



**REGION VII AREA AGENCY ON AGING**

# Service Provider Policy Manual

## Volume I

### Contract Management

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| <b>VOLUME I:</b>    | Contract Management   |
| <b>POLICY NAME:</b> | Policy Amendment Procedure  |
| <b>PURPOSE:</b>     | The purpose of this section is to establish uniform procedures to amend, revise, delete or add policies/procedures in the Region VII Area Agency on Aging (Region VII AAA) approved manual. |
| <b>AUTHORITY:</b>   | These procedures conform to the requirements established by the Bureau of Aging, Community Living, and Supports (ACLS Bureau) Policies  |

**I. Introduction**

- A. From time to time, changes may be necessary to keep Region VII AAA's policies/procedures current and in conformity with the State and Federal Policies that govern the operations of programs funded with the Older Americans Act of 1965, as amended, and with the State and matching funds.

**II. Changes Initiated by the Service Providers**

- A. Service providers may request, in writing, changes to any section of the Region VII AAA's approved manual at any time during the fiscal year.
1. Region VII AAA will consider changes only twice during a fiscal year, once in January and again in June.
  2. Proposed changes should be submitted with a rationale and statement, which outlines the expected impact on the region.
  3. All proposed changes should outline the problem and rationale.
- B. The Region VII AAA staff will analyze the request for changes and, if appropriate, will develop revisions of new policy/policies that will be mailed to all parties for review and comment.
1. The Region VII AAA will follow the guidelines established in the ACLS Bureau's Administrative Rules for review and comment period, which requires a minimum of fourteen (14) days.
- C. The Region VII AAA will prepare the final draft after reviewing the comments and submit this information to the Region VII AAA's Planning/Appropriations/Assessment Committee for approval.
1. The Committee will make recommendations to the Board of Directors for action.

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2. Changes approved by the Region VII AAA Board may become effective immediately. If a phase-in period is warranted, the Planning/Appropriations/Assessment Committee, subject to Region VII AAA Board approval, will determine this.

III. Changes Initiated by Other Parties

- A. The Region VII AAA Board of Directors, Advisory Council, and/or staff may initiate revisions to the existing policies or may develop new policies to comply with the State and/or Federal rules, regulations, and laws or to improve accountability and performance for programs funded by the Region VII AAA.
- B. The procedure outlined in Section II above will be used in proposing changes or additions initiated by the Region VII AAA staff, Board or Advisory Council.

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**VOLUME I:** Contract Management

**POLICY NAME:** Service Area Establishment

**PURPOSE:** In the Request for Proposal used by the Region VII AAA, the region is subdivided into service areas for designated programs. Funding levels are targeted for each service area. It is the intent of Region VII AAA to select a single service provider to deliver the identified service in the designated service area. The use of service areas is a planning tool to allocate resources to counties and to minimize the administrative costs associated with funding multiple service provider organizations.

**AUTHORITY:** Region VII AAA Request for Proposal

**I. Initiation of Change**

A. Service areas were established in Fiscal Year 1982 in the same arrangement as historical county groupings for the purpose of allocating Federal and State funds by Region VII AAA's funding formula. Any changes in service delivery areas may only be initiated through the following processes:

B. Action by the Region VII AAA Board

1. The Region VII AAA Board may take action to re-designate service area boundaries if circumstances arise which will negatively affect or interrupt the flow of services to senior citizen residents of the region.

C. Action by County Board of Commissioners

1. County boards may request the Region VII AAA Board to re-designate service areas if all of the following conditions are met:
  - a. All counties included in the service area being considered for re-designation agree through Board motion to the change.
  - b. The contracted client and unit levels for all services within all counties in the service area will not be reduced and the same level of commitment toward achieving those levels will be maintained.
  - c. Local cash match for the federal and state dollars allocated to the counties in the service areas will not be reduced.
2. No disruption in service delivery will occur and the following rules also apply:

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- a. Only the Board of Commissioners of the counties included in the service area being considered for re-designation are eligible to apply for re-designation.
- b. Petitions, resolution, letters of support or other documents submitted by other counties in the region will not be considered. Only one of the involved counties need to submit a request for re-designation, but the remaining counties in the service area must submit board minutes indicating agreement with the requested change(s). The request must include a rationale for the change(s) requested.
- c. Changes in service areas will only be implemented at the beginning of a fiscal year.
- d. The re-designation of service areas does not affect the selection of service providers through the Request for Proposal process. The acceptance of applications and subsequent funding awards will be conducted as usual through the Request for Proposal process, which is open to all eligible applicants.
- e. Any proposed re-designation of service area(s) will affect the funding amount earmarked for each county included in the historical service area pattern.
- f. If any Region VII AAA Board action is taken to re-designate service areas, the funding formula will be reapplied to establish the funding levels for the revised service area(s).
- g. Service providers cannot initiate the re-designation of service areas.
- h. Region VII AAA funds cannot be expended in service area re-designation activities.

