures that everyone fully understands reporting relationships and key duties within the agency. In particular, the agency should do both of the following:

(1) use formal job descriptions which include specific references to duties, reporting relationships, and control-related responsibilities
(2) have the appropriate numbers of people with the requisite skill levels relative to the size of the entity and the nature and complexity of its operations

I.1.5 Control Methods for Monitoring Performance

The agency needs to develop control methods for monitoring and following up on performance. The agency needs to do all of the following:

(1) have planning, budgeting, and reporting systems that set forth management's goals and objectives
(2) use methods that identify the status of actual budget and program performance and compare actual to planned performance levels
(3) continuously seek improvements in fiscal and program performance through routinely investigating variances from expectations and, when necessary, taking timely and appropriate action to correct problems

I.1.6 Personnel Policies and Practices

The agency needs to develop and adhere to written personnel policies and procedures which comply with all laws and which result in all of the following:

(1) recruiting, hiring, and promoting competent and trustworthy people
(2) clearly communicating performance expectations of all agency staff and evaluating staff according to these expectations
(3) providing the training necessary to ensure that all staff have sufficient skills to fulfill assigned duties

I.1.7 Sensitivity to External Influences

The agency needs to be fully aware of external influences, such as reviews by granting agencies; and plan for and be responsive to these influences through accurate reporting on agency operations and establishment of specific internal control structure policies or procedures.

I.2 The Accounting System

The second key element of an agency's internal control system is the accounting system. The accounting system consists of the methods and records established to identify, assemble, analyze, classify, record, and report an entity's transactions and to maintain accountability for the related assets and liabilities.

An effective accounting system which contributes to fulfilling an agency's control responsibilities would give appropriate consideration to establishing methods and records that will do all of the following:

(1) identify and record all valid transactions
(2) describe on a timely basis the transactions in sufficient detail to permit the proper classification of transactions for financial reporting
(3) measure the value of transactions in a manner that permits recording their proper monetary value in the financial statements
(4) determine the time period in which transactions occurred to permit recording of transactions in the proper accounting period
(5) present properly the transactions and related disclosures in the financial statements

I.3 Control Procedures

Control procedures are those policies and procedures which, in addition to the control environment and accounting system, management has established to provide reasonable assurance that specific entity objectives will be achieved. Control procedures have various objectives and are applied at various organizational and data-processing levels. They may also be integrated into specific components of the control environment and the accounting system.

In general, control procedures can be viewed as being part of one of the five broad categories of procedures, as follows:

(1) proper authorization of transactions and activities
(2) segregation of duties that reduce the opportunities to allow any person to be in a position to both perpetuate and conceal errors or irregularities in the normal course of his duties. Some key duties that need to be segregated/separated include the following:
    (A) the physical custody of assets from accounting for these assets
    (B) the authorization of transactions from the custody of related assets
    (C) operational responsibility from record-keeping responsibility
(3) design and use of adequate documents and records to help ensure the proper recording of transactions and events
(4) adequate safeguards over access to, and use of, assets and records. The most important safeguard over assets and records is the use of physical precautions,

such as the use of fireproof safes, safety deposit vaults, locked storerooms, etc. In addition, many types of computer information can be protected through appropriate use of passwords.

(5) independent checks on performance and proper valuation of recorded amounts. Examples of such checks include the following:
   (A) comparing assets to records
   (B) reconciling accounts on a periodic basis
   (C) reviewing reports that summarize detail of account balances, such as an aged trial balance of accounts receivable

I.4 Compensating Controls for Small Agencies

The underlying concepts of the control activities are also valid for small entities, although they may be less formal. Direct, hands-on involvement of management provides strong control over activities, lessening the need for more formal activities. Management's close involvement will often enable identification of significant variances from expectations and inaccuracies in financial or operating data. Direct knowledge of client/customer concerns and communication with granting agencies can alert management to operating or compliance problems.

Many small agencies have difficulty in obtaining an appropriate segregation of duties. Whenever possible, duties should be assigned in such a way as to achieve the necessary checks and balances. When this is not possible, direct oversight of incompatible functions by management can provide the necessary control. For example, the manager may be the only authorized check signer and sign checks only after carefully reviewing the supporting documentation, or the manager may review bank reconciliations or require that monthly bank statements are delivered directly to the manager unopened.

Appendix J Minimum Standards of the National Association of Legal Assistants

The following excerpt lists the minimum standards for a legal assistant, as defined by the National Association of Legal Assistants (NALA). The original document can be found in its entirety on NALA's web site (http://www.nala.org).

"...

III
STANDARDS

A legal assistant should meet certain minimum qualifications. The following standards may be used to determine an individual's qualifications as a legal assistant:

l. Successful completion of the Certified Legal Assistant ("CLA") certifying examination of the National Association of Legal Assistants, Inc.;

2. Graduation from an ABA approved program of study for legal assistants;

3. Graduation from a course of study for legal assistants which is institutionally accredited but not ABA approved, and which requires not less than the equivalent of 60 semester hours of classroom study;

4. Graduation from a course of study for legal assistants, other than those set forth in (2) and (3) above, plus not less than six months of in-house training as a legal assistant;

5. A baccalaureate degree in any field, plus not less than six months in-house training as a legal assistant;

6. A minimum of three years of law-related experience under the supervision of an attorney, including at least six months of in-house training as a legal assistant; or

7. Two years of in-house training as a legal assistant.

For purposes of these Standards, "in-house training as a legal assistant" means attorney education of the employee concerning legal assistant duties and these Guidelines. In addition to review and analysis of assignments, the legal assistant should receive a reasonable amount of instruction directly related to the duties and obligations of the legal assistant.

COMMENT

The Standards set forth suggest minimum qualifications for a legal assistant. These minimum qualifications, as adopted, recognize legal related work backgrounds and formal education backgrounds, both of which provide the legal assistant with a broad base in exposure to and knowledge of the legal profession. This background is necessary to assure the public and the legal profession that the employee identified as a legal assistant is qualified.

The Certified Legal Assistant ("CLA") examination established by NALA in 1976 is a voluntary nationwide certification program for legal assistants. The CLA designation is a statement to the legal profession and the public that the legal assistant has met the high levels of knowledge and professionalism required by NALA's certification program. Continuing education requirements, which all certified legal assistants must meet, assure that high standards are maintained. The CLA designation has been recognized as a means of establishing the qualifications of a legal assistant in supreme court rules, state court and bar association standards and utilization guidelines.

Certification through NALA is available to all legal assistants meeting the educational and experience requirements. Certified Legal Assistants may also pursue advanced specialty certification ("CLAS") in the areas of bankruptcy, civil litigation, probate and estate planning, corporate and business law, criminal law and procedure, real estate, intellectual property, and may also pursue state certification based on state laws and procedures in California, Florida, Louisiana and Texas.
..."

Appendix K Nutrition Program Operations

K.1 Nutrition Check Screening Tool

The Warning Signs of poor nutritional health are often overlooked. Use this checklist to find out if you or someone you know is at nutritional risk.

DETERMINE YOUR NUTRITIONAL HEALTH

Read the statements below. Circle the number in the yes column for those that apply to you or someone you know. For each yes answer, score the number in the box. Total your nutritional score.

	YES
I have an illness or condition that made me change the kind and/or amount of food I eat.	2
I eat fewer than 2 meals per day.	3
I eat few fruits or vegetables, or milk products.	2
I have 3 or more drinks of beer, liquor or wine almost every day.	2
I have tooth or mouth problems that make it hard for me to eat.	2
I don't always have enough money to buy the food I need.	4
I eat alone most of the time.	1
I take 3 or more different prescribed or over-the-counter drugs a day.	1
Without wanting to, I have lost or gained 10 pounds in the last 6 months.	2
I am not always physically able to shop, cook, and/or feed myself.	2
TOTAL	

Total Your Nutritional Score. If it's –

0–2 **Good!** Recheck your nutritional score in 6 months.

3–5 **You are at moderate nutritional risk.** See what can be done to improve your eating habits and lifestyle. Your office on aging, senior nutrition program, senior citizens center or health department can help. Recheck your nutritional score in 3 months.

6 or more **You are at high nutritional risk.** Bring this checklist the next time you see your doctor, dietitian or other qualified health or social service professional. Talk with them about any problems you may have. Ask for help to improve your nutritional health.

Remember that warning signs suggest risk, but do not represent diagnosis of any condition. Turn the page to learn more about the Warning Signs of poor nutritional health.

These materials have been adapted from the Nutrition Screening Initiative, a project of American Academy of Family Physicians, The American Dietetic Association and National Council on the Aging, Inc.

The Nutritional Screening Initiative, 2626 Pennsylvania Avenue, NW Suite 301, Washington, DC 20037. The Nutrition Screening Initiative is funded in part by a grant from Ross Laboratories, a division of Abbott Laboratories

The information you are being asked to provide is needed to determine if you are eligible to receive Older Americans Act Services and to comply with federal reporting requirements. This information will be stored in a secure electronic database and will not be used for any other purpose. Your information will not be shared with another agency without your permission. This information will not be sold to anyone. You have the right to review your electronic record and request changes to assure accuracy. You will not be denied most services if you refuse to provide this information. If you have questions regarding this, please ask the aging unit staff. Current as of 10/19/2010

K.2 Waiver Request - Non-Elderly Participation

Waiver Request – Non-Elderly Participation

____ **Home-Delivered – Enclose a copy of the completed home-delivered meal assessment form.**
____ **Congregate**

Aging units may seek approval to serve non-elderly, disabled persons living alone on a voluntary contribution basis by submitting the form to the Area Agency on Aging. If the non-elderly applicant is able and agrees to pay the total cost of the meal, an approval is not necessary.

PART I. Applicant Information and Assessment ***(Completed by the Aging Unit)***

Name _____ Age _____

Address _____ Telephone _____

City _____ Zip _____

1. Why is this individual requesting nutrition services from the nutrition program?

_____

_____

_____

2. Does the applicant have special needs which need to be considered before providing a meal? (Special diets, medication, transportation, etc.) Can the nutrition program meet these needs?

_____

_____

_____

APPLICANT: The above information is accurate to the best of my knowledge and I understand that this form will be submitted to the Area Agency on Aging for final approval.

_____ _____

Signature of Applicant **Date**

Part II. Eligibility Assessment ***(Completed by Aging Unit)***

	Column A	Column B
1. To the best of your knowledge, is the person able to pay the full cost of the meal?	Yes	No
2. Is this person currently enrolled in a Community-Based Long-Term Care Program (i.e., COP, COP-W, CIP, IRIS, PACE, Family Care, Partnership)?	Yes	No
3. If this person is enrolled in a Community-Based Long-Term Care Program, are meals a part of the service plan?	Yes	No
4. Is this person living in a Community-Based Residential Facility (CBRF)?	Yes	No
5. Does this person regularly attend an adult day care program?	Yes	No
6. Does your nutrition program have sufficient funds to serve this client w/o denying services to persons 60 and over?	No	Yes

7. Include other information to support this persons need for services _____
_____
_____

Column A answers indicate that other funding sources should be looked into.

_____ _____
Signature of Aging Unit Staff **Date**

_____
Aging Unit/Nutrition Program

PART III. Area Agency on Aging Approval ***(Completed by the Area Agency on Aging)***

Recommendations: Approved _____ Not Approved _____
Comments:
_____
_____
_____

_____ _____
Signature of Area Agency on Aging Staff **Date**

Updated 11/01/10

K.3 Index of The Wisconsin Food Code

For the entire Food Code visit:
http://legis.wisconsin.gov/rsb/code/dhs/dhs196.pdf

- **WI Food Code, Chapter 1: Purpose and Definitions (page 4)**
  1–1 Title, Intent, Scope
  1–2 Definitions

- **WI Food Code, Chapter 2: Management and Personnel (page 19)**
  2–1 Supervision
  2–2 Employee Health
  2–3 Personal Cleanliness
  2–4 Hygienic Practices

- **WI Food Code, Chapter 3: Food (Page 30)**
  3–1 Characteristics
  3–2 Sources, Specifications, And Original Containers And Records
  3–3 Protection From Contamination After Receiving
  3–4 Destruction Of Organisms Of Public Health Concern
  3–5 Limitation Of Growth Of Organisms Of Public Health Concern
  3–6 Food Identity, Presentation, And On–Premises Labeling
  3–7 Contaminated Food
  3–8 Special Requirements For Highly Susceptible Populations

- **WI Food Code, Chapter 4: Equipment, Utensils, And Linens (Page 61)**
  4–1 Materials For Construction And Repair
  4–2 Design And Construction
  4–3 Numbers And Capacities
  4–4 Location And Installation
  4–5 Maintenance And Operation
  4–6 Cleaning Of Equipment And Utensils
  4–7 Sanitization Of Equipment And Utensils
  4–8 Laundering
  4–9 Protection Of Clean Items

- **WI Food Code, Chapter 5: Water, Plumbing, And Waste (Page 88)**
  5–1 Water
  5–2 Plumbing System
  5–3 Mobile Water Tank And Mobile Food Establishment Water Tank
  5–4 Sewage, Other Liquid Waste, And Rainwater
  5–5 Refuse, Recyclables, And Returnables

- **WI Food Code, Chapter 6: Physical Facilities (Page 101)**
  6–1 Materials For Construction And Repair
  6–2 Design, Construction, And Installation
  6–3 Numbers And Capacities
  6–4 Location And Placement
  6–5 Maintenance And Operation

- **WI Food Code, Chapter 7: Poisonous Or Toxic Materials (Page 111)**
  7–1 Labeling And Identification
  7–2 Operational Supplies And Applications
  7–3 Stock And Retail Sale

- **WI Food Code, Chapter 8: Public Toilet Rooms (Page 116)**
  8–1 Numbers, And Capacities.
  8–2 Supervision, Maintenance And Location
  8–3 Hand Washing Facilities

- **WI Food Code, Chapter 9: Mobile Food Establishments (Page 138)**
  9–1 General Requirements
  9–2 Water Supply
  9–3 Liquid Waste
  9–4 Pushcarts
  9–5 Operation And Installation
  9–6 Toilet Facilities

- **WI Food Code, Chapter 10: Temporary Food Establishments (Page 123)**
  10–1 General Requirements.
  10–2 Design And Location
  10–3 Sanitary Facilities

- **WI Food Code, Chapter 11: Special Organizations (Page 125)**
  This chapter's provisions have been removed from the WI Food Code and incorporated into the DHS Administrative Code Chapter DHS 196.045.

- **WI Food Code, Chapter 12: Certified Food Manager (Page 126)**
  12–1 Definitions
  12–2 Certification Requirement
  12–3 Approved Examination
  12–4 Recertification

K.4 Menu Approval Documentation

For specific policy, guidelines, portion sizes, and nutrient content standards, see Section **8.5** of this manual (Nutrition Program Operations, Food Service).

Attach completed form to the menu and file with the nutrition program for three years.

Menu Approval Documentation

For specific policy, guidelines, portion sizes, and nutrient content standards, see Section 8.5 of this manual (Nutrition Program Operations, Food Service).

Attach completed form to the menu and file with the nutrition program for three years.

Date/s menu served:_____

Meal Component or Nutrient Standard	1 Meal per Day		
	Minimum	Met ☑	Comments
Bread, grain or cereal	1-2 servings		
Vegetable and/or fruit	2 servings		
Vitamin A-rich	1 serving 2x/wk		
Vitamin C-rich	1 serving/day		
Milk or acceptable substitute	1 serving		
Meat, poultry, fish or meat alternate	1 serving		
Margarine, oil or butter	1 teaspoon		
Dessert (fruit encouraged)	1 serving		
Energy	685 calories or more		
Protein	19 grams or more		
Calcium	400 mg or more		
Fiber	8 g or more		
Sodium	1200 mg or less		
Vitamin A	1,000 IU (300 mcg RAE)		
Vitamin C	30 mg		

I certify that, to the best of my knowledge, each meal of the attached menu meets the standards for the Wisconsin Elderly Nutrition Program.

Signature:_____ Date:_____

Updated: 11/01/10

K.5 New or Relocated Dining Center

Per **Chapter 8** of this manual:

New or Relocated Dining Center

Please check one: New Dining Center ☐ Relocation of Dining Center ☐

Per Chapter 8- Nutrition Program Operations Section of the Manual of Policies and Procedures and Technical Assistance for the Wisconsin Aging Network Manual:

8.4.27- Administration of the Senior Dining (Congregate) Nutrition Program
This section includes policy as it relates to the administration of senior dining centers.

8.4.27.1- Location of Dining Centers
Dining centers shall be located in a facility where eligible individuals will feel free to attend. The dining center shall be free of architectural barriers which limit the participation of older persons.

8.4.27.2- New or Relocated Dining Centers
To open a new or to relocate a dining center, the nutrition program shall obtain approval from the area agency on aging. To obtain approval, the program shall complete and submit a "New or Relocated Dining Center" form (Appendix K.5) to the area agency for review, 60 days prior to the effective date of opening or relocation, or when feasible and demonstrate:

(1) That the program has sufficient resources necessary to support the dining center; and
(2) The need for the new dining center.

This information shall be included in the county/tribal plan or as an amendment to the current county/tribal plan submitted to the area agency on aging.

Questions to Consider:
1. How many individuals expressed an interest in attending this site? _____
2. The number and days of the week the site is being planned for? _____
_____
3. The number of days they plan to attend? _____
4. What is the average distance they would be driving (one-way) to attend? _____
5. Is the meal site located in a facility where eligible individuals feel free to attend? _____
6. Is the meal site free of architectural barriers that limit the participation of older persons? If not, how will these barriers be corrected? (i.e. in compliance with the Americans with Disabilities Act. Are the doors large enough for a wheel chair? Are there support bars in the bathroom? Is there a ramp?) _____
_____
7. Please complete the back of this form.

SIGNED:_____Date:_____
(County/Tribal Aging Unit Director)

To be completed by the AAA Staff in your region

Reviewed by: _____ Date: _____

Comments:

☐ Approved ☐ Declined

K.6 Considering a New Dining Center

Considering a New Dining Center

Here is a process to follow to help facilitate your decision. Remember the aging unit must demonstrate:

1. That the program has sufficient resources necessary to support the new site, and
2. The need for the new site.

This information must be included in your county/tribal plan as an amendment to the current county/tribe plan and submitted to the Area Agency on Aging and the Bureau on Aging and Disability Resources for review and approval.

1. Conduct a survey of the area residents to obtain the level of interest. A good rule of thumb is if 15-30 people express a strong interest and commitment to attend the new site, it is worth considering. It is also a good idea to open the site for a 3-6 month trial period and then reevaluate after this time to be sure the site is viable. This also allows you to continually monitor the site and make improvements/adjustments as needed to assure it will continue to be viable (i.e. You may need to advertise the site more or offer activities, and gimmicks to get folks in for the first time, for example free lunch for bringing a friend or for first time visitors; a punch card for participation and with X # of punches your name is entered in a drawing for a door prize or your 11th lunch is free, etc.).

a. The number of persons interested _____

b. The number and specific days of the week the site will be open _____

_____

c. The number of HDM coming out of the site _____

d. How will the new site be promoted/advertised?_____

_____

e. What activities will be offered at the site? (how often?) _____

_____

_____

f. Who will be the site manager? (Attach their job description and plan for safety/sanitation training/Certification)

_____

2. Visit the proposed new site to be sure it meets the following requirements:

a. Is there a phone/phone hookup? _____

b. Is there adequate lighting?_____

c. Is there raised carpeting or any other barrier folks could trip over? _____

d. Are there any stairs? If so is there also a ramp to accommodate wheelchairs etc.?_____

_____

e. Is there adequate electricity?_____

f. Is there adequate parking? _____

g. How will the garbage be removed from the facility?_____

h. Who will do the snow removal and clearing of the sidewalks? _____

i. Are any insects or pests noted?_____Is there a system in place for pest control?_____

_____

j. Will you have to pay rent or will the facility be in-kind?_____

k. Are HDM going to be packed and distributed from this site? _____If so how many? _____

l. Is there adequate storage for the supplies and is this storage secure?_____

m. What type of heat and cooling is available? Who monitors/upkeep's this equipment?_____

_____

n. Is there a 3-compartment sink?_____ If not, is there room for a bus tub on the counter to act as the third sink?

_____

_____

o. Is there a dishwasher? If so, what type and how will be used?_____

_____

p. Does the site have enough room for meals and activities? _____

q. Who will clean-the facility?_____

To what degree and how often? _____

3. Sample Survey: (see next page)

Updated 11/1/10

We are considering opening a new dining center in your area. Please take a few moments to complete this survey. Your input is valuable and will help us determine if a new meal site will be opened. Thank you for your time!

1. Have you ever attended a Senior Dining Center? Yes_____No_____

   a. If not, why?_____

2. Is cooking a balanced meal a problem for you? Yes_____ No_____

3. If we did open a new meal site, how many days would you attend per week?

   _____ 0 to 1 day, _____ 2 to 3 days _____ 4 to 5 days

4. Would you be able to get to the site?_____Yes _____No

5. How many miles would you be traveling (one way)?_____

6. Would you utilize transportation to the site if offered? _____

7. Would you be interested in activities at the site before or after the meal?

   _____ Yes _____ No If yes, what type of activities:

   a. _____ Bingo
   b. _____ Cards
   c. _____ Exercise
   d. _____ Support Groups
   e. _____ Health Clinics for toe nails, blood pressure, etc.
   f. _____ Guest speakers on various topics, not sales people
   g. _____ Craft making
   h. _____ Wood Working
   i. _____ Billiards (pool)
   j. _____ Book clubs
   k. _____ Other:
   _____

8. Do you have any special needs, such as need ramp access, special diet restrictions, etc.?

_____

K.7 Dining Center Closure or Days of Service Change

Dining Center Closure or Days of Service Change

Please check one: Permanent Closure ☐ Days of Service Change ☐

Temporary Closure ☐ Expected length of closure:_____

Due to various reasons (budget cuts, low attendance, etc.), you may be looking to make changes in one or more of your dining centers- whether it is consolidating, closing, adding, reducing, or changing serving days/times. In accordance with the Manual of Policies and Procedures and Technical Assistance for the Wisconsin Aging Network, Section 8.4 Nutrition Program Administration (see below), prior approval must be obtained from the Area Agency.

To help you and your commission in making such decisions, we suggest you use this form as a guide. This form should be completed and submitted to your local Area Agency 60 days prior to the effective date of closure or change in days of service, or when feasible.

Background:
Per the Manual of Policies and Procedures and Technical Assistance for the Wisconsin Aging Network Section 8.4 Nutrition Program Administration:

Section 8.4.1- Senior Dining (Congregate Meals Level of Service).
OAA Sec. 331. PART C. NUTRITION SERVICE. SUBPART 1:
CONGREGATE NUTRITION SERVICES PROGRAM AUTHORIZED:
"The Assistant Secretary shall carry out a program for making grants to States under State plans approved under Section 307 for the establishment and operation of nutrition projects that"

(1) 5 or more days a week (except in rural area where such frequency is not feasible (as defined by the Assistant Secretary by regulation) and a lesser frequency is approved by the State agency), provide at least one hot or other appropriate meal per day and any additional meals which the recipient of a grant or contract under this subpart may elect to provide;
(2) shall be provided in congregate settings; including adult day care facilities and multigenerational meal sites; and
(3) provide nutrition education, nutrition counseling, and other nutrition services, as appropriate, based on the needs of meal participants.

- Each nutrition program shall serve meals five (5) or more days per week for congregate-meal and home-delivered-meal service in at least one site. In areas where such frequency is not feasible, a lesser frequency must be approved by the area agency on aging.
- Each nutrition program shall provide hot or other appropriate meals, such as meals that are served when equipment breaks down or weather conditions make the serving of a hot meal inappropriate. Frozen meals may be served when determined appropriate for the individual.
- Meal frequency shall be reviewed annually to determine need for change.

Section 8.4.2- Home Delivered Meals: Level of Service
OAA Sec. 336. PART C: NUTRITION SERVICE. SUBPART 2:
HOME-DELIVERED NUTRITION SERVICES PROGRAM AUTHORIZED:
"The Assistant Secretary shall carry out a program to make grants to States under State plans approved under section 307 for the establishment and operation of nutrition projects for older individuals that provide"

(1) on 5 or more days a week (except in a rural area where such frequency is not feasible (as defined by the Assistant Secretary by rule) and a lesser frequency is approved by the State agency) at least 1 home delivered meal per day, which may consist of hot, cold, frozen, dried, canned, fresh, or supplemental foods and any additional meals that the recipient of a grant or contract under this subpart elects to provide; and

(2) nutrition education, nutrition counseling, and other nutrition services, as appropriate, based on the needs of meal recipients.

- Meals shall be served five (5) or more days per week for congregate-meal and home-delivered-meal service except in areas where such frequency is not feasible and a lesser frequency is approved by the area agency on aging.
- The nutrition program shall promptly meet an eligible individual's request for home delivered meals and shall continue to provide those meals as long as the person needs them. If the home-delivered-meal program is serving at capacity, then eligible individuals shall be put on a waiting list.
- Programs shall make every effort to provide meals seven (7) days per week and/or two (2) or three (3) meals per day to those who need them and/or have no other assistance with their nutritional needs.

Note Section 8.4.27.4. Dining Center Closure or Days of Service Change: Prior to permanently closing or changing the days of service at a dining center, written rationale for the closure or days of service change and written approval by the local commission on aging and the local advisory council shall be provided to the area agency for review and approval.

When a dining center is to be permanently closed or the days of service changes, the following procedures shall be followed:

(1) The nutrition program shall notify the area agency in writing of the intent to close a dining center or change the days of service and shall obtain approval from the area agency on aging. To obtain approval, the nutrition program shall complete and submit a "Dining Center Closure or Days of Service Change" form (Appendix K.6) to the area agency for review, 60 days prior to the effective date of closure or days of service change, or when feasible.

(2) The program shall present rationale for closing the dining center that is based on lack of attendance, inability to meet minimum standards and/or other requirements, loss of resources or other justifiable reasons.

(3) The respective area agency is to review the rationale and determine that all options for keeping the dining center open or relocating it have been exhausted. If there remains a need for service in the area that was served by the dining center, efforts should be made to develop a new dining center and/or assist participants in attending another existing dining center.

(4) The area agency shall approve in writing the closing or change in days of service of all dining centers operating with Title-III funds and shall notify BADR of all dining center closings and change in days of service.

(5) The program shall notify participants at a dining center to be closed of the intent to close at least 30 days prior to the last day of meal service.

Note Section 8.4.27.3. Temporary Closing of Dining Center: Nutrition programs shall identify for area agencies those days when they expect that a dining center will be closed for cleaning, repair, redecoration, problems with caterer, etc. When reporting to the AAA, programs should identify the days and explain how they will meet the participant's nutritional needs during the closure. If a nutrition program identifies that the dining center will be closed for more than one (1) week, the nutrition program shall obtain approval from the area agency on aging. To obtain approval, the program shall complete and submit a "Dining Center Closure or Days of Service Change" form (Appendix K.6) to the area agency for review, 60 days prior to the effective date of closure, or when feasible.

Updated 11/1/10

Request for Approval of Closing or Days of Service Change for Dining Centers

_____ Aging Unit

This form must be submitted to your local Area Agency on Aging 60 days prior to the anticipated date of change/closing.

Please answer the following questions for each congregate/home delivered nutrition program site in operation, which the aging unit anticipates changing through relocation, closing, reduction or increase in serving days.

1. Name of Site: _____
2. Community: _____
3. What is the expected change (i.e. relocation, closing, change in serving days, etc.) Be specific please.
   _____
4. What is the expected date this change will take place? _____
5. What are the reasons for the change? (Be specific)

- _____
- _____
- _____

6. Did participants at the site participate in the decision? (Be specific)

_____

7. If there is anyone at nutritional risk, are home-delivered meals arranged or some other arrangement to meet their nutritional needs? (Specify please)

_____
_____

8. With this change, how will the program assist current participants in getting to another site or in meeting their nutritional and social needs?

_____
_____

9. If there is a nutrition advisory council or nutrition committee, did they participate in the decision? (Be specific and attach minutes if available).

_____
_____
_____

10. Will this change result in decreased accessibility to the meal site by members of targeted population groups?

_____

11. What effect will this change have on current programs/activities being held at the site?

_____

12. What efforts are being made to maintain the congregate sites? _____

_____

13. What is the cost effect of this change? (+ or —) List items (i.e. rent, salary, volunteer mileage.)

_____

_____

_____

Federal: _____State: _____Local: _____Total

14. Did the Commission formally approve these changes or closing(s)?

(Attach minutes) _____

SIGNED:_____Date:_____
(County/Tribal Aging Unit Director)

TO BE COMPLETED BY THE AREA AGENCY ON AGING

Approved: _____
Disapproved: _____

Comments:

_____

_____

_____

Signed: _____ Date: _____

Title: _____

Index

rev 6-30-2011

600D, form, 12-84
A-122
Circular, 12-18
Circular, cost principals for non-profit organizations, H-1
A-87
Circular, 12-17
Circular, cost principals, G-1
AAA
aging difference, 2-11
appeal process for designation, 2-2
becoming, 2-2
code of ethics, 2-10
conflict of interest, 2-10
contract appeal by provider, 13-17
contract review, responsibility, 13-10
contribution responsibilities, 12-28
de-designation, 2-3
de-designation appeal process, 2-3
dissolution of, 2-3
EBS, contract for services, 9-11
EBS, contract with legal-assistance provider, 9-10
EBS, program integrity, 9-13
EBS, program monitoring and problem-solving, 9-12
EBS, program planning and coordination, 9-12
GAC, 12-12
grant agreements and contracts, 12-3
in the aging network, 1-4
match requirements of funds, 12-24
OAA, fiscal compliance assessment of AU, 12-47
organizational options, 2-1
organizational requirements, 2-1
policies and procedures, 2-4
prepayment from DHS, 12-9
prepayment to AU, 12-9
prepayment to special project recipients, 12-9
procedures and policies, 2-4
PSA, 2-1
PSA map, 1-6
reimbursement from DHS, 12-9
reimbursement to AU, 12-9
reimbursement to special project recipients, 12-9
responsibilities in EBS, 9-10
role of, AU plan, 5-2
special project recipient prepayment and reimbursement, 12-9
staffing requirements, 6-1
AAA advisory council, 2-8
AAA plan participation, 4-8
compensation, 2-10
meeting frequency, 2-10
open meetings, 2-10
AAA approval, annual AU plan amendments, 5-12
AAA board, 2-4
AAA plan participation, 4-8
assignments, 4-9
by-laws, 2-6
closed meetings, 2-7
compensation, 2-8
job description of member, 2-5
meeting frequency, 2-8
member job description, 2-5
member role, 2-4
membership, and tenure, 2-5
open meetings, 2-6
tenure, and membership, 2-5
AAA council, assignments, 4-9
AAA hearing process, 5-8
AAA plan, 4-1
aging difference, 4-16
annual amendments, 4-15
annual amendments, BADR approval, 4-15
annual amendments, role of advisory council and board, 4-15
annual amendments, status report, 4-16
appeal process for disapproval, 4-13
appeal process, suspension, 4-13
approval of, 4-12
assignments, board and council, 4-9
conditional approval of, 4-12
contract award, 13-2
disapproval of, 4-12
format, 4-9
frank report on previous, 4-8
funds, obligation and expenditure, 12-3
information but not decisions, 4-8
mid-year amendments, 4-15
OAA, 4-1
participation of older people, 4-7
participation, board and advisory council, 4-8
procedures, approval or disapproval, 5-7, 4-11
public hearings, 4-9
public hearings, comment opportunity, 4-10
public hearings, location and number, 4-10
public hearings, participation of board and advisory council, 4-10
public hearings, public notice, 4-10
public hearings, summary of comments, 4-10