**II. Processing of Requests for Re-designation**

- A. Requests for re-designation must be submitted to the Region VII AAA by October 1 of the fiscal year to be considered for implementation on October 1 of the following fiscal year.
- B. Upon receipt, requests for re-designation of service areas will be reviewed by Region VII AAA staff to ensure the rules and conditions listed above have been met. If the conditions have not been met, the request will be rejected. Area Agency Region VII AAA staff is responsible for advising the Region VII AAA Board during a regular

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- Board meeting of any requests for re-designation that have been received and rejected.
- C. If all rules and conditions have been met, the request will be presented to the Planning/Appropriations/Assessment Committee.
  - D. Prior to the Planning/Appropriations/Assessment Committee meeting, the Region VII AAA staff will arrange public hearings on the issue, in each county in the service area being considered for re-designation. The Planning/Appropriations/Assessment Committee will consider the testimony presented at the public hearing.
  - E. The Planning/Appropriations/Assessment Committee may vote to table the request for one month to solicit additional information from the county Boards involved. If the request is not tabled, the request and accompanying Planning/Appropriations/Assessment Committee recommendation will be presented to the full Region VII AAA Board at its next regular meeting. If tabled, the request will be presented to the regular Board meeting following the second Planning/Appropriations/Assessment Committee's meeting.
  - F. Appeals of decisions made by the Region VII AAA Board regarding request for re-designation will be handled as outlined in the Region VII AAA's appeals procedure.
  - G. If service area re-designation will increase the number of nutrition grantees approved as of October 1, 2010, the ACLS Bureau approval will be sought.

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| VOLUME I:    | Contract Management  |
| POLICY NAME: | Public Hearing   |
| PURPOSE:     | The purpose of this section is to outline procedures for the conduct of public hearings on the Region VII's AAA Multi-Year Plan (MYP), Annual Implementation Plan (AIP) and any change in service areas. |
| AUTHORITY:   | Public Hearing Requirements are outlined in ACLS Bureau Standards  |

- I. Region VII AAA will hold public hearings for:
  - A. Development of the MYP
  - B. Development of the AIP
  - C. Proposal of substantive amendment to the current plan. (Subject to ACLS Bureau policy on this issue.)
  - D. Any proposal to change service areas. If necessary, hearings may also be held to determine advocacy on service needs determination or issues of older persons.
- II. Accessibility
  - A. Region VII AAA will schedule the public hearing in a facility that is accessible to the population.
  - B. Whenever possible, the hearing will be scheduled in a facility that meets Section 504 Barrier-Free Code.
- III. Publicity
  - A. Region VII AAA will circulate notice to the following media sources thirty (30) days prior to the hearing:
    - 1. Local newspapers
    - 2. Local radio stations
    - 3. Local television stations
  - B. Region VII AAA will circulate press releases for inclusion in senior citizens newsletters published within the region.

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IV. Distribution of the AIP Summary

- A. The AIP Summary will be circulated, along, with hearing notices to all service providers, professional organizations, and public officials – including county governments and other interested parties.
- B. A copy of the proposed AIP will be available at the Region VII AAA's office for review before the public hearing date.

V. Public Hearing Results

- A. All public hearings will have the comments summarized for staff, Advisory Council members, and Board members.
- B. Public hearing summaries will be reviewed by these parties and changes in the AIP document would be recommended by these respective parties after review of the public hearing testimony.
- C. A summary of public hearing testimony is included in the final AIP document, which is distributed to county commissioners, service providers, and other interested parties.

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| VOLUME I:    | Contract Management   |
| POLICY NAME: | Contract Negotiation  |
| PURPOSE:     | This policy outlines the steps that will be followed in negotiating contract costs, service levels and the conditions for contract renegotiating. |
| AUTHORITY:   | These procedures conform to the requirements established by the ACLS Bureau Policies  |

I. Initial Contract

- A. The Region VII AAA will negotiate client and unit levels and costs per unit with approved service providers prior to the beginning of each contract year.
- B. Special conditions will be placed on the contract if there are outstanding assessment findings or contract issues are not resolved to the satisfaction of both parties.