public hearings, time, 4-9
purpose, 4-1
relationship to contracts, 13-2
requirements and techniques, 4-7
role, aging units, 4-11
SUA, role of, 4-6
suspended, consequences of, 4-13
suspended, reinstatement of, 4-13
suspension, 4-13
terminated, appeal process, 4-15
terminated, consequences, 4-14
terminated, final report, 4-14
terminated, reinstatement, 4-14
termination, 4-14
abbreviations, WAFR, 12-62
abuse, elder(ly), *see* EA
acceptable match, 12-21
acceptable milk substitute, 8-52
acceptance
contracts, 12-2
grant agreements, 12-2
access, records, 12-39
access coordination, NAPIS, 14-7
access standards, I&A, 10-6
access to health insurance, 9-6
access to services, equal opportunity form, 7-20
accessibility, EBS, 9-8
accommodation
reasonable, 6-23
religious, 6-22
accomplishments, E-9
identifying, E-7
account structure, 12-33
accounting
cash vs accrual, 12-33
modified accrual basis, 12-33
practices, 12-32
accounting controls, 12-35
accounting system, internal controls, I-3
accounts, balance, 12-60
accrual, vs cash, 12-33
accrual basis, modified, accounting, 12-33
acknowledgement, of employees, 6-5
acronyms, WAFR, 12-62
ACTION, designated volunteer agencies, 12-24
action plan, compliance, (sub)contractors, 7-17
action planning, E-32
developing plans, E-33
purpose, E-32
sample format, E-35
activities of the governing entity, I-1
activities, core, *see* core activities
ADA
prohibited inquiries and examinations, 6-24
Title I and Title V, 6-21, 6-23
additional funding, prepayments for, 12-9
additional meals, NP, high-risk individuals, 8-23
addressing priority issues, techniques for, EBS, 9-8
ADEA, 6-22
administration
contract, 13-1
home-delivered meals, 8-42
NAPIS, 14-7
NP, 8-13
NP, and labor, 8-26
senior dining, NP, 8-38
Administration on Aging, *see* AoA
administrative budget, actual expenditures less than estimated, 12-13
adult day health, NAPIS, 14-4
adult day-care, NAPIS, 14-4
advertising, formal, procurement, 13-7
advisory committee
participation, public hearings, AU plan, 5-6
role, annual amendments, AU plan, 5-11
role, AU plan, 5-7
service delivery, 7-5
advisory council
AAA, 2-8
NP, 8-6
NP, by-laws, 8-7
NP, meetings, 8-6
NP, membership and structure, 8-6
NP, roles and responsibilities, 8-6
participation, public hearings, AAA plan, 4-10
role of, annual amendments, AAA plan, 4-15
advocacy
AU plan, 5-1
EBS, 9-38
EBS, other considerations, 9-40
EBS, permitted activities, 9-39
EBS, prohibited activities, 9-40
I&A, 10-6
affirmative action, 6-16
regarding counties and provider agencies, 6-26
requirements, 6-25
age discrimination, 6-22

Age Discrimination in Employment Act, *see* ADEA
agency mandates
clarifying, E-10
current list, E-11
agency organizational structure, I-1
aging difference
AAA, 2-11
AAA plan, 4-16
aging network, 1-7
and planning, planning tools, E-46
AU, 3-12
AU plan, 5-12
planning tools, E-1
aging financial reports, Wisconsin, *see* WAFR
aging network
AAA's, 1-4
aging difference, 1-7
aging units, 1-7
AoA, 1-3
BADR, 1-4
definition, 1-1
flow chart of, 1-3
I&A minimum requirements, 10-2
other organizations, 1-7
overview, 1-1
planning tools, E-1
structure of, 1-2
aging plan, developing, strategic plan, E-31
aging unit(s), county and/or tribal, *see* AU or CAU or TAU
agreement, joint, NP, 8-68
agreements
AAA grant, 12-3
grant, 12-1
grant, acceptance of, 12-2
state grant, 12-2
alcohol use, 6-24
allocable costs, 12-32
allocated costs, 12-18
allocation
of cost, 12-18
of slots, WISE, A-3
allowable cost policies, 12-17
allowable cost policy manual, F-1
allowable costs, 12-32
contract payment, 13-15
payment following closeout period, GAC, 12-12
alternative to meat, 8-53
ALZ190, form instructions, 12-64
ALZH190, form, 12-81
Alzheimer's, support for persons and caregivers, DHS 68, C-1
amendments
annual, AAA plan, 4-15
annual, AAA plan, approval by BADR, 4-15
annual, AAA plan, role of advisory council and board, 4-15
annual, AAA plan, status report, 4-16
annual, AU plan, 5-11
annual, AU plan, approval by AAA, 5-12
annual, AU plan, role of advisory committee and policy-making body, 5-11
annual, AU plan, status report, 5-12
AU plan, NFCSP requirements, 11-7
contracts, 13-15
fiscal and program reports, 12-41
mid-year, AAA plan, 4-15
mid-year, AU plan, 5-11
to awards, 12-2
Americans, Dietary Guidelines, 2000, 8-43
Americans with Disabilities Act (of 1990), *see* ADA
amount
carryover, 12-15
carryover, notification of, 12-16
analysis
NP meal cost, 8-27
of menu nutrients, 8-46
of menus, 8-47
analysis of constituents, E-13
analyzing options, E-25
animals, NP, 8-64
annual amendments
AAA plan, 4-15
AAA plan, approval by BADR, 4-15
AAA plan, role of advisory council and board, 4-15
AAA plan, status report, 4-16
AU plan, 5-11
AU plan, approval by AAA, 5-12
AU plan, role of advisory committee and policy-making body, 5-11
AU plan, status report, 5-12
annual fiscal report, form FR180B, 12-83
AoA, in the aging network, 1-3
appeal
audit report recommendations, 12-45
contract decision, 13-17
contracts, hearing procedures, 13-18
contracts, hearing schedule, 13-17
contracts, request for hearing, 13-17

appeal process
AAA de-designation, 2-3
AAA designation, 2-2
disapproval of AAA plan, 4-13
disapproval of AU plan, 5-8
suspension of AAA plan, 4-13
suspension of AU plan, 5-10
termination of AAA plan, 4-15
termination of AU plan, 5-11
WEA non-compliance, AU, 3-12
approval
AAA plan, 4-12
AU plan, 5-7
by AAA, annual AU plan amendments, 5-12
by BADR, annual AAA plan amendments, 4-15
conditional, AAA plan, 4-12
conditional, AU plan, 5-7
menu, documentation, K-6
procedures for, AAA plan, 4-11
procedures for, AU plan, 5-7
area agency(ies) on aging, *see* AAA
areas for improvement, E-9
assessing operating environment, E-16
desired outcomes, E-22
purpose, E-16
assessment
contractors, 13-19
contractors, formal, 13-19
external, opportunities and threats, E-16
individual, WISE, A-3
internal, strengths and weaknesses, E-16
assigning authority and responsibility, I-2
assignments
AAA board and council, 4-9
AU policy-making body and advisory committee, 5-5
assistance
providers, contracts, 13-19
provision, I&A, 10-5
assisted transportation, NAPIS, 14-4
assurances
contract elements, 13-14
legal assistance, 9-1
attorney, supervising, communication with, 9-29
AU
aging difference, 3-12
closed meetings, 3-9
COA, 3-5
code of ethics, 3-10
confidentiality standard, 9-30
conflict of interest, 3-11
contract appeal by provider, 13-17
contract recipient prepayment and reimbursement, 12-9
contract review, responsibility, 13-10
contribution responsibilities, 12-28
creation of, 3-1
duties, and powers, 3-3
GAC, 12-11
in the aging network, 1-7
meeting needs, 4-9
non-compliance with WEA, 3-12
OAA, fiscal compliance assessment by AAA, 12-47
open meetings, 3-8
organizational options, 3-2
organizational requirements, 3-1
overview, 3-1
powers, and duties, 3-3
prepayment from AAA, 12-9
prepayment to contract recipients, 12-9
reimbursement from AAA, 12-9
reimbursement to contract recipient, 12-9
role, AAA plan, 4-11
staff, 3-7
staffing requirements, 6-3
WEA, 3-2
WEA non-compliance, appeal process, 3-12
AU advisory committee
assignments, 5-5
AU plan participation, 5-4
AU COA
compensation, 3-7
composition, 3-6
powers and duties, 3-5
term limits, 3-6
AU plan, 5-1
AAA, role of, 5-2
advocacy, 5-1
aging difference, 5-12
amendment, NFCSP requirements, 11-7
annual amendments, 5-11
annual amendments, approval by AAA, 5-12
annual amendments, role of advisory committee and policy-making body, 5-11
annual amendments, status report, 5-12
appeal process for disapproval, 5-8
appeal process, suspension, 5-10
approval of, 5-7
assignments, policy-making body and advisory committee, 5-5
catalyst for change, 5-1
conditional approval of, 5-7

direct support, 5-1
disapproval of, 5-8
format, 5-5
frank report on previous, 5-4
indirect support, 5-1
information but not decisions, 5-4
mid-year amendments, 5-11
older people, meeting needs, 5-5
participation of older people, 5-3
participation, policy-making body and advisory committee, 5-4
public hearings, 5-5
public hearings, comment opportunity, 5-6
public hearings, location and number, 5-6
public hearings, participation of policy-making body and advisory committee, 5-6
public hearings, public notice, 5-5
public hearings, summary of comments, 5-6
public hearings, time, 5-5
purpose, 5-1
requirements and techniques, 5-2
role, advisory committee, 5-7
SUA, role of, 5-2
suspended, consequences of, 5-9
suspended, reinstatement of, 5-9
suspension, 5-9
terminated, appeal process, 5-11
terminated, consequences, 5-10
terminated, final report, 5-10
terminated, reinstatement, 5-10
termination, 5-10
WEA, 5-2
AU policy-making body
assignments, 5-5
AU plan participation, 5-4
audit, mission, E-15
audit report policy, 12-42
definition, 12-42
purpose, 12-42
audit reports
appeal of recommendations, 12-45
clearance, 12-42
content, 12-42
distribution, 12-43
resolution, 12-43
response content, 12-44
response review, 12-45
response timetable, 12-44
responses, 12-44
audit review checklist, 12-53
audits, 12-32, 12-41, 12-61
costs, 12-42
general info, 12-41
retention of records, 12-38
authority, assigning, I-2
authorization
NP, comparable education or experience, 8-5
written, retention of records, 12-39
authorization thresholds, 12-58
award, notification of, 12-1
award of funds, 12-1
award(ing) of contracts, *see* contract award
awarding agency
contract review, 13-10
contract review, pre-award, 13-10
awarding agency review, fiscal and program reports, 12-41
awards, amendments to, 12-2
background, EBS conflict of interest, 9-31
BadgerCare, 9-6
BADR
hearing process, 2-2
in the aging network, 1-4
responsibilities in EBS, 9-9
BADR approval, annual AAA plan amendments, 4-15
balance accounts, 12-60
bank reconciliation, 12-60
bare hands, WI Food Code, 8-67
basis
for determination of carryover, 12-14
standard of confidentiality, EBS, 9-28
becoming an AAA, 2-2
benefit plans, employee, 6-13
benefits
employee handbook, 6-6
FGP, NSSCP, B-3
health care, cessation of, 6-19
RSVP, NSSCP, B-2
SCP, NSSCP, B-5
social security, 9-6
bidding, sealed, procurement, 13-7
bidding, sealed, *see* sealed bidding
bids, sealed, *see* sealed bidding
BIW, funding source, 8-10
BOALTC ombudsman
coordination of referrals, 9-36
EBS, coordination, 9-35
responsibilities, COP, 9-36
responsibilities, nursing home, 9-35
BOALTC's Medigap, *see* Medigap
board
AAA, 2-4
participation, public hearings, AAA plan, 4-10

role of, annual amendments, AAA plan, 4-15
board member, AAA, role of, 2-4
Board on Aging and Long Term Care Resources, *see* BOALTC
bonding, 12-60
bookkeeping, double-entry, 12-33
Brain Injury Waiver, *see* BIW
bread, 8-50
breakfast, NP, and brunch, 8-37
brochures, contribution, 8-11
brunch, NP, and breakfast, 8-37
budgets, comparison to expenditures, 12-31
Bureau of Aging and Disability Resources, *see* BADR
butter, 8-54
by-laws
AAA board, 2-6
NP advisory council, 8-7
calculation, NP meal cost, 8-27
capacity, contract recipients, eligibility, 13-3
capital expenditures
depreciation, 12-36
depreciation, exempt from requirements, 12-36
care coordination, NAPIS, 14-7
care of records, 12-40
care programs, long-term care, community-based, 8-19
caregivers
eligibility for informal, 8-21
NAPIS Report, 14-2
caregivers and persons with Alzheimer's, support for, DHS 68, C-1
carryout meals, NP, 8-33
carryover, 12-13
amount, 12-15
causes, 12-13
definition, 12-13
determination of, 12-14
determination, basis for, 12-14
notification of amount, 12-16
skip-year, 12-14
CARS, 12-4
expenditures, aging, form 600D, 12-84
payment pattern with prepayment, 12-8
case management, NAPIS, 14-4
cash, vs accrual, 12-33
cash fund, petty, imprest, 12-59
cash match, 12-21
cash receipts, control of, 12-58
catalyst for change, AU plan, 5-1
CAU
monitoring and QA, 9-21
operation, 9-18
planning and coordination, 9-20
program integrity, 9-22
responsibilities, 9-18
staffing, 9-18
training, 9-18
causes, carryover, 12-13
CCPA, 6-16
center(s), dining, *see* dining centers
central kitchens, 8-59
cereal, 8-50
certification, serving safe food, 8-64
certification of claim, form, 12-85
certified dietitian, NP, 8-4
cessation of health-care benefits, 6-19
changing days of service, dining centers, 8-39
Chapter 115 Laws of WI, 1973, 8-68
characteristics, elderly clients, NAPIS, 14-3
checklist, audit review, 12-53
checks, expenditure, 12-58
chore, NAPIS, 14-4
CIP, funding source, 8-10
Circular A-122, 12-18
cost principals for non-profit organizations, H-1
Circular A-87, 12-17
cost principals, G-1
Circular No. A-122, 12-18
Circular No. A-87, 12-17
citizen involvement, service delivery, 7-1
civil rights, 6-16
compliance, 6-25
compliance action plan, contractors and subcontractors, 7-17
Civil Rights Act of 1964, 6-20
Civil Rights Act of 1991, 6-21
claim, certification of, form, 12-85
clarifying agency mandates, E-10
desired outcomes, E-10
purpose, E-10
classification system, I&A, 10-3
cleaning food, FSS, 8-62
clearance, audit reports, 12-42
clerical staff, NAPIS, 14-7
client permission, disclosure, 9-30