II. Renegotiating

- A. During the contract year, client/unit negotiations will occur in conjunction with budget/contract modifications. Reduction in service or client levels shall not be made after the initial contract has been negotiated, unless a reduction is made in the Region VII AAA funding award.
- B. Written requests to reopen negotiations may be initiated twice per year and must be submitted with the following documents for the current fiscal year:
  - 1. All publicity documentation
  - 2. Marketing efforts
  - 3. Client satisfaction data (statistics, with sample of form or methodology used)
  - 4. Suggested contribution schedules
  - 5. Input and approval from the governing body and the Advisory Council, if applicable, on the request for renegotiating of contract
  - 6. Plan for preventing reoccurrence of a drop in client/unit level(s), as applicable
- C. Region VII AAA will review this information and, if justified, will reopen contract negotiations. The due dates for the above materials are:
  - 1. First quarter – January 31

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2. Second quarter – April 30

- D. Region VII AAA will respond within thirty (30) days of receipt of request.
- E. Region VII AAA will return incomplete requests to the service provider without action.
- F. The Region VII AAA will not accept requests to reopen negotiations after the first six (6) months of the contract year, except for changes in the contract necessitated by the budget/contract modification policy.
- G. Renegotiation of unit rate(s) is not applicable to performance-based contracts. Client and service level(s) may be renegotiated under performance-based contract only in conjunction with an increase, decrease, or approved transfer of Region VII AAA funds.

1. Reference Volume I, Performance-Based Contracting

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**VOLUME I:** Contract Management

**POLICY NAME:** Cash Disbursement

**PURPOSE:** The purpose of this section is to describe the procedure for disbursing monthly cash advances and reimbursements. Region VII AAA shall only make payments for authorized costs incurred in conformance with applicable contractual agreements and financial reporting procedures.

**AUTHORITY:** These procedures conform to the requirements established by the ACLS Bureau Policies

**I. Cash Advance**

- A. Region VII AAA may provide cash on a working capital advance basis.
- B. Region VII AAA may advance cash to the service provider to cover its estimated service expenditure needs for an initial period. Thereafter, Region VII AAA will reimburse the service provider for its actual cash expenditures or actual units generated, not to exceed the service provider's contract award per service category.
  - 1. The service provider's request for a one-time advance, per fiscal year, must be submitted in writing.
  - 2. The request for an advance shall be limited to the minimum amount needed for the service program, not to exceed one-twelfth (1/12) of the service budget.
  - 3. The written request must include a detailed budget of the requested funds.
  - 4. At the end of the quarter following the advance request, Region VII AAA will perform an audit of the actual expenses to verify that no more than the immediate cash needs of the service program were requested.
    - a. If the audit finds that the cash advance was more than 5 percent of the actual cash expenditures, future fiscal year cash advances may be denied.

**II. Cash Reimbursement**

**A. Cost Reimbursement Contracts**

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1. Cash reimbursements will be computed from the data contained in the service provider's monthly financial reports.
2. The Region VII AAA will only reimburse the service provider for actual expenses.
  - a. Region VII AAA requires that financial reports be prepared using the modified accrued expenditure method.
3. If the service provider does not comply with the financial reporting requirements contained in the Reporting Policy, it will not receive monthly cash reimbursements.
  - a. It is imperative that accurate and timely reports be submitted.
4. Service providers must adhere to the program definition and Region VII AAA standards to be eligible to receive reimbursement of allowable expenses.

**B. Performance-Based Contracts**

1. Cash reimbursements will be determined from the data presented in the service provider's monthly Unit Rate Reimbursement Voucher.
2. Reimbursement shall be made only for Region VII's AAA share (90 percent) of the net cost, i.e., Reimbursement Unit Rate, for each verifiable unit.
3. Reimbursement shall not exceed one-fourth of the Region VII AAA funding award in any contract quarter. Service providers shall limit the number of units provided in any given quarter to one-fourth of the contracted service level to assure continuity.
4. Reimbursement shall be commensurate with the total number of units reported on the voucher, unless assessment findings disallow units.
5. Service providers must adhere to the program definition and Region VII AAA minimum standards to be eligible to receive reimbursement of allowable expenses.

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| <b>VOLUME I:</b>    | Contract Management   |
| <b>POLICY NAME:</b> | Reporting Procedures  |
| <b>PURPOSE:</b>     | The purpose of this section is to provide uniform requirements and forms for service providers to report financial and performance information to the Region VII AAA. |
| <b>AUTHORITY:</b>   | Reports require under this section conform to the reporting requirements for the Offices of Services to the Aging   |

**I. Cost Reimbursement Contracts**

**A. Monthly Financial Reports**

1. Forms: Service providers will use financial report forms and instructions provided by Region VII AAA to report the status of contract and local funds used in providing services listed in contractual agreements.

**B. Reporting Basis**

1. Each service provider shall prepare financial reports of monthly expenditures and income using the modified accrued expenditure accrual-based reporting method.
2. Financial reports will be based upon a combination of general ledger account balances plus unpaid liabilities as outlined on a supporting worksheet.
  - a. The service provider may maintain its general ledger on a cash basis. Entry into the accounting records is not necessary.
3. Technical assistance can be requested for completing financial reports.

**C. Frequency**

1. Each service provider is required to submit a monthly financial report to the Region VII AAA office on or before the close of the business day, on the 12<sup>th</sup> day of each month.
2. If the 12<sup>th</sup> day is a weekend or holiday, reports must be received at Region VII AAA's office on the following workday.

**D. Period of Reporting**

1. Monthly financial reports are cumulative and shall include the entire period throughout the end of the preceding month.

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E. Incomplete, Inaccurate or Late Reports

1. The service provider is responsible for submitting complete, accurate and timely reports.
2. Reports received after the due date will be sufficient justification for the Region VII AAA to delay cash reimbursement.
  - a. Region VII AAA will provide written notification to the service provider.
3. Inaccurate or incomplete reports will also be justification for delaying cash reimbursement.
  - a. Region VII AAA will provide written notification to the service provider.
  - b. All notifications will indicate the reasons for suspension and the effective date.
4. Agencies who consistently submit incomplete, inaccurate and/or late reports may be suspended from future cash reimbursement.
  - a. Consistently defined as three consecutive reports and/or six inaccurate and/or late reports within twelve months.
  - b. Region VII AAA will notify the respective agency in writing, by certified mail, when cash reimbursement is suspended.
5. Service providers may request a conference to resolve problems, request technical assistance, and put into place corrective actions to prevent reoccurrence.
6. Cash reimbursement suspensions will remain in effect until the affected agency provides Region VII AAA with written notice of corrective actions and until it has demonstrated accurate and timely reporting practices for two (2) consecutive reporting periods.
7. When necessary, notification of cash reimbursement suspensions will be provided to the Region VII AAA Board of Directors as soon as possible, but no later than the next regular scheduled Board meeting.

II. Quarterly Program Reports

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- A. Quarterly program reports will be compiled from data submitted to Region VII AAA's computer information system by service providers.
- B. Service providers are required to reconcile monthly their National Aging Program Information Systems (NAPIS) information with their financial information.
1. Region VII AAA will not accept reports with a deviation and all deviations are the responsibility of the service provider.
- C. Services providers, who do not submit data to the Region VII AAA NAPIS System, will submit quarterly reports on Region VII AAA approved paper forms.
1. Quarterly Program Reports may be mailed, emailed, or faxed to Region VII AAA.
- D. Report Dates
1. Quarterly program reports that are submitted on paper forms are due at Region VII AAA on the 12<sup>th</sup> day following the end of each quarter as follows:
- | <u>Quarter</u> | <u>Due</u> |
|----------------|------------|
| First          | January 12 |
| Second         | April 12   |
| Third          | July 12    |
| Fourth         | October 12 |
2. If the 12<sup>th</sup> falls on a holiday or weekend, the report must be received no later than the following business day.
  3. Quarterly program paper forms can be submitted by mail, email, or fax.
  4. Quarterly program paper reports are to be sent to the attention of the Program Manager.
- E. Period of Report
1. Quarterly program reports are cumulative and will cover all preceding fiscal quarters.
- F. Incomplete, Inaccurate, or Late Reports
1. The procedures for inaccurate or late monthly financial reports shall apply to quarterly program reports.
- G. Data reported on the quarterly report must be consistent with data reported on cumulative monthly financial reports.

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III. Performance-Based Contracts

- A. Service providers shall adhere to all Quarterly Report requirements as previously stated.
  - 1. Monthly vouchers must be submitted by the 12<sup>th</sup> of each month or the following business day if the 12<sup>th</sup> falls on a weekend or holiday.

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**VOLUME I:** Contract Management

**POLICY NAME:** Reprogramming and Reallocation Policy

**PURPOSE:** The purpose of this section is to establish uniform procedures for minimizing underspending of funds used in providing services for the aging in the Region VII Planning and Service Area. The intent and purpose of this policy is to reduce potential underspending while still providing maximum levels of service to the aging in the most effective and cost-efficient manner.