client service population analysis, equal opportunity form, 7-24
client services, necessity of disclosure, 9-29
closed meetings
AAA board, 2-7
AU, 3-9
closeout period, allowable cost payment following, GAC, 12-12
closing out a GAC, 12-11
closure
dining center, K-11
dining centers, 8-39
temporary, dining centers, 8-39
CM110
form, 12-73
form instructions, 12-64
COA
AU, 3-5
discussion guide, strategic planning, E-6
COBRA, 6-13
code of conduct
contracts, 13-9
personnel policies, 6-7
code of ethics
AAA, 2-10
AU, 3-10
collection
data, I&A, 10-7
wage, 6-19
collection information, measuring performance, E-45
comment
opportunity for, public hearings, AAA plan, 4-10
opportunity for, public hearings, AU plan, 5-6
comments
summary of, public hearings, AAA plan, 4-10
summary of, public hearings, AU plan, 5-6
Commission on Aging, *see* COA
communication, supervising attorney, 9-29
Community Aids Reporting System, *see* CARS
community education, EBS, 9-9
Community Integration Program, *see* CIP
Community Options Program, *see* COP
Community Options Program Waiver, *see* COP-W
community service assignment, *see* CSA
Community Supported Living Arrangement, *see* CSLA
community-based programs, long-term care, 8-19
community-based services, EBS, 9-7
comparable education or experience, NP, 8-5
comparison, budgets to expenditures, 12-31
compensating controls for small agencies, I-4
compensation
AAA advisory council, 2-10
AAA board, 2-8
AU COA, 3-7
employee handbook, 6-6
competing interests, EBS, 9-32
competition, open, procurement, 13-5
competitive proposals, RFP, procurement, 13-8
competitive sealed bidding, procurement, 13-7
complaint
process of, employment discrimination, 7-14
process of, service delivery discrimination, 7-10
complaint procedure, NP, 8-23
compliance
civil rights, 6-25
contract, 13-1
contract recipients, eligibility, 13-3
compliance action plan, contractors and subcontractors, 7-17
compliance assessment, OAA, fiscal, AAA of AU, 12-47
compliance controls, 12-35
composition, AU COA, 3-6
computers, 12-61
conditional approval
AAA plan, 4-12
AU plan, 5-7
conditions, sealed bidding, procurement, 13-7
conduct, code of, *see* code of conduct
confidentiality
EBS program, and integrity, 9-28
I&A, 10-8
legal-assistance services, 9-2
NP participants, 8-25
NP, records, reports, information distribution, 8-24
records, 12-39
service delivery, 7-7
standards for, 9-3

confidentiality standard
AU, 9-30
EA, 9-31
EBS, 9-29
EBS, basis for, 9-28
exceptions, EBS, 9-29
rule breakers, 9-31
conflict of interest, 6-7
EBS program, 9-31
EBS, background, 9-31
EBS, policy, 9-32
in the AAA, 2-10
in the AU, 3-11
congregate, NP administration, 8-38
congregate meal, NAPIS, 14-4
congregate meals
eligibility, 8-16
service level, 8-13
consequences
suspended AAA plan, 4-13
suspended AU plan, 5-9
terminated AAA plan, 4-14
terminated AU plan, 5-10
considerations, other, EBS advocacy and lobbying, 9-40
considering new dining center, K-8
Consolidated Omnibus Budget Reconciliation Act (of 1985), *see* COBRA
constituent needs and demands, identifying, E-12
constituents, analysis of, E-13
consumer, credit protection, 6-16
Consumer Credit Protection Act, *see* CCPA
consumer issues, EBS, 9-7
content
audit report response, 12-44
audit reports, 12-42
contract
AAA with legal-assistance provider, EBS program, 9-10
AAA, for EBS services, 9-11
contract award
AAA plan, 13-2
procedures, 13-2
service proposals, 13-2
written procedures, 13-2
contract elements, 13-13
assurances and provisions, 13-14
general, 13-13
contract management procedure, 12-3
contract period, end of, obligated funds expenditure, 12-14
contract procurement, *see* procurement
contract recipient
prepayment and reimbursement from AU, 12-9
reporting requirements, 13-18
contract recipients
eligibility, 13-3
eligibility, capacity, 13-3
eligibility, compliance, 13-3
eligibility, general info, 13-3
eligibility, incorporation, 13-3
contract review
awarding agency, 13-10
awarding agency, pre-award, 13-10
monitoring, 13-11
policies, 13-10
pre-award, exemptions, 13-11
pre-award, requirements, 13-10
pre-award, self-certification, 13-11
responsibility, AAA and AU, 13-10
contracting
overview, 13-1
purpose, 13-1
contractors
assessment, 13-19
assessment, formal, 13-19
civil rights compliance action plan, 7-17
monitoring, 13-19, 13-19
contracts, 12-1
AAA, 12-3
AAA plan relationship, 13-2
acceptance of, 12-2
administration, 13-1
amendments, 13-15
appeal by provider, 13-17
appeal hearing procedures, 13-18
appeal hearing request, 13-17
appeal hearing schedule, 13-17
code of conduct, 13-9
compliance, 13-1
cost, 13-4
funding contingency, 13-15
government, 6-16
labor surplus area firms, 13-3
minority firms, 13-3
multi-year, 13-12
NP meal service, 8-28
payment, 13-14
payment methods, 13-15
payment, allowable costs, 13-15
payment, standards, 13-14
price analysis, 13-4
profit-making organizations, 13-4

provider training and assistance, 13-19
requirements, 13-2
responsibilities, 13-2
revision, 13-15
revisions, 13-15
single-year, 13-12
small firms, 13-3
social services provision, 13-1
suspension, 13-16, 13-15
suspension, circumstances, 13-16
suspension, effects, 13-16
suspension, procedures, 13-17
termination, 13-15, 13-16
termination, circumstances, 13-16
termination, convenience, 13-17
termination, effects, 13-16
termination, procedures, 13-17
women's business enterprises, 13-3
written, procurement, 13-9
contracts, one year, *see* single-year contracts
contribution, signs and brochures, 8-11
contribution schedule, suggested, 12-27
contributions
AAA and AU responsibilities, 12-28
as program income, NP, 8-12
OAA services, requirements for, 12-27
policies, 12-27
service delivery, 7-7
staff management, 8-12
voluntary, funding source, 8-10
contributions as program income, 8-12
control
cash receipts, 12-58
internal, 12-31, 12-34
control environment, I-1
control procedures, I-3
controls
accounting, 12-35
compensating, for small agencies, I-4
compliance, 12-35
operating, 12-34
payroll, 12-60
controls methods, monitoring performance, I-2
controls, internal, *see* internal controls
convenience, termination of contract(s), 13-17
coordination
AAA in EBS program, 9-12
access/care, NAPIS, 14-7
BOALTC ombudsman and EBS, 9-35
CAU, and planning, 9-20
EBS and Medigap helpline, 9-36
EBS, and planning, 9-27
LBP, and planning, 9-16
NFCSP services, 11-5
NP, with WI Public Instruction NP, 8-68
coordination of referrals, BOALTC ombudsman and EBS, 9-36
coordinator, equal opportunity, *see* EOC
COP, 9-7
funding source, 8-10
responsibilities, BOALTC ombudsman and EBS, 9-36
copies, WI Food Code, 8-60
COP-W, 9-7
funding source, 8-10
core activities, identifying, E-22
corrections, fiscal and program reports, 12-41
cost
allowable, policies, 12-17
contracts, 13-4
cost allocation, 12-18
cost analysis, NP meals, 8-27
cost calculation, NP meals, 8-27
cost containment, NP, 8-25
cost policy manual, allowable, F-1
cost principals, state, local and tribal government, G-1
cost principals for non-profits, H-1
cost share, NFCSP, 11-7
cost sharing, service delivery, 7-7
costs
allocated, 12-18
allowable and allocable, 12-32
allowable, payment following closeout period, GAC, 12-12
audits, 12-42
direct, 12-18
direct and indirect, county agencies, 12-19
direct and indirect, other agencies, 12-20
direct and indirect, tribal governments, 12-19
indirect, 12-18
council, advisory, *see* advisory council
counseling
NAPIS, 14-4
nutrition, 8-16
count, NSIP meals, 8-8
counties
affirmative action, 6-26
affirmative action requirements, 6-25
civil rights compliance, 6-25
EEO, 6-26

county agencies, costs, direct and indirect, 12-19
county aging unit(s), *see* AU or CAU
coupon systems, meal, 8-13
courses of action, contract suspension or termination, 13-16
coverage issues, insurance, 9-6
creation, AU, 3-1
credit, consumer protection, 6-16
criminal activity, exceptions to confidentiality standard, 9-30
Critical Control Point, Hazard Analysis, 8-64
critical issues
  identification and description, E-24
  identifying, E-22
  management of, E-5
CSA
  definition, WISE, A-7
  length, WISE, A-7
CSLA, funding source, 8-10
data collection
  I&A, 10-7
  service delivery, 7-7
database, I&A, 10-4
date marking, WI Food Code, 8-66
day of rest in seven, one, 6-18
days of service, changing for dining centers, 8-39
deadline, NAPIS Report, 14-1
debt remediation, medical, 9-6
decisions
  AAA plan, 4-8
  AU plan, 5-4
de-designation
  AAA, 2-3
  AAA appeal process, 2-3
defining mission and purpose, E-14
  desired outcomes, E-14
  purpose of step, E-14
definition
  aging network, 1-1
  audit report policy, 12-42
  carryover, 12-13
  CSA, WISE, A-7
  EBS role, 9-23
  host agency, WISE, A-6
  legal assistance, 9-1
  NFCSP terminology, 11-2
  program income, 12-25
definitions
  NAPIS, 14-4
  NAPIS Report, 14-2
  other, NAPIS, 14-7
delivery, *see* service delivery
demands, constituent, identifying, E-12
demonstration of knowledge, WI Food Code, 8-66
Department of Health and Family Services, Wisconsin, *see* DHS
Department of Health and Human Services, U.S., *see* HHS
Department of Health Services, Wisconsin, *see* DHS
depreciation, 12-36
Dept of Public Instruction Joint Agreement, 8-68
description, critical issues, E-24
designation
  AAA appeal process, 2-2
  EOC, employment, 7-14
  EOC, service delivery, 7-10
designation of coordinator, equal opportunity form, 7-19
desired outcomes
  assessing operating environment, E-22
  clarifying agency mandates, E-10
  defining mission and purpose, E-14
  identifying accomplishments and improvements, E-8
  identifying constituent needs and demands, E-12
  identifying core activities, E-22
  identifying critical issues, E-26
  organizing planning, E-7
dessert, 8-54
determination
  carryover, 12-14
  of carryover, basis for, 12-14
developing aging plan, strategic plan, E-31
developing plans, action planning, E-33
development
  goals, E-25
  NAPIS, 14-7
  NFCSP staff, 11-7
  NP menus, 8-55
deviated payments, 12-10
DHFS, *see* DHS
DHHS, *see* HHS
DHS
  prepayment to AAA, 12-9
  reimbursement to AAA, 12-9
DHS 68, Support for Persons with Alzheimer's and Their Caregivers, C-1

Dietary Guidelines for Americans, 2000, 8-43
dietary reference intake(s), *see* DRI
dietary reference intakes, 8-43
dietician, *see* dietitian
dietitian, certified, *see* certified dietitian
dietitian, registered, *see* registered dietitian
dining center
- closure, K-11
- considering new, K-8
- new, K-7
- relocated, K-7
- service change, K-11

dining center managers, NP, 8-3
dining centers
- changing days of service, 8-39
- closure, 8-39
- facility agreement, 8-41
- facility and equipment, 8-40
- in restaurants, 8-41
- in senior centers, 8-40
- location, 8-38
- new or relocated, 8-38
- prayer, 8-40
- temporary closure, 8-39

direct costs, 12-18
- county agencies, 12-19
- other agencies, 12-20
- tribal governments, 12-19

director
- NP, 8-2
- nutrition, FSS, 8-60

disability
- individual with a, 6-23
- qualified individual with a, 6-23
- SSI, 9-6

disapproval
- AAA plan, 4-12
- appeal process for, AAA plan, 4-13
- appeal process for, AU plan, 5-8
- AU plan, 5-8
- procedures for, AAA plan, 4-11
- procedures for, AU plan, 5-7

disaster plans, NP, 8-30
disclosure
- and reporting, labor-management, 6-16
- client permission, 9-30
- implicit in representation, 9-30
- necessary for providing services to clients, 9-29
- standards for, 9-3

discounted food, usage, 8-58
discretion of the recipient, 12-27
discrimination
- age, 6-22
- employment, complaint process, 7-14
- practices prohibited by law, 6-21
- practices prohibited by law, other, 6-22
- pregnancy-based, 6-22
- service delivery, complaint process, 7-10
- sex, 6-22

discrimination complaint, equal opportunity form, 7-21
discussion guide, COA strategic planning, E-6
dissolution, AAA, 2-3
distribution
- audit reports, 12-43
- funds, NFCSP, 11-6

distribution of information, NP, 8-24
documentation
- menu analysis, 8-47
- menu approval, K-6
- source, 12-32

documents, serially-numbered, 12-60
donated food, usage, 8-58
donated goods, valuation, 12-22
double-entry bookkeeping, 12-33
DRI's, 8-43
drug use, 6-24
drug-free workplace, 6-8
drugs, assistance programs, 9-6
duration of funding, 12-2
duties
- AU COA, and powers, 3-5
- AU, and powers, 3-3
- EBS, 9-3
- segregation of, 12-58

EA
- confidentiality standard, 9-31
- EBS role in, 9-33
- expenditures, form EA165, 12-79
- retaliation, 6-17
- Wisconsin's law, D-1