**AUTHORITY:** These procedures conform to the requirements established by the ACLS Bureau Policies

**I. General**

A. Region VII AAA will monitor expenditure patterns of service providers, and when necessary, adjust service providers' allocations to coincide with actual expenditure rates.

1. This will minimize underspending by reprogramming and redistributing funds between service categories, service providers or counties, and will maximize use of funds within the region.

B. This procedure is intended to accomplish periodic shifting of funds within or between service provider and counties to optimize funding for services.

C. Technical assistance shall be available to help improve service provider fiscal management systems so that realistic fiscal planning will occur at the beginning of each fiscal year.

1. This will help project accurate year-end balances.

**II. Monitoring Funds**

A. Region VII AAA will monitor monthly expenditures, units, and client output levels.

1. At the end of the first quarter (December 31 of each fiscal year) and the end of the second quarter (March 31 of each fiscal year), service providers who are not within +/-5 percent of projected expenditures and/or service delivery levels shall be notified.
2. At the end of the first quarter (December 31 of each fiscal year) and the end of the second quarter (March 31 of each fiscal year), nutrition service providers who are not within +/-2 percent of projected expenditures and/or service delivery levels shall be notified.

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3. A request shall be made for a written evaluation of the reason for the variance and a plan to correct spending and/or service delivery levels.
  4. If in any consecutive three-month period there is significant underspending and the service provider cannot realistically use funds to expand services during the remainder of the contract year, the projected level of underspending may be de-obligated.
- B. Region VII AAA will monitor the expenditures and service delivery level of Service Providers through the end of the second quarter.
1. Region VII AAA will unilaterally take steps to de-obligate funds from service providers who are not within 5 percent of the expenditure or service delivery levels in Supportive Services at the end of the second quarter, if this is a repeat finding.
  2. Region VII AAA will unilaterally take steps to de-obligate funds from service providers who are not within 2 percent of the expenditure or service delivery levels in Nutrition Programs at the end of the second quarter, if this is a repeat finding.
  3. The service provider will be notified and the amount of funds to be de-obligated will be determined.
  4. Service providers will be notified of the Region VII AAA Board meeting date where de-obligation of funds will be acted upon.
  5. Additional steps and/or documents needed to complete de-obligation of funds shall be referenced in the Region VII AAA Budget Contract Modification policy.
- C. Service providers who are for the first time varying +/-5 percent of Supportive Services or +/- 2 percent of Nutrition Services will receive written notification of the projected level of variance.
1. Service providers will be asked to outline the reasons for variance and a plan for correction.
  2. If there is an indication that the variance in expenditures or service delivery will continue into the seventh month of operations, Region VII AAA will seek prior approval from its Board to de-obligate the amount of the projected underspending for the contract year.
  3. Region VII AAA will inform the service provider of the Board meeting date at which de-obligation of funds will be presented.

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- 4. Region VII AAA's policy on Budget/Contract Modification will be referenced for additional steps and documents to complete de-obligation of funds.
  - D. Region VII AAA reserves the right to de-obligate funds if underspending and under serving remains a concern for service providers with Performance-Based Contracts.
- III. Reallocation of Funds From One Contractor or County to Another
- A. Funds made available through de-obligation will be reallocated within the region, considering the following:
    - 1. Formula distribution factors
    - 2. Efficiency of service providers requesting reallocation of funds such as record of delivering services at agreed upon contract level and/or costs
    - 3. Need for special project or one-time expenditure
  - B. Reallocated funds may not be spent prior to receipt of official approval from Region VII AAA.
  - C. Funds awarded through reallocation are non-recurring awards and may not be used as a basis to advocate for increased funding levels.
  - D. Service providers that utilize reallocation funds to increase service delivery must be prepared to return to normal levels of service the following fiscal year or must identify other resources to support expanded service delivery.
  - E. For reallocation funds to be expended on a timely basis all recommendations for reallocation will be presented for action no later than the August Board meeting.
  - F. Any service provider who disagrees with the reallocation of funds must submit a written explanation to the Region VII AAA Executive Director.
    - 1. The explanation will be presented to the Region VII AAA Board under Public Comment.
    - 2. The Region VII AAA Board will review the matter and decide the outcome.
    - 3. Decisions made by the Region VII AAA Board concerning the reallocation of funds are final.
- IV. Reallocation of Funds within a Service Provider Contract

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- A. Service providers are encouraged to regularly monitor their expenditures and delivery levels to determine the need for budget or contract modification which will enhance service delivery.
- B. Service providers are requested to follow the guidelines outlined in the Region VII AAA Policy on Budget/Contract Modifications.
- C. Region VII AAA will make every effort to process requests for internal reprogramming of funds in a timely manner.
- D. Reallocation shall not result in an increase in the negotiated unit rate for any contracted service. This applies to both line-item cost reimbursement contracts and to performance based contracts.

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| VOLUME I:    | Contract Management  |
| POLICY NAME: | Technical Assistance   |
| PURPOSE:     | This section outlines the procedure for service providers to use in requesting the information necessary to improve efficiency, establish systems of operation, and to achieve compliance with Federal, State, and regional regulations. |
| AUTHORITY:   | These procedures conform to the requirements established by the ACLS Bureau Policies   |

I. Requests for Technical Assistance

- A. All service providers of Region VII AAA may request technical assistance, as needed, from Region VII AAA.
- B. Region VII AAA may require a service provider to request assistance to resolve a problem identified through the assessment process.
  - 1. Such a requirement would only be initiated if a provider has demonstrated a repeated inability to resolve the problem on his or her own.

II. Source of Technical Assistance

- A. Technical assistance needs identified from problems documented through the assessment process or identified by the provider should be directed to Region VII AAA's Executive Director.
  - 1. Upon receipt of such requests, Region VII AAA's Executive Director will assign appropriate staff and make arrangements for provision of technical assistance as soon as possible.

III. Prioritizing of Technical Assistance Requests

- A. Generally, requests will be handled on a first come first serve basis.
- B. Should a waiting list develop, requests will be prioritized on the following:
  - 1. First—Emergency requests evolving from problems or occurrences that may prohibit or cause an acute reduction of the delivery of services.
  - 2. Second—Requests based upon compliance issues identified through the assessment process.

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| VOLUME I:    | Contract Management  |
| POLICY NAME: | Budget/Contract Modifications  |
| PURPOSE:     | The purpose of this policy is to establish uniform procedures for service providers to follow in completing budget revisions or other contract changes during the fiscal year. |
| AUTHORITY:   | Region VII AAA contractual agreement and ACLS Bureau Contract Standards  |

**I. Definitions**

- A. Supportive Services—Chore, Home Repair, Outreach, Case Coordination & Support, Senior Center Operations, Senior Center Staffing, Counseling, Personal Care, Homemaking, In-Home Respite Care, Adult Day Care, Transportation, Legal Assistance, Long-Term Care Ombudsman, Caregiver Training, Health Promotion/Disease Prevention.
- B. Nutrition Services—Congregate Meals, Home Delivered Meals
- C. Budget Line Item—Refers to the budget components of salaries, fringes, communication, etc. The budget line items are listed along the left margin of the budget forms.
- D. Service Categories—Refers to corresponding service definitions approved in the AIP. In Supportive Services, the service categories are listed at the top of the budget, with one column per service category. Examples are Chore, Home Repair, Case Coordination & Support, etc.
- E. Nutrition programs—the service categories are Congregate Meals and Home Delivered Meals
- F. Program Function—within the nutrition program budgets the program functions are listed at the top of the budget with one column for each program function.
  - 1. Examples are Meal Costs, Project Management, etc. The program function definition is not applicable to supportive service budget categories.
- G. Program Income—generally refers to client donations, third-party reimbursements, and interest income.
- H. NSIP—Refers to Nutrition Services Incentive Program reimbursement for meals.

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- I. Total Budget—Refers to all sources of revenue that are included in the approved budget. Sources can include Region VII AAA funds, local match, NSIP, program income, and other resources.
- II. Copies
  - A. One set of requested documents with original signatures should be submitted to Region VII AAA for each budget/contract modification request.
- III. Guidelines for Budget Revisions
  - A. The budget is an official document for performance.
    1. The budget can be revised within the parameters outlined in this policy so that it more accurately reflects the plan for meeting contracted service levels.
    2. As a guide, Region VII AAA offers the following criteria as an indicator of need for budget revision:
      - a. If individual line-item expenditures, within a service category, exceed the budgeted amount by 20 percent or more, and a projection of spending through the end of the contract year indicates this spending pattern will continue, the service provider should consider revising the budget to more accurately reflect the amounts needed for line item expenditures.
  - B. Program income levels should be monitored on a monthly basis.
    1. If the actual amount generated deviates substantially from the amount budgeted, the service provider should consider revising the budget to more accurately reflect the expected level of program income.
    2. If the expected level is less than the amount budgeted, one or more line items should be reduced and expenditures controlled so that the year-end expenditures do not exceed anticipated revenues.
    3. If program income is expected to be greater than the amount budgeted, the aggregate budget should be revised with changes made to increase one or more line items.
    4. Plans can then be made to expand services and the level of expenditures within the revised budget.
    5. If meal levels are above anticipated levels for nutrition programs or NSIP, they should be monitored on a similar basis.