EA165
- form, 12-79
- form instructions, 12-64

EBS
- AAA responsibilities, 9-10
- AAA, contract for services, 9-11
- AAA, contract with LAP, 9-10
- AAA, program integrity, 9-13
- AAA, program monitoring and problem-solving, 9-12
- AAA, program planning and coordination, 9-12
- accessibility, 9-8

advocacy and lobbying, 9-38
advocacy and lobbying, other considerations, 9-40
advocacy and lobbying, permitted activities, 9-39
advocacy and lobbying, prohibited activities, 9-40
BADR responsibilities in, 9-9
BOALTC ombudsman, coordination, 9-35
community education, 9-9
community-based services, 9-7
competing interests, 9-32
confidentiality standard exceptions, 9-29
conflict of interest, 9-31
conflict of interest, background, 9-31
conflict of interest, policy, 9-32
consumer issues, 9-7
coordination of referrals, 9-36
coordination with Medigap helpline, 9-36
definition of role, 9-23
duties, 9-3
expenditures, form EBS160, 12-78
federal law, 9-1
federal regulations, 9-2
general standard of confidentiality, 9-29
housing and utilities, 9-7
legal authority, 9-1
match requirements of funds, 12-24
monitoring and reporting, 9-28
other issues, 9-7
other issues in program integrity, 9-34
outreach, 9-9
planning and coordination, 9-27
priority issue areas, 9-5
program history, 9-4
program integrity and confidentiality, 9-28
program operation, 9-24
program purpose, 9-4
responsibilities, 9-23
responsibilities, COP, 9-36
responsibilities, in relation to Medigap helpline, 9-38
responsibilities, nursing home, 9-35
role, EA, 9-33
staffing and training, 9-27
standard of confidentiality, basis for, 9-28
state law, 9-3
targeting resources, 9-5
techniques for reaching targeted groups and addressing priority issues, 9-8
EBS program, 9-1
EBS160
form, 12-78
form instructions, 12-64
education
community, EBS, 9-9
comparable, NP, 8-5
NAPIS, 14-4
nutrition, 8-15
EEO, 7-13
laws, 6-20
regarding counties and provider agencies, 6-26
effects of suspension, contracts, 13-16
effects of termination, contracts, 13-16
efficiency measures, performance indicators, E-40
effort, maintenance of, NFCSP, 11-5
elder(ly) abuse, *see* EA
Elderly Benefit Specialist (Program), *see* EBS
elderly clients
characteristics, NAPIS, 14-3
NAPIS Report, 14-2
Elderly Nutrition Improvement Program, WI law, 8-68
elements, contract(s), *see* contract elements
eligibility
caregivers, informal, 8-21
congregate meals, 8-16
contract recipients, 13-3
contract recipients, capacity, 13-3
contract recipients, compliance, 13-3
contract recipients, general info, 13-3
contract recipients, incorporation, 13-3
FGP, NSSCP, B-3
home-delivered meals, 8-17
informal caregivers, 8-21
NP participants, at a glance, 8-22
NP services, 8-16
NP, all others, 8-21
NP, non-elderly disabled living alone, 8-20
RSVP, NSSCP, B-2
SCP, NSSCP, B-4
senior dining meals, 8-16
WISE, A-2
eligible meal count, NSIP, 8-8
emergency, preparedness, NP, 8-29
emergency meals, NP, 8-37
employee
open records, 6-18
public, safety and health, 6-17
right to know, 6-17
employee acknowledgement, 6-5
employee benefit plans, 6-13

employee handbook
compensation and benefits, 6-6
general policies, 6-5
introduction, 6-5
personnel policies, 6-5
employee health, WI Food Code, 8-66
employer requirements, 6-13
due to government contracts, 6-16
employers, covered by law, 6-24
employment
designation of EOC, 7-14
equal opportunity, 7-13
equal opportunity requirements, meeting, 7-17
equal opportunity, service delivery, 7-8
fair, 6-16
policy statement and notification, 7-14
self-evaluation of policies and practices, 7-16
uniformed services, 6-15
Employment Polygraph Protection Act, *see* EPPA
Employment Retirement Income Act, *see* ERISA
end of year, social services funds, 12-14
engaging people, service delivery, 7-3
enhancing security, WI Food Code, 8-67
entities, covered by law, 6-24
EOC
employment, 7-14
service delivery, 7-10
EPA, 6-23, 6-21
EPPA, 6-15
equal employment opportunity, *see* EEO
equal opportunity, 6-5
employment, 7-13
form, access to services, 7-20
form, client service population analysis, 7-24
form, coordinator designation, 7-19
form, discrimination complaint, 7-21
form, policy statement, 7-18
form, self-evaluation, 7-22
form, workforce analysis, 7-23
policy, 7-17
requirements, service delivery and employment, 7-17
service delivery, 7-9
service delivery and employment, 7-8
equal opportunity coordinator, *see* EOC
Equal Pay Act (of 1964), *see* EPA
equipment
depreciation, 12-36
depreciation, exempt from requirements, 12-36
dining centers, 8-40
NP, and supplies, 8-26
ERISA, 6-13
establishing and maintaining a system of internal controls, I-1
estimated expenditures, actual is less than in admin budget, 12-13
ethics
code of, AAA, 2-10
code of, AU, 3-10
ethnic meals, NP, 8-37
ethnicity, NAPIS Report, 14-3
evictions, 9-7
examinations, prohibited by ADA, 6-24
exams, FSS, 8-63
exceptions, confidentiality standard, EBS, 9-29
excess of expenditures, funds remaining, GAC, 12-12
exemptions, contract review, pre-award, 13-11
expenditure
NAPIS Report, 14-2
of funds, AAA plan, 12-3
expenditure checks, 12-58
expenditures
administrative budget, less than estimated, 12-13
aging, CARS, form 600D, 12-84
capital, depreciation, 12-36
capital, exempt from depreciation requirements, 12-36
comparison to budgets, 12-31
EA, form EA165, 12-79
EBS, form EBS160, 12-78
excess of, funds remaining, GAC, 12-12
FSCP Alzheimer's, form ALZH190, 12-81
NAPIS, 14-7
NSIP, form NSIP105, 12-72
SCS, form SCS150, 12-77
SCS, form SCSEP170, 12-80
Title III-B, form SS100, 12-71
Title III-C1, form CM110, 12-73
Title III-C2, form HD120, 12-74
Title III-D, form PH130, 12-75
Title III-E, form NFCSP140, 12-76
experience, comparable, NP, 8-5
extended retention of records, 12-38
external assessment, opportunities and threats, E-16
external influences, sensitivity to, I-2

external operating environment, assessing, E-16
external opportunities, E-20
external threats, E-21
facility
dining centers, 8-40
I&A, 10-2
facility agreement, dining centers, 8-41
failure to obtain match, 12-25
fair employment, 6-16
fair labor standards, 6-15
Fair Labor Standards Act, *see* FLSA
family
and medical leave, 6-15
leave, 6-17
Family and Medical Leave Act, *see* FMLA
Family Care, 9-7
Family Care and Partnership, funding source, 8-10
Family Care Partnership, 9-7
Family Care Partnership, *see* FCP
FAQ, WISE, A-6
faucets, hands-free, WI Food Code, 8-67
fear, of planning, planning tools, E-46
federal law(s)
EBS, 9-1
job discrimination, 6-20
labor, 6-13
prohibiting job discrimination, 6-20
federal procurement standards, 13-5
federal regulations, EBS, 9-2
feedback, older people, service delivery, 7-2
FGP, B-3
benefits, NSSCP, B-3
eligibility, NSSCP, B-3
WI projects, NSSCP, B-4
final report
terminated AAA plan, 4-14
terminated AU plan, 5-10
final reports, GAC, 12-12
financial assistance, government, 6-16
financial audits, *see* audits
financial records, 12-31
financial reports, Wisconsin aging, *see* WAFR
firms
minority, contracting with, 13-3
small, contracting with, 13-3
fiscal, practices, 12-32
fiscal and program reports
amendments and corrections, 12-41
late, 12-40
responsibility, 12-40
review by awarding agency, 12-41
fiscal compliance assessment, OAA, AAA of AU, 12-47
fiscal management, *see* FM
fiscal report
annual, form FR180B, 12-83
semiannual, form FR180A, 12-82
fiscal reporting, 12-40
flow chart, aging network, 1-3
FLSA, 6-15
FM, 12-1
procedures, 12-28
procedures, general, 12-28
system standards, 12-28
terminology, 12-1
FMLA, 6-15
follow-up, I&A, 10-5
food
contamination, WI Food Code, 8-67
cooking, FSS, 8-61
discounted, usage, 8-58
donated, usage, 8-58
enjoyment, menu planning, 8-56
FSS, cooking, 8-61
FSS, preparing, 8-61
FSS, purchasing, 8-61
holding, NP, 8-30
NP, purchase and storage, 8-25
preparing, FSS, 8-61
purchasing, FSS, 8-61
security, WI Food Code, 8-67
taking home, NP, 8-32
temperatures, NP, 8-31
food code, WI, index, K-4
Food Code, Wisconsin, *see* WI Food Code
food containers, NP, 8-30
food guide pyramid, 8-43
food manager certification, WI, 8-63
food preparation, NP, and service, 8-26
food procurement, 8-58
food safety, 8-59
food safety and sanitation, *see* FSS
food service
NP, 8-42
NP, and preparation, 8-26
Food Share, 9-6
food stamps, USDA, funding source, 8-9
food waste, reducing, NP, 8-32
foods
functional, 8-58
ready-to-eat, WI Food Code, 8-67

FoodShare Wisconsin, 8-9
formal advertising, procurement, 13-7
format
AAA plan, 4-9
AU plan, 5-5
WAFR, 12-64
forms WAFR, 12-62
formula, matching share, 12-22
formulation, strategic, E-25
forums, service delivery, 7-4
forward funding, 12-13
Foster Grandparents Program, *see* FGP
FR180A
form, 12-82
form instructions, 12-68
FR180B
form, 12-83
form instructions, 12-68
frequency
AAA advisory council meetings, 2-10
AAA board meetings, 2-8
frequently asked question(s), *see* FAQ
fringe benefit, standards, 6-16
frozen meals, NP, 8-36
fruit, 8-50
as dessert, 8-54
FSCP, expenditures, Alzheimer's, form ALZH190, 12-81
FSS
cleaning food, 8-62
exams, 8-63
food, cleaning, 8-62
food, holding, 8-62
food, serving, 8-62
holding food, 8-62
nutrition director, 8-60
required training, 8-60
serving food, 8-62
staff, 8-61
staff, orientation, 8-63
training, 8-63
functional foods, 8-58
fund, petty cash, imprest, 12-59
fund categories, 12-29
fund subcategories, 12-29
fund usage, NP, Title III-B and III-C-2, 8-7
funding
duration of, 12-2
forward, 12-13
I&A, 10-7
legal assistance, 9-1
NFCSP, restrictions on usage, 11-6
NSIP, 12-69
prepayments for additional, 12-9
funding contingency, contracts, 13-15
funding source
BIW, 8-10
CIP, 8-10
COP, 8-10
COP-W, 8-10
CSLA, 8-10
Family Care and Partnership, 8-10
IRIS, 8-10
local funds, 8-10
managed care, 8-10
Medicaid Waiver, 8-10
NP, NSIP, 8-7
NP, Title III-C-1 and state funds, 8-7
PACE, 8-10
USDA food stamps, 8-9
voluntary contributions, 8-10
funding sources, NP, 8-7
funds
AAA obligation and expenditure of, 12-3
award of, 12-1
budgeted for social services, 12-14
contractor payment, 13-14
GAC, remaining in excess of expenditure, 12-12
match requirements, AAA admin, 12-24
match requirements, EBS, 12-24
match requirements, NFCSP, 12-24
match requirements, OAA, 12-23
match requirements, SCS, 12-24
match requirements, state programs, 12-24
match requirements, state supplemental, 12-24
NFCSP, distribution, 11-6
obligated, expenditure before contract period end, 12-14
obligation of, 12-10
redistribution of, 12-3
transfer of, 12-3
GAC
AAA, 12-12
allowable cost payment following closeout period, 12-12
AU, 12-11
closing, 12-11
final reports, 12-12
other procedures, 12-12
process of closing, 12-11
providers, 12-11
general contract elements, 13-13
general standard of confidentiality, EBS, 9-29

general standards, contractor payment, 13-14
generally permitted political activities, 6-19
generally prohibited political activities, 6-20
getting started, measuring performance, E-44
gift certificates, NP, 8-12
gloving, WI Food Code, 8-67
goal, WISE, A-2
goal development, E-25
goods, valuation of voluntary, 12-22
governing entity, activities of, I-1
government contracts, grants or assistance, 6-16
grain, 8-50
grant agreement/contract, *see* GAC
grant agreements, 12-1
    AAA, 12-3
    acceptance of, 12-2
    state, 12-2
grantees, national, WISE, A-6
grants, 12-1
    government, 6-16
    home improvement, 9-7
grievance, *see* complaint
group discussions, service delivery, 7-5
group living homes, residents, 8-17
guidelines
    in-kind match, 12-22
    menu planning, 8-57
Guidelines for Americans, Dietary, 2000, 8-43
HACCP, 8-64
hand washing, WI Food Code, 8-67
hands, bare, WI Food Code, 8-67
hands-free faucets, WI Food Code, 8-67
harassment, sexual, 6-22
hardship, undue, 6-24
Hatch Act, The, 6-19
Hazard Analysis and Critical Control Point, *see* HACCP
Hazard Analysis Critical Control Point, 8-64
HD120
    form, 12-74
    form instructions, 12-64
health
    of employees, WI Food Code, 8-66
    public employee, 6-17
    requirements, 6-14
health insurance, access, 9-6
Health Insurance Portability and Accountability Act (of 1996), *see* HIPAA
health-care benefits, cessation of, 6-19
hearing process
    AAA, 5-8
    BADR, 2-2
heath care, worker retaliation, 6-17
highlights, WI Food Code, 8-65
high-risk, nutrition, NAPIS, 14-4
high-risk individuals, NP, additional meals, 8-23
HIPAA, 6-14
history
    EBS program, 9-4
    NP, 8-1
holding food
    FSS, 8-62
    NP, 8-30
home improvement, loans and grants, 9-7
home-delivered meal, NAPIS, 14-4
home-delivered meals
    administration, 8-42
    eligibility, 8-17
    instructions, 8-42
    service level, 8-14
    temperatures, 8-42
homemaker, NAPIS, 14-4
homes, group living, residents of, 8-17
Homestead tax credit, 9-7
host agency, definition, WISE, A-6
hours, work and overtime, 6-18
hours of labor
    public works projects, local government unit, 6-18
    public works projects, state building, 6-18
housing
    EBS, and utilities, 9-7
    subsidized, 9-7
housing repair, 9-7
I&A, 10-1
    access standards, 10-6
    advocacy, 10-6
    aging network minimum requirements, 10-2
    classification system, 10-3
    confidentiality, 10-8
    data collection, 10-7
    database, 10-4
    facility, 10-2
    follow-up, 10-5
    funding, 10-7

issue identification, 10-4
legislation, 10-1
location, 10-2
NAPIS, 14-4
OAA, 10-1
outreach, 10-6
provision, assistance, 10-5
provision, information, 10-5
provision, referral, 10-5
public information, 10-6
record-keeping, 10-7
resource file, 10-4
staff, 10-3
taxonomy, 10-3
training, 10-3
Wisconsin Act 235 of 1991, 10-1
identification
critical issues, E-24
I&A issues, 10-4
identifying accomplishments and improvements, E-7
desired outcomes, E-8
purpose, E-7
identifying constituent needs and demands, E-12
desired outcomes, E-12
purpose, E-12
identifying core activities, E-22
desired outcomes, E-22
purpose, E-22
identifying critical issues, E-22
desired outcomes, E-26
purpose, E-22
identifying outcomes measures, measuring performance, E-44
identifying potential options, E-27
immigration
and nationality, 6-15
reform and control, 6-22
Immigration and Nationality Act, *see* INA
Immigration Reform and Control Act, *see* IRCA
impairment status, NAPIS, 14-4
implicit in representation, disclosure, 9-30
imprest petty cash fund, 12-59
improvement, areas for, E-9
improvement loans, 9-7
improvements
identifying, E-7, E-7
INA, 6-15
Include, Respect, I Self Direct, *see* IRIS
income
interest, 12-28
NAPIS, 14-7
of program, NFCSP, 11-7
program, 12-25
program and interest, 12-25
program, definition, 12-25
program, spending time period, 12-27
program, usage, 12-26
unearned, 12-35
income support, 9-6
EBS, 9-6
incorporation, contract recipients, eligibility, 13-3
index, WI food code, K-4
indicators, performance, *see* performance indicators
indirect costs, 12-18
county agencies, 12-19
other agencies, 12-20
tribal governments, 12-19
individual with a disability, 6-23
influences, external, sensitivity to, I-2
information
AAA plan, 4-8
AU plan, 5-4
collecting, measuring performance, E-45
NP, confidentiality, 8-24
provision, I&A, 10-5
public, I&A, 10-6
Information and Assistance Program, *see* I&A
in-kind match, 12-22, 12-21
in-kind match guidelines, 12-22
input measures, performance indicators, E-40
inquiries, prohibited by ADA, 6-24
instructions
form ALZ190, 12-64
form CM110, 12-64
form EA165, 12-64
form EBS160, 12-64
form FR180A, 12-68
form FR180B, 12-68
form HD120, 12-64
form NFCSP140, 12-64
form PH130, 12-64
form SCS150, 12-64
form SCSEP170, 12-64
form SS100, 12-64
home-delivered meals, 8-42
insurance, long-term care, 9-6
insurance, liability, *see* liability insurance
intakes, dietary reference, 8-43
integrity
CAU program, 9-22