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C. If underspending of Region VII AAA funds within a service category budget exceeds 5 percent and projections of future expenditures indicate underspending will continue, the service provider should consider de-obligation of Region VII AAA funds that cannot be spent within the fiscal year.

1. Region VII AAA Reprogramming Policy should be referenced.

D. If the service provider is overspending at a rate which exceeds 5 percent, steps should be taken to curb expenditures and prioritized service delivery so that the program will continue through the end of the fiscal year and Region VII AAA funds used to support service delivery will not be exhausted prior to year-end.

E. At year-end, the actual expenditures should remain within 20 percent of the budgeted line-item amounts within a service category.

1. If the service provider expects variances higher than 20 percent, Region VII AAA recommends a budget revision to more accurately reflect the planned level of spending.

a. Due dates for such changes are outlined in this policy.

2. If at year-end the service provider has already identified a need to do a budget revision to update program income and/or NSIP, Region VII AAA recommends revision of the budget to reflect the increase/decrease in line-item expenditures affected by the actual receipts of program income and/or NSIP.

F. At year-end, Region VII AAA obligation will not exceed the total of the approved Region VII AAA award of funds for each service category. If the level of spending exceeds the amount included in the budget, the difference is the responsibility of the service provider.

#### IV. Contract Performance

A. Service providers will deliver the agreed upon level of services included in the contract.

1. Region VII AAA will monitor service providers' performance throughout the fiscal year.

B. Service providers that consistently deliver the level of clients and units in accordance with the contract will merit the following:

1. Region VII AAA will consider reprogramming any under spent funds to service providers that are delivering services and expending Region VII AAA funds as outlined in the contract.

2. Region VII AAA will be reviewing contract performance as one factor in considering service providers for Multi-Year Contracting.
- C. Region VII AAA will review contract performance in planning for the development of the next AIP service budget.
  1. If year-end performance indicates lesser demand for a service or if actual service unit costs exceed contracted unit costs, Region VII AAA may redirect some or all of the funding from the affected service category to expand one or more other service programs within the same service area in which performance was in accordance with contract expectations.
- D. Service providers that do not deliver the agreed upon clients and units, exceed the contracted unit cost or continue to deliver services at a unit cost which exceeds regional and state averages may have a special condition placed upon the following year contract to address these performance issues.
  1. Service providers would only be eligible for reprogramming if reductions in costs from contracted levels have been realized prior to the request for reprogramming funds or would be made possible through the receipt of such funds.
  2. Service providers or the affected service program in the respective service area would not be targeted for increased levels of funding.
- E. For cost-reimbursement contracts Region VII AAA will withhold payments for non-performance when a service provider fails to deliver agreed upon levels of service in accordance with the following allowable deviation:
  1. Congregate Nutrition and Home Delivered Meals 2 percent
  2. Supportive Services 5 percent
  3. Any deviation of the above allowable limits will result in reduction of final payment to the service provider from the Region VII AAA share of the total unit cost rate.
- F. Performance-based contract service providers are compensated for the actual number of units provided with payment based upon the agreed upon unit rate.
- G. Region VII AAA is not obligated beyond the service level specified in the contract.

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**VOLUME I:** Contract Management

**POLICY NAME:** Assessment of Contracts

**PURPOSE:** The purpose of the assessment process is to review program accomplishments and management control systems to verify that the intent of the Older Americans Act is being achieved, Federal, State and Region VII AAA policies and standards are being complied with, and that there is adequate control in the security and use of Federal, State, and local resources.