LBP program, 9-17
program, AAA in EBS, 9-13
interest
conflict of, 6-7
conflict of, AAA, 2-10
conflict of, AU, 3-11
conflict of, EBS program, 9-31
interest income, 12-28
internal assessment, strengths and weaknesses, E-16
internal control, 12-31, 12-34
practices, 12-57
internal controls
accounting system, I-3
establishing and maintaining, I-1
internal operating environment, assessing, E-16
internal strengths, E-18
internal weaknesses, E-19
interventions, nutrition, 8-16
interviews, peers, service delivery, 7-5
intro, NAPIS Report, 14-1
introduction
employee handbook, 6-5
NP, 8-1
inventory record, 12-61
investments, 12-37
involvement
citizens in service delivery, 7-1
older people in service delivery, 7-4
involving people, service delivery, 7-2
IRCA, 6-22
IRIS, 9-7
funding source, 8-10
issues
identifying, I&A, 10-4
ranking in order of importance, E-23
issues, critical, *see* critical issues
job description
AAA board member, 2-5
personnel, 6-8
job discrimination, federal laws prohibiting, 6-20
Joint Agreement
Dept of Public Instruction, 8-68
joint agreement
NP, 8-68
kitchens, central and on-site, 8-59
knowledge, demonstration of, WI Food Code, 8-66
labor
NP, and administration, 8-26
reporting and disclosure, 6-16
labor act, 6-15
labor law(s), 6-12
federal, 6-13
state, 6-16
labor standards laws, 6-18
labor surplus area firms, contracting with, 13-3
Labor-Management Reporting and Disclosure Act, *see* LMRDA
landlords, 9-7
Landrum-Griffith Act, *see* LMRDA
LAP
AAA, contract with in EBS program, 9-10
responsibilities, 9-13
late reports, fiscal and program, 12-40
law
EA in Wisconsin, D-1
WI, Chapter 115, 1973, 8-68
law(s)
civil rights, 6-16
discriminatory practices prohibited by, 6-21
discriminatory practices prohibited by, other, 6-22
EEO, 6-20
employers and entities covered by, 6-24
federal, EBS, 9-1
federal, job discrimination, 6-20
labor standards, 6-18
labor, federal, 6-13
local, agency that handles, 6-25
state labor, 6-16
state, agency that handles, 6-25
state, EBS, 9-3
LBP
monitoring and QA, 9-17
planning and coordination, 9-16
program integrity, 9-17
program operation, 9-14
staffing and training, 9-16
leave, family or medical, 6-17
leftovers, NP, 8-32
legal assistance
assurances, 9-1
confidentiality of services, 9-2
definition, 9-1
funding, 9-1
NAPIS, 14-4
legal assistance provider(s), *see* LAP or LBP
legal authority, EBS, 9-1
legal backup provider(s), *see* LBP or LAP
legal-services provider, *see* LSP

legislation
I&A, 10-1
NFCSP, 11-1
length of CSA, WISE, A-7
level of service, *see* service level
liability insurance, NP, 8-25
liquid nutritional supplements, NP, 8-35
LIS, 9-6
list, current, agency mandates, E-11
litigation, retention of records, 12-38
living alone, NAPIS Report, 14-4
lobbying
EBS, 9-38
EBS, other considerations, 9-40
EBS, permitted activities, 9-39
EBS, prohibited activities, 9-40
local funds, source, 8-10
local government unit public works projects, prevailing wage rates and hours of labor, 6-18
location
dining centers, 8-38
I&A, 10-2
public hearings, AAA plan, 4-10
public hearings, AU plan, 5-6
long-term care insurance, 9-6
long-term-care programs, community-based, 8-19
Low Income Subsidy, *see* LIS
LSP standards, 9-2
lunch, sack, NP, 8-37
maintenance of effort, NFCSP, 11-5
managed care, funding source, 8-10
management
critical issues, E-5
reporting and disclosure, 6-16
staff, of contributions, 8-12
management of property, 12-45
management, performance, *see* performance management
managers, NP dining centers, 8-3
mandates, clarifying agency, E-10
manual, allowable cost policy, F-1
margarine, 8-54
match
acceptable, 12-21
cash, 12-21
failure to obtain, 12-25
in-kind, 12-22, 12-21
in-kind guidelines, 12-22
records, 12-24
related to other programs, 12-21
required, NFCSP, 11-7
timing of, 12-25
match requirements
AAA admin funds, 12-24
EBS funds, 12-24
NFCSP funds, 12-24
OAA funds, 12-23
SCS funds, 12-24
state program funds, 12-24
state supplemental funds, 12-24
matching share, requirements, 12-20
matching share formula, 12-22
matching share resources, types, 12-20
material, reference, 12-45
meal components
NP, 8-50, 8-47
meal cost analysis, NP, 8-27
meal cost calculation, NP, 8-27
meal count, NSIP, 8-8
meal coupon systems, 8-13
meal reservation systems, 8-40
meal service
NP, 8-55
NP contracts, 8-28
meals
carryout, NP, 8-33
emergency, NP, 8-37
ethnic or religious, NP, 8-37
frozen, NP, 8-36
home-delivered, eligibility, 8-17
home-delivered, service level, 8-14
modified, NP, 8-34
NP providers, 8-29
NSIP, NAPIS, 14-4
other modified, NP, 8-34
required nutrient standards, 8-46
senior dining, service level, 8-13
texture-modified, NP, 8-34
therapeutic, NP, 8-34
meals, eligible, *see* eligible meals
means-testing, service delivery, 7-6
measurement, performance, *see* performance measurement
measures, of outcome, NFCSP, 11-7
measuring performance
collecting information, E-45
define results, E-43
getting started, E-44
identifying outcome measures, E-44
measure results, E-43
outcomes to measure, E-44
report results, E-43
steps, planning tools, E-41
measuring progress, E-5
meat, 8-53

meat alternate, 8-53
Medicaid Waiver
funding source, 8-10
Medicaid waiver
ombudsman responsibilities, 9-36
medical assistance, 9-6
medical leave, 6-17
and family, 6-15
Medicare, 9-6
Medigap helpline
coordination with EBS, 9-36
responsibilities, 9-37
responsibilities in relation to EBS, 9-38
meetings
AAA advisory council, frequency, 2-10
AAA advisory council, open, 2-10
AAA board, closed, 2-7
AAA board, frequency, 2-8
AAA board, open, 2-6
AU, closed, 3-9
AU, open, 3-8
NP advisory council, 8-6
public, service delivery, 7-4
meetings needs
AU, 4-9
older people in AU plan, 5-5
membership
AAA board, 2-5
NP advisory council, 8-6
menu
approval documentation, K-6
says what, 8-57
menu analysis, 8-47
menu development, NP, 8-55
menu pattern
NP, 8-47
one meal per day, 8-49
menu planning, for acceptance and enjoyment, 8-56
menu planning guidelines, 8-57
menus
nutrient analysis of, 8-46
special, NP, 8-33
who plans, 8-55
methods
contract payment, 13-15
monitoring performance, I-2
procurement, 13-6
mid-year amendments
AAA plan, 4-15
AU plan, 5-11
milk, 8-52
milk substitute, 8-52
minimum nutrient standards, nutrition program meals, 8-46
minimum service requirements, NFCSP, 11-4
minimum services per meal, NP, 8-47
minimum standards, NALA, J-1
minimum wage, 6-18
law records, 6-12
minority firms, contracting with, 13-3
minority provider, NAPIS, 14-7
mission and purpose, defining, E-14
mission audit, E-15
model planning process, a, E-2
modified accrual basis of accounting, 12-33
modified meals
NP, 8-34
other, 8-34
monitoring
AAA in EBS program, 9-12
CAU, and QA, 9-21
contract review, 13-11
contractors, 13-19, 13-19
EBS, and reporting, 9-28
LBP, and QA, 9-17
monitoring performance, control methods, I-2
multi-year contracts, 13-12
MyPyramid food guidance, 8-43
NALA, minimum standards, J-1
names, standardized, NAPIS, 14-4
NAPIS
definitions, 14-4, 14-7
I&A, 14-4
names, 14-4
other definitions, 14-7
other terms, 14-7
service units, 14-4
NAPIS Report, 14-1
caregivers, 14-2
clients, 14-3
deadline, 14-1
definitions, 14-2
elderly clients, 14-3, 14-2
ethnicity, 14-3
expenditure, 14-2
expenditure profiles, 14-2
impairment, 14-4
intro, 14-1
living alone, 14-4
network, 14-2
network profiles, 14-2
overview, 14-2

period, 14-1
poverty, 14-4
profiles, 14-2, 14-2
race, 14-3
SAMS, 14-1
Section I, 14-2
Section II, 14-2
Section III, 14-2
utilization, 14-2
National Aging Program Information System, *see* NAPIS
National Association of Legal Assistants, *see* NALA
National Family Caregiver Support Program, *see* NFCSP
national grantees, WISE, A-6
National Senior Service Corp Program, *see* NSSCP
nationality, and immigration, 6-15
Native American Caregiver Support Program, *see* NACSP
needs
AU, meeting, 4-9
constituent, identifying, E-12
older people, meeting, in AU plan, 5-5
nepotism, 6-7
network profiles, NAPIS Report, 14-2
new dining center, K-7
consideration of, K-8
new dining centers, 8-38
NFCSP, 11-1, 11-8
AU plan amendment requirements, 11-7
coordination of services, 11-5
cost share, 11-7
definition of terminology, 11-2
distribution of funds, 11-6
funding usage restrictions, 11-6
legislation, 11-1
maintenance of effort, 11-5
match requirements of funds, 12-24
minimum service requirements, 11-4
OAA, Title III-E, 12-30
outcome measures, 11-7
program income, 11-7
purpose, 11-1
reporting requirements, 11-7
required match, 11-7
staff training and development, 11-7
waiver, 11-7
NFCSP140
form, 12-76
form instructions, 12-64
non-competitive proposal, procurement, 13-8
non-differentiation, 12-28
NP, 8-12
non-discrimination, 6-16
non-elderly, NP, waiver request, K-2
non-elderly disabled living alone, eligibility, NP, 8-20
non-profits, cost principals for, H-1
non-supplanting, NFCSP maintenance of effort, 11-5
non-supplanting requirements, 12-16
notification, carryover amount, 12-16
notification of award, 12-1
NP, 8-2
administration, 8-13
advisory council, 8-6
advisory council, by-laws, 8-7
advisory council, meetings, 8-6
advisory council, roles and responsibilities, 8-6
animals, 8-64
breakfast and brunch, 8-37
carryout meals, 8-33
certified dietitian, 8-4
comparable education or experience, and authorization, 8-5
complaint procedure, 8-23
confidentiality, records, reports, information distribution, 8-24
congregate administration, 8-38
contributions as program income, 8-12
coordination with WI Public Instruction NP, 8-68
cost containment, 8-25
dining center managers, 8-3
director, 8-2
disaster plans, 8-30
eligibility, others, 8-21
emergency meals, 8-37
emergency preparedness, 8-29
equipment and supplies, 8-26
ethnic or religious meals, 8-37
food purchase and storage, 8-25
food service, 8-42
food service and preparation, 8-26
food temperatures, 8-31
frozen meals, 8-36
funding source, Title III-C-1 and state funds, 8-7
funding sources, 8-7
gift certificates, 8-12
high-risk individuals, additional meals, 8-23
history, 8-1
holding food, 8-30
introduction, 8-1

joint agreement, 8-68
labor and administration, 8-26
liability insurance, 8-25
liquid nutritional supplements, 8-35
meal components, 8-47, 8-50
meal cost analysis, 8-27
meal cost calculation, 8-27
meal providers, 8-29
meal service and portion sizes, 8-55
meal service contracts, 8-28
membership and structure, 8-6
menu pattern, 8-47
minimum servings per meal, 8-47
modified meals, 8-34
non-differentiation, 8-12
NSIP, funding source, 8-7
nutritionist, 8-3
OAA, Title III, 8-68
objectives, 8-1
operations, 8-1, K-1
other modified meals, 8-34
other staff, 8-5
participant confidentiality, 8-25
participant eligibility, at a glance, 8-22
participant satisfaction, 8-25
purpose, 8-1
registered dietetic technician, 8-5
registered dietitian, 8-5
sack lunch, 8-37
sanitation and security, 8-26
senior dining administration, 8-38
service eligibility, 8-16
serving size, 8-47
special food containers and utensils, 8-30
special menus, 8-33
students working in, 8-5
texture-modified meals, 8-34
therapeutic meals, 8-34
Title III-B, fund usage, 8-7
Title III-C-2, fund usage, 8-7
training, staff and volunteers, 8-24
volunteers, 8-5
waiting lists, 8-23
waiver request, K-2
WI Food Code, 8-60
NP volunteers, under 60, 8-20
NSIP
funding, 12-69
funding source, NP, 8-7
meal count, 8-8
OAA, fund requirements, 8-8
NSIP meals, NAPIS, 14-4
NSIP105, form, 12-72
NSSCP, B-1
FGP, B-3
FGP, benefits, B-3
FGP, eligibility, B-3
FGP, WI projects, B-4
RSVP, B-1
RSVP, benefits, B-2
RSVP, eligibility, B-2
RSVP, WI projects, B-2
SCP, B-4
SCP, benefits, B-5
SCP, eligibility, B-4
SCP, WI projects, B-5
number
public hearings, AAA plan, 4-10
public hearings, AU plan, 5-6
numbered documents, serially, 12-60
nursing home, responsibilities, BOALTC ombudsman and EBS, 9-35
nutrient analysis, of menus, 8-46
nutrient standards, 8-44
required, 8-46
nutrition
other services, 8-16
supportive services, 8-16
nutrition check
screening, K-1
tool, K-1
nutrition counseling, 8-16
NAPIS, 14-4
nutrition director, FSS, 8-60
nutrition education, 8-15
NAPIS, 14-4
nutrition interventions, 8-16
nutrition program, *see* NP
nutrition program meals
minimum nutrient standards, 8-46
required nutrient standards, 8-46
nutrition screening, 8-14
nutrition services, OAA, Title III-C, 12-30
Nutrition Services Incentive Program, *see* NSIP
nutrition standards, 8-42
nutritional supplements, liquid, NP, 8-35
nutritionist, NP, 8-3
OAA
AAA plan, 4-1
contributions for services, requirements, 12-27
fiscal compliance assessment, AAA of AU, 12-47
I&A, 10-1
match requirements of funds, 12-23
NFCSP, 12-30
NSIP, fund requirements, 8-8
nutrition services, 12-30

preventive health, 12-30
supportive services and senior centers, 12-29
Title III, NP, 8-68
objectives
NP, 8-1
supporting strategic plan goal, E-30
obligated funds, expenditure before contract period end, 12-14
obligation
of funds, 12-10
of funds, AAA plan, 12-3
of social services funds, 12-14
obligations, outstanding, GAC, 12-11
Occupational Safety and Health Act, *see* OSH Act
offerings, WISE, A-3
oil, 8-54
Older Americans Act, *see* OAA
older people
meeting needs of, in AU plan, 5-5
participation in AAA plan, 4-7
participation in AU plan, 5-3
service delivery feedback, 7-2
service delivery involvement, 7-4
OMB Circular, *see* Circular
ombudsman, *see* BOALTC ombudsman
one meal per day, menu pattern, 8-49
one-year contracts, *see* single-year contracts
on-site kitchens, 8-59
open competition, procurement, 13-5
open meetings
AAA advisory council, 2-10
AAA board, 2-6
AU, 3-8
open records, to employee, 6-18
operating controls, 12-34
operating environment, assessing, E-16
operating style, management, and philosophy, I-1
operation
CAU, 9-18
EBS program, 9-24
service delivery, 7-1
operations
NP, 8-1, K-1
opportunities
external, E-20
external assessment, E-16
opportunity for comment
public hearings, AAA plan, 4-10
public hearings, AU plan, 5-6
options, analyzing, E-25
organizational options
AAA, 2-1
AU, 3-2
organizational requirements
AAA, 2-1
AU, 3-1
organizational structure, agency, I-1
organizing planning, E-7
desired outcomes, E-7
purpose, E-7
orientation, FSS staff, 8-63
OSH Act, 6-14
other agencies, costs, direct and indirect, 12-20
other issues
EBS, 9-7
EBS program integrity, 9-34
other organizations, in the aging network, 1-7
other procedures, GAC, 12-12
other staff, NP, 8-5
outcome measures
identifying, measuring performance, E-44
NFCSP, 11-7
performance indicators, E-41
outcomes to measure, measuring performance, E-44
outcomes, desired, *see* desired outcomes
output measures, performance indicators, E-40
outreach
EBS, 9-9
I&A, 10-6
NAPIS, 14-4
outstanding accounts, payment, 12-34
outstanding obligations, GAC, 12-11
oversight, service delivery, 7-1
overtime, and hours of work, 6-18
overview
aging network, 1-1
AU, 3-1
contracting, 13-1
NAPIS Report, 14-2
PACE, funding source, 8-10
participant registration systems, 8-40
participation
AAA plan, board and advisory council, 4-8
AAA plan, board and advisory council, public hearings, 4-10
AAA plan, older people, 4-7
AU plan, older people, 5-3

AU plan, policy-making body and advisory committee, 5-4
AU plan, public hearings, policy-making body and advisory committee, 5-6
pay, equal, 6-23
payment
contractors, 13-14
contracts, standards, 13-14
methods, contracts, 13-15
outstanding accounts, 12-34
wage, 6-19
payment pattern, CARS, with prepayment, 12-8
payments, deviated, 12-10
payroll, retention of records, 12-38
payroll controls, 12-60
performance indicators, E-39
efficiency measures, E-40
input measures, E-40
outcomes measures, E-41
output measures, E-40
productivity measures, E-41
quality measures, E-40
performance information, usage, planning tools, E-45
performance management, planning tools, E-38
performance measurement, planning tools, E-36
performance measures, types, planning tools, E-38
performance, measuring, *see* measuring performance
period, NAPIS Report, 14-1
permission, of client, for disclosure, 9-30
permitted activities, EBS advocacy and lobbying, 9-39
permitted political activities, 6-19
personal care, NAPIS, 14-4
personnel, 6-1
policies and practices, I-2
records, 6-10
personnel policies, 6-4
code of conduct, 6-7
employee handbook, 6-5
perspective, keeping during planning, E-1
petty cash fund, imprest, 12-59
PH130
form, 12-75
form instructions, 12-64
philosophy, management, and operating style, I-1
plan, AAA, *see* AAA plan
plan, AU, *see* AU plan
planning
AAA in EBS program, 9-12
and aging difference, planning tools, E-46
CAU, and coordination, 9-20
EBS, and coordination, 9-27
fear of, planning tools, E-46
LBP, and coordination, 9-16
NAPIS, 14-7
organizing, E-7
service delivery, 7-1
planning and service area(s), *see* PSA
planning guidelines, menus, 8-57
planning process, standard, E-3
planning tools
aging difference and planning, E-46
aging network, E-1
fear of planning, E-46
keeping perspective, E-1
measuring performance, steps, E-41
model planning process, E-2
performance information usage, E-45
performance management, E-38
performance measure types, E-38
performance measurement, E-36
purpose, E-1
steps, E-7
planning, action, *see* action planning
policies
AAA plan, fund obligation and expenditure, 12-3
AAA, and procedures, 2-4
allowable cost, 12-17
contract review, 13-10
contributions, 12-27
employee handbook, 6-5
personnel, 6-4
reimbursement, 12-10
policies and practices
employment, self-evaluation, 7-16
personnel, I-2
policy
EBS conflict of interest, 9-32
equal opportunity, 7-17
policy manual, allowable cost, F-1
policy statement, equal opportunity form, 7-18
policy statement and notification
employment, 7-14
service delivery, 7-10
policy, audit reports, *see* audit report policy

policy-making body
participation, public hearings, AU plan, 5-6
role of, annual amendments, AU plan, 5-11
political activities
generally permitted, 6-19
generally prohibited, 6-20
polygraph, protection from, 6-15
population analysis, client service, equal opportunity form, 7-24
portion sizes, NP, 8-55
possible desired outcomes, *see* desired outcomes
potential options, identifying, E-27
poverty, NAPIS Report, 14-4
powers
AU COA, and duties, 3-5
AU, and duties, 3-3
practices
accounting and fiscal, 12-32
internal control, 12-57
practices and policies, personnel, I-2
prayer, dining centers, 8-40
pre-award
contract review, awarding agency, 13-10
contract review, exemptions, 13-11
contract review, requirements, 13-10
contract review, self-certification, 13-11
pregnancy-based discrimination, 6-22
preparation
NP emergency, 8-29
NP food, 8-26
prepayment
AAA to AU, 12-9
AAA to special project recipients, 12-9
additional funding, 12-9
AU to contract recipient, 12-9
CARS, payment pattern, 12-8
DHS to AAA, 12-9
procedures, and reimbursement, 12-4
prescription drugs, assistance programs, 9-6
prevailing wage rates
public works projects, local government unit, 6-18
public works projects, state building, 6-18
preventive health, OAA, Title III-D, 12-30
price analysis, contracts, 13-4
priority issue areas, EBS, 9-5
priority issues, techniques for addressing, EBS, 9-8
privacy, service delivery, 7-7
problem-solving, AAA in EBS program, 9-12
procedure, contract management, 12-3
procedures
AAA, and policies, 2-4
approval or disapproval of AAA plan, 4-11
approval or disapproval of AU plan, 5-7
contract appeal hearing, 13-18
contract award, 13-2
contract suspension, 13-17
contract termination, 13-17
control, I-3
FM, 12-28
FM, general, 12-28
general, reimbursement, 12-10
other, GAC, 12-12
prepayment, 12-4
reimbursement, 12-4
written, contract award, 13-2
process
AAA de-designation, 2-3
AAA hearing, 5-8
BADR hearing, 2-2
GAC, closing, 12-11
procurement, 13-4
food, 8-58
formal advertising, 13-7
methods, 13-6
non-competitive proposal, 13-8
open competition, 13-5
responsibilities, 13-4
responsibilities, federal, 13-5
RFP, competitive proposals, 13-8
sealed bidding, 13-7
small-purchase procedures, 13-6
written contracts, 13-9
productivity measures, performance indicators, E-41
profiles
NAPIS Report, 14-2, 14-2
profit-making organizations, contracting with, 13-4
program history, EBS, 9-4
program income, 12-25
definition, 12-25
NFCSP, 11-7
spending time period, 12-27
usage, 12-26
program integrity
AAA in EBS program, 9-13
CAU, 9-22
EBS, and confidentiality, 9-28
LBP, 9-17

program monitoring, AAA in EBS program, 9-12
Program of All-Inclusive Care for the Elderly, *see* PACE
program operation
EBS, 9-24
LBP, 9-14
program purpose, EBS, 9-4
program reporting, 12-40
programs, voucher, 8-41
progress, measuring, E-5
prohibited activities, EBS advocacy and lobbying, 9-40
prohibited inquiries and examinations, by ADA, 6-24
prohibited political activities, 6-20
project recipient(s), *see* special project recipient(s)
projects in Wisconsin
FGP, NSSCP, B-4
RSVP, NSSCP, B-2
SCP, NSSCP, B-5
property, retention of records, 12-38
property management, 12-45
property tax deferral, 9-7
proposal, non-competitive, procurement, 13-8
proposals, competitive, RFP, procurement, 13-8
protection
consumer credit, 6-16
from polygraph, 6-15
provider
minority, NAPIS, 14-7
NAPIS, 14-7
rural, NAPIS, 14-7
provider agencies
affirmative action, 6-26
affirmative action requirements, 6-25
civil rights compliance, 6-25
EEO, 6-26
provider appeal of contract decision, 13-17
providers
GAC, 12-11
NP meals, 8-29
provision
I&A, assistance, 10-5
I&A, information, 10-5
I&A, referral, 10-5
provisions, contract elements, 13-14
PSA
and AAA, 2-1
map of, 1-6
public access, records, 12-39
public employee, safety and health, 6-17
public forums, service delivery, 7-4
public health control, time as, WI Food Code, 8-67
public hearings
AAA plan, 4-9
AU plan, 5-5
comment opportunity, AAA plan, 4-10
comment opportunity, AU plan, 5-6
location and number, AAA plan, 4-10
location and number, AU plan, 5-6
participation of board and advisory council, AAA plan, 4-10
participation of policy-making body and advisory committee, AU plan, 5-6
public notice, AAA plan, 4-10
public notice, AU plan, 5-5
summary of comments, AAA plan, 4-10
summary of comments, AU plan, 5-6
time, AAA plan, 4-9
time, AU plan, 5-5
public information, I&A, 10-6
public meetings, service delivery, 7-4
public notice
public hearings, AAA plan, 4-10
public hearings, AU plan, 5-5
public works projects
prevailing wage rates and hours of labor, local government unit, 6-18
prevailing wage rates and hours of labor, state building, 6-18
purchase, NP food, 8-25
purpose
AAA plan, 4-1
action planning, E-32
assessing operating environment, E-16
AU plan, 5-1
audit report policy, 12-42
clarifying agency mandates, E-10
contracting, 13-1
EBS program, 9-4
identifying accomplishments and improvements, E-7
identifying constituent needs and demands, E-12
identifying core activities, E-22
identifying critical issues, E-22
NFCSP, 11-1
NP, 8-1
organizing planning, E-7
planning tools, E-1
strategic plan, E-28

purpose and mission, *see* mission and purpose
purpose of step, defining mission and purpose, E-14
pyramid, food guide, 8-43
QA
  CAU, and monitoring, 9-21
  LBP, and monitoring, 9-17
qualified individual with a disability, 6-23
quality assurance, *see* QA
quality measures, performance indicators, E-40
race, NAPIS Report, 14-3
railroad retirement benefits, 9-6
ranking issues in order of importance, E-23
reaching targeted groups, techniques for, EBS, 9-8
ready-to-eat foods, WI Food Code, 8-67
reasonable accommodation, 6-23
receipient(s), contract, *see* contract recipient
receipt, and reimbursement, time between, 12-32
recipient, discretion of, 12-27
recommendations
  audit reports, appeal of, 12-45
  food guidance pyramid, 8-43
reconciliation, bank, 12-60
record, inventory, 12-61
record retention chart, 6-11
record-keeping, I&A, 10-7
records
  access to, 12-39
  agency use, 6-12
  and reporting, 12-37
  care of, 12-40
  confidentiality, 12-39
  financial, 12-31
  match, 12-24
  minimum wage law, 6-12
  NP, confidentiality, 8-24
  open to employee, 6-18
  personnel, 6-10
  public access, 12-39
records, retention of, *see* retention of records
redistribution of funds, 12-3
reducing contamination, WI Food Code, 8-67
reducing food waste, NP, 8-32
reference material, 12-45
referral, provision, I&A, 10-5
referrals, coordination of, BOALTC ombudsman and EBS, 9-36
registered dietetic technician, NP, 8-5
registered dietitian, NP, 8-5
regulations, federal, EBS, 9-2
Rehabilitation Act of 1973, 6-21
reimbursement
  AAA to AU, 12-9
  AAA to special project recipients, 12-9
  and receipt, time between, 12-32
  AU to contract recipient, 12-9
  DHS to AAA, 12-9
  general procedures, 12-10
  NSIP, 12-10
  policies, 12-10
  procedures, and prepayment, 12-4
reinstatement
  suspended AAA plan, 4-13
  suspended AU plan, 5-9
  terminated AAA plan, 4-14
  terminated AU plan, 5-10
religious accommodation, 6-22
religious meals, NP, 8-37
relocated dining center, K-7
relocated dining centers, 8-38
remaining funds in excess of expenditures, GAC, 12-12
remediation of medical debt, 9-6
report
  AAA plan, previous, 4-8
  AU plan, previous, 5-4
  final, terminated AAA plan, 4-14
  final, terminated AU plan, 5-10
  status, annual amendments, AAA plan, 4-16
  status, annual amendments, AU plan, 5-12
reporting
  and disclosure, labor-management, 6-16
  and records, 12-37
  EBS, and monitoring, 9-28
  fiscal and program, 12-40
  service delivery, 7-7
reporting requirements
  contract recipient, 13-18
  NFCSP, 11-7
reports
  final, GAC, 12-12
  NP, confidentiality, 8-24
reports, audit, *see* audit reports
reports, fiscal, *see* fiscal reports
reports, program, *see* program reports

reports, Wisconsin aging financial, *see* WAFR
request, contract appeal hearing, 13-17
request(s) for proposals, *see* RFP
required match, NFCSP, 11-7
required nutrient standards, nutrition program meals, 8-46
required training, FSS, 8-60
requirements
- AAA plan, and techniques, 4-7
- affirmative action, 6-25
- AU plan, and techniques, 5-2
- contract recipient, reporting, 13-18
- contract review, pre-award, 13-10
- contracts, 13-2
- employers, 6-13
- employers, due to government contracts, 6-16
- equal opportunity, in service delivery and employment, 7-17
- health, 6-14
- I&A minimum in aging network, 10-2
- match, AAA admin funds, 12-24
- match, EBS funds, 12-24
- match, NFCSP funds, 12-24
- match, OAA funds, 12-23
- match, SCS funds, 12-24
- match, state program funds, 12-24
- match, state supplemental funds, 12-24
- matching share, 12-20
- minimum service, NFCSP, 11-4
- NFCSP reporting, 11-7
- NFCSP, of AU plan, 11-7
- non-supplanting, 12-16
- OAA service contributions, 12-27
- OAA, NSIP funds, 8-8
- organizational for AAA, 2-1
- organizational for AU, 3-1
- safety, 6-14
- sealed bidding, procurement, 13-8
- staffing, 6-1
- staffing, AAA, 6-1
- staffing, AU, 6-3
- WISE eligibility, A-2

residents, group living homes, 8-17
resolution, audit reports, 12-43
resource file, I&A, 10-4
resources
- matching share, types, 12-20
- targeting, EBS, 9-5

response
- audit report, content, 12-44
- audit report, review, 12-45
- audit report, timetable, 12-44
- audit reports, 12-44

responsibilities
- AAA in EBS, 9-10
- BADR in EBS, 9-9
- CAU, 9-18
- contracts, 13-2
- contributions, AAA and AU, 12-28
- COP, BOALTC ombudsman and EBS, 9-36
- EBS, 9-23
- EBS in relation to Medigap helpline, 9-38
- LAP, 9-13
- Medigap helpline, 9-37
- NP advisory council, 8-6
- nursing home, BOALTC ombudsman and EBS, 9-35
- procurement, 13-4
- procurement, federal, 13-5

responsibility
- AAA, contract review, 13-10
- assigning, I-2
- AU, contract review, 13-10
- contract review, AAA and AU, 13-10
- fiscal and program reports, 12-40

restaurants, dining centers in, 8-41
restrictions, NFCSP funding usage, 11-6
results, measuring performance, E-43
retaliation
- protection from, EA, 6-17
- protection from, employee right to know, 6-17
- protection from, health care worker, 6-17
- protection from, public employee safety and health, 6-17

retention, WISE, A-3
retention of records
- audits, 12-38
- extended, 12-38
- litigation, 12-38
- payroll, 12-38
- property, 12-38
- retain which, 12-39
- three-year, 12-37
- time-frame, 12-37
- Title III, 12-38
- written authorization, 12-39

Retired and Senior Volunteer Program, *see* RSVP
retirement benefits, railroad, 9-6
review
- audit report response, 12-45
- fiscal and program reports, by awarding agency, 12-41

review, contracts, *see* contract review

revision, contracts, 13-15
revisions, contracts, 13-15
RFP, competitive proposals, procurement, 13-8
right to know, employee, 6-17
role
  AAA in AU plan, 5-2
  advisory committee and policy-making body, annual AU plan amendments, 5-11
  advisory committee, AU plan, 5-7
  advisory council and board, annual AAA plan amendments, 4-15
  aging units, AAA plan, 4-11
  EBS, definition, 9-23
  SUA in AAA plan, 4-6
  SUA in AU plan, 5-2
roles, NP advisory council, 8-6
RSVP, B-1
  benefits, NSSCP, B-2
  eligibility, NSSCP, B-2
  WI projects, NSSCP, B-2
rule breakers, confidentiality standard, 9-31
rural, NAPIS, 14-7
rural provider, NAPIS, 14-7
sack lunch, NP, 8-37
safety
  public employee, 6-17
  requirements, 6-14
safety, food, and sanitation, *see* FSS
sample format, action planning, E-35
SAMS, NAPIS Report, 14-1
sanitation, 8-59
  NP, and security, 8-26
sanitation, and food safety, *see* FSS
satisfaction, NP participants, 8-25
schedule, contract appeal hearing, 13-17
SCP, B-4
  benefits, NSSCP, B-5
  eligibility, NSSCP, B-4
  WI projects, NSSCP, B-5
screening, nutrition, 8-14
screening tool, nutrition, K-1
SCS
  expenditures, form SCS150, 12-77
  expenditures, form SCSEP170, 12-80
  match requirements of funds, 12-24
SCS150
  form, 12-77
  form instructions, 12-64
SCSEP, *see* SCS
SCSEP170
  form, 12-80
  form instructions, 12-64
sealed bidding
  conditions, procurement, 13-7
  procurement, 13-7
  requirements, procurement, 13-8
second helpings, NP, 8-32
security, NP, and sanitation, 8-26
security deposit returns, 9-7
segregation, of duties, 12-58
self-certification, contract review, pre-award, 13-11
self-evaluation
  employment policies and practices, 7-16
  equal opportunity form, 7-22
  service delivery, 7-13
semiannual fiscal report, form FR180A, 12-82
senior centers, 12-29
  dining centers in, 8-40
Senior Community Services (Program), *see* SCS
Senior Companion Program, *see* SCP
senior dining meals
  eligibility, 8-16
  service level, 8-13
SeniorCare, 9-6
serially-numbered documents, 12-60
service, NP food, 8-26
service change, dining center, K-11
service delivery
  advisory committee, 7-5
  contributions, 7-7
  cost sharing, 7-7
  data collection and reporting, 7-7
  designation of EOC, 7-10
  engaging people, 7-3
  equal opportunity, 7-9, 7-8
  equal opportunity requirements, meeting, 7-17
  feedback from older people, 7-2
  focused group discussions, 7-5
  involving older people, 7-4
  involving people, 7-2
  means-testing, 7-6
  NAPIS, 14-7
  operations, 7-1
  peer interviews, 7-5
  planning and oversight, 7-1
  policy statement and notification, 7-10
  privacy and confidentiality, 7-7
  public meetings or forums, 7-4
  reporting and data collection, 7-7

self-evaluation, 7-13
surveys, 7-4
targeting, 7-6
service eligibility, NP, 8-16
Service Excellence and Aging Leadership, *see* SEAL
service fund, universal, 9-6
service level
home-delivered meals, 8-14
senior dining meals, 8-13
service proposals, contract award, 13-2
service requirements, minimum, NFCSP, 11-4
service units, NAPIS, 14-4
services
client, necessity of disclosure, 9-29
community-based, EBS, 9-7
EBS, AAA contract for, 9-11
NFCSP, coordination of, 11-5
nutrition, 8-16
valuation of voluntary, 12-22
serving food, FSS, 8-62
serving safe food, certification, 8-64
serving size, NP, 8-47
sex discrimination, 6-22
sexual harassment, 6-22
share, of cost, NFCSP, 11-7
share resources, types, 12-20
shut-offs of utilities, 9-7
signs, contribution, 8-11
single-year contracts, 13-12
skip-year carryover, 12-14
slots, Title V, A-5
small agencies, compensation controls for, I-4
small firms, contracting with, 13-3
small-purchase procedures, procurement, 13-6
Social Assistance Management System, *see* SAMS
social security benefits, 9-6
social services
funds budgeted for, 12-14
provision contracts, 13-1
source, local funds, 8-10
source documentation, 12-32
sources, of funding, NP, 8-7
special menus, NP, 8-33
special project recipients, prepayment and reimbursement from AAA, 12-9
sponsoring agencies
WISE, A-5, A-4
SS100
form, 12-71
form instructions, 12-64
SSI, 9-6
staff
AU, 3-7
cooking food, 8-61
FSS, 8-61
I&A, 10-3
NFCSP, training and development, 11-7
NP, training, 8-24
other, NP, 8-5
preparing food, 8-61
purchasing food, 8-61
staff management of contributions, 8-12
staff meals, NP, under 60, 8-20
staffing
CAU, 9-18
EBS, and training, 9-27
LBP, and training, 9-16
staffing requirements, 6-1
AAA, 6-1
AU, 6-3
standard planning process, E-3
standard(s) of confidentiality, *see* confidentiality standard
standardized definitions, NAPIS, 14-4
standardized names, NAPIS, 14-4
standards
confidentiality, 9-3
disclosure, 9-3
FM systems, 12-28
LSP, 9-2
minimum, NALA, J-1
nutrition, 8-42
of access, I&A, 10-6
of nutrients, 8-44
of nutrients for meals, 8-46
wage, hour and fringe benefit, 6-16
wage, hour, workplace, 6-15
standards laws, labor, 6-18
state building public works projects, prevailing wage rates and hours of labor, 6-18
state contracted sponsoring agencies
WISE, A-4, A-5
state grant agreements, 12-2
state labor laws, 6-16
state programs, match requirements of funds, 12-24
state supplement, 9-6
state supplemental, match requirement of funds, 12-24

status report
annual amendments, AAA plan, 4-16
annual amendments, AU plan, 5-12
steps
measuring performance, planning tools, E-41
planning tools, E-7
storage, NP food, 8-25
strategic formulation, E-25
strategic plan, E-28
completing strategy development, E-31
developing aging plan, E-31
objectives to support goal, E-30
purpose, E-28
strategic planning, COA, discussion guide, E-6
strategy development, completing, strategic plan, E-31
strengths
internal, E-18
internal assessment, E-16
structure
account, 12-33
aging network, 1-2
NP advisory council, 8-6
students, in NP program, 8-5
SUA
role of, AAA plan, 4-6
role of, AU plan, 5-2
subcontractors, civil rights compliance action plan, 7-17
subsidized housing, 9-7
success, visualizing, E-25
successes, E-9
suggested contribution schedule, 12-27
summary grid, WAFR, 12-63
summary of comments
public hearings, AAA plan, 4-10
public hearings, AU plan, 5-6
supervising attorney, communication with, 9-29
supplemental security income, 9-6
Supplemental Security Income, *see* SSI
supplements, liquid nutrition, NP, 8-35
supplies, NP, and equipment, 8-26
support
Alzheimer's, persons and caregivers, DHS 68, C-1
direct, AU plan, 5-1
indirect, AU plan, 5-1
support staff, NAPIS, 14-7
supportive services, 12-29
nutrition, 8-16
surveys, service delivery, 7-4
survivor benefits, 9-6
suspension
AAA plan, 4-13
AAA plan, appeal process, 4-13
AAA plan, consequences, 4-13
AAA plan, reinstatement, 4-13
AU plan, 5-9
AU plan, appeal process, 5-10
AU plan, consequences, 5-9
AU plan, reinstatement, 5-9
contracts, 13-16, 13-15
contracts, circumstances, 13-16
contracts, effects, 13-16
contracts, procedures, 13-17
system of classification, I&A, 10-3
systems
meal coupon, 8-13
meal reservation and participation registration, 8-40
taking food home, NP, 8-32
targeted groups, techniques for reaching, EBS, 9-8
targeting, service delivery, 7-6
taxes, 12-17
Homestead, 9-7
property (deferral), 9-7
taxonomy, I&A, 10-3
technician, registered dietetic, *see* registered dietitic technician
techniques
addressing priority issues, EBS, 9-8
and requirements, AAA plan, 4-7
and requirements, AU plan, 5-2
reaching targeted groups, EBS, 9-8
temperatures
food, NP, 8-31
home-delivered meals, 8-42
WI Food Code, 8-65
temporary closure, dining centers, 8-39
tenants, 9-7
tenure, AAA board, 2-5
term limits, AU COA, 3-6
termination
AAA plan, 4-14
AAA plan, appeal process, 4-15
AAA plan, consequences, 4-14
AAA plan, final report, 4-14
AAA plan, reinstatement, 4-14
AU plan, 5-10
AU plan, appeal process, 5-11
AU plan, consequences, 5-10
AU plan, final report, 5-10
AU plan, reinstatement, 5-10

contracts, 13-15, 13-16
contracts, circumstances, 13-16
contracts, convenience, 13-17
contracts, effects, 13-16
contracts, procedures, 13-17
terminology
FM, 12-1
NFCSP, definitions, 11-2
terms, other, NAPIS, 14-7
texture-modified meals, NP, 8-34
the aging network, *see* aging network
therapeutic meals, NP, 8-34
threats
external, E-21
external assessment, E-16
three-year retention of records, 12-37
thresholds, of authorization, 12-58
time
as public health control, WI Food Code, 8-67
between receipt and reimbursement, 12-32
public hearings, AAA plan, 4-9
public hearings, AU plan, 5-5
time period for spending program income, 12-27
time-frame, retention of records, 12-37
timely transactions, 12-60
timetable
AAA plan, 4-9
AU plan, 5-5
audit report response, 12-44
timing of match, 12-25
Title I
ADA, 6-21, 6-23
Title III
OAA, NP, 8-68
retention of records, 12-38
Title III-B, 12-29
expenditures, form SS100, 12-71
NP, fund usage, 8-7
Title III-C, 12-30
Title III-C1, expenditures, form CM110, 12-73
Title III-C-1, NP funding source, 8-7
Title III-C2, expenditures, form HD120, 12-74
Title III-C-2, NP, fund usage, 8-7
Title III-D, 12-30
expenditures, form PH130, 12-75
Title III-E, 12-30
expenditures, form NFCSP140, 12-76
Title V
ADA, 6-23, 6-21
slots, A-5
WISE, A-1
Title VII, 6-22, 6-20
tool, nutrition screening, K-1
training
CAU, 9-18
EBS, and staffing, 9-27
FSS, 8-63
I&A, 10-3
LBP, and staffing, 9-16
NFCSP staff, 11-7
NP, staff and volunteers, 8-24
providers, contracts, 13-19
required, FSS, 8-60
transactions, timely, 12-60
transfer of funds, 12-3
transportation, NAPIS, 14-4
tribal aging unit(s), *see* AU or TAU
tribal AU, NFSCP, 11-8
tribal governments, costs, direct and indirect, 12-19
types, matching share resources, 12-20
types of performance measures, planning tools, E-38
under 60, NP staff meals, 8-20
undue hardship, 6-24
unearned income, 12-35
uniformed services, employment, 6-15
Uniformed Services Employment and Reemployment Act, *see* USERA
units, service, NAPIS, 14-4
universal service fund, 9-6
usage
food, donated or discounted, 8-58
funds, NP, Title III-B and III-C-2, 8-7
performance information, planning tools, E-45
program income, 12-26
USDA, food stamps, funding source, 8-9
use, drugs and alcohol, 6-24
USERA, 6-15
utensils, NP, 8-30
utilities
EBS, and housing, 9-7
shut-offs, 9-7
unpaid bills, 9-7
utilization, NAPIS Report, 14-2
valuation, donated goods or voluntary services, 12-22
vegetables, 8-50
violation of EBS rules, confidentiality standard, 9-31

violence in the workplace, 6-8
visualizing success, E-25
voluntary contributions, funding source, 8-10
voluntary services, valuation, 12-22
volunteer agencies, ACTION-designated, 12-24
volunteers
  NP, 8-5
  NP, training, 8-24
  NP, under 60, 8-20
voucher programs, 8-41
WAFR, 12-61
  acronyms and abbreviations, 12-62
  ALZ190, instructions, 12-64
  certification of claim, 12-85
  CM110, instructions, 12-64
  column headings, 12-65
  EA165, instructions, 12-64
  EBS160, instructions, 12-64
  form 600D, 12-84
  form ALZH190, 12-81
  form CM110, 12-73
  form EA165, 12-79
  form EBS160, 12-78
  form FR180A, 12-82
  form FR180B, 12-83
  form HD120, 12-74
  form NFCSP140, 12-76
  form NSIP105, 12-72
  form PH130, 12-75
  form SCS150, 12-77
  form SCSEP170, 12-80
  form SS100, 12-71
  format, 12-64
  forms, 12-62
  FR180A, instructions, 12-68
  FR180B, instructions, 12-68
  HD120, instructions, 12-64
  new items, 12-61
  NFCSP140, instructions, 12-64
  PH130, instructions, 12-64
  row headings, 12-65
  SCS150, instructions, 12-64
  SCSEP170, instructions, 12-64
  SS100, instructions, 12-64
  summary grid, 12-63
wage
  minimum, 6-18
  payment and collection, 6-19
  standards, 6-16, 6-15
waiting lists, NP, 8-23
waiver, NFCSP, 11-7
waiver request, NP, K-2
washing hands before gloving, WI Food Code, 8-67
WEA
  AU and the, 3-2
  AU plan, 5-2
  non-compliance with, AU, 3-12
  non-compliance with, AU appeal process, 3-12
weaknesses
  internal, E-19
  internal assessment, E-16
weatherization program, 9-7
WHEAP, 9-7
WI
  certification, food manager, 8-63
  food manager certification, 8-63
WI Act 235 of 1991, I&A, 10-1
WI Food Code
  bare hands, 8-67
  contamination, 8-67
  copies of, 8-60
  date marking, 8-66
  demonstration of knowledge, 8-66
  employee health, 8-66
  enhancing security, 8-67
  faucets, hands-free, 8-67
  gloving, 8-67
  hand washing before gloving, 8-67
  hands-free faucets, 8-67
  highlights, 8-65
  index, K-4
  NP, 8-60
  ready-to-eat foods, 8-67
  reducing contamination, 8-67
  safety and sanitation, 8-59
  security, 8-67
  temperatures, 8-65
  time as public health control, 8-67
WI law Chapter 115, 8-68
WI projects
  FGP, NSSCP, B-4
  RSVP, NSSCP, B-2
  SCP, NSSCP, B-5
Wisconsin Aging Financial Reports, *see* WAFR
Wisconsin Food Code, *see* WI Food Code
Wisconsin FoodShare, 8-9
Wisconsin Home Energy Assistance Program, *see* WHEAP
Wisconsin Senior Employment (Program), *see* WISE
Wisconsin's EA Law, D-1
WISE, A-1
  allocation of slots, A-3

CSA, definition, A-7
CSA, length, A-7
eligibility, A-2
FAQ, A-6
goal, A-2
host agency, definition, A-6
individual assessment, A-3
national grantees, A-6
new info, A-6
offerings, A-3
retention, A-3
state contracted sponsoring agencies, A-4, A-5
Title V, A-1
women's business enterprises, contracting with, 13-3
work, hours and overtime, 6-18
workforce analysis, equal opportunity form, 7-23
workplace
drug-free, 6-8
standards, 6-15
violence in, 6-8
written contract award procedures, 13-2
written contracts, procurement, 13-9