**AUTHORITY:** Assessment procedures delineated in this section conform to the requirements specified by ACLS Bureau

**I. Assessment Procedures**

- A. Region VII AAA will conduct one on-site assessment each fiscal year for each agency providing Older Americans Act and/or State-Funded services.
- B. A tentative assessment schedule will be developed each fiscal year and forwarded to service providers and ACLS Bureau no later than December 1.
- C. Assessments will focus on program operations and fiscal administration and control.
- D. The assessment guide will concentrate on contract specifications, approved service definitions, generally accepted accounting principles, minimum service standards, licensing requirements, state and federal laws and regulations, ACLS Bureau policies, and Region VII AAA policies.
- E. Service providers will receive written feedback reports indicating assessment findings, recommendations, and observations.
  1. Feedback reports will include required corrective actions and recommendations. Areas of noncompliance with applicable laws, regulations, and policies will be specified and will require immediate corrective action.
  2. Feedback reports will be distributed to service providers within sixty (60) days of each assessment.
  3. Service providers written responses must be received on or before the due date indicated.
  4. Service Provider responses shall include:
    - a. A plan of action taken to correct deficiencies and the estimated completion date of all noncompliance findings

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- b. Concurrence/non-concurrence with findings
- c. Actions taken to prevent recurrence
- d. Governing body's approval of the response

**II. Conducting Assessments**

**A. Pre-visit Procedures**

1. Region VII AAA will ensure that the respective service provider has a copy of the assessment guide for review at least thirty (30) days prior to the assessment.
2. Region VII AAA's assessment personnel will coordinate with the Executive Director concerning visit activities and documentation which must be available during the assessment.
3. Region VII AAA's assessment personnel will complete a desktop assessment prior to the visit.
  - a. The desktop assessment will entail reviewing financial reports, program reports, the contractual agreement, current budget and revisions, past assessment reports, equipment listing, and other documentation relating to service provider activities.

**B. Visit**

1. Region VII AAA assessment personnel will meet with the service provider's executive director or designated representative to explain the purpose and scope of the assessment items of special interest, areas to be assessed, procedures employed during the assessment, and to answer questions. Using the assessment guide, the assessor will randomly examine records unless concerns require a systematic review, and will discuss procedures with service provider personnel, including past assessment corrective action.
2. Copies of documents/records may be required. If required, a copy should be prepared and given to the assessor.
3. Arrangements will be made to verbally brief the service provider's executive director or designated representative of findings identified through the assessment.

**C. Post Visit Follow-up Procedures**

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1. A written feedback report will be completed and distributed to the service provider within sixty (60) days.
  - a. The report will contain observations, recommendations, and noncompliance findings, Region VII AAA required actions, and due dates for written responses.
  - b. Thirty (30) days will be allowed for written responses from the service provider. The report will also indicate areas where technical assistance is required.
2. Region VII AAA will provide on-site assistance, upon receipt of a written request from the service provider, to help resolve or correct a noncompliance finding or address a recommendation.
3. Region VII AAA will file a copy of the assessment report, assessment guide, and all working papers in the respective contract files where they will be retained.
4. Issues of noncompliance will require correction within ninety (90) days and may receive a follow-up assessment within ninety (90) to one hundred and twenty (120) days.

**III. Probation/Suspension/Termination**

- A. If the assessment identifies findings, which have not been cited in prior assessments, the report will be prepared, and time will be allotted for preparation of the response and a follow-up to review status of findings.
- B. Probation
  1. If findings from an assessment have not been completely resolved, Region VII AAA will place a service provider on probation.
  2. During the probationary period, funds may be withheld depending upon the nature/severity of the violations.
- C. Suspension
  1. Region VII may suspend existing contracts if any of the following exist:
    - a. The service provider has been placed on probation and fails to resolve all outstanding non-compliance findings when a second follow-up visit is made by the Region VII AAA.

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- b. If any new findings are identified which are in violation of State/Federal laws.
- c. If findings identify improper use of Federal/State/Region VII AAA funds.

**D. Termination**

- 1. Region VII AAA may terminate the contact when the service provider is on suspension status and the suspension period exceeds ninety (90) days for lack of compliance. Suspension will not be removed unless all compliance findings have been satisfactorily resolved and verified by Region VII AAA.
- 2. Region VII AAA will immediately terminate contracts with the service provider when violations of Federal/State laws require it.
- 3. Region VII AAA may terminate the contract when there is any finding that documents action on the part of the service provider that presents a danger or threat to the health, safety, or well-being of the clients or participants.
- 4. The procedures for probation, suspension, and/or termination of a contract are stated in detail in the contractual agreement between the Region VII AAA and the service provider.
- 5. All findings must be resolved within a fiscal year.
  - a. When for any reason some findings remain outstanding at the start of a new fiscal year, the new award and the contract will be subject to conditions that all prior years' findings must be resolved and closed within the first fiscal quarter.
  - b. Region VII AAA may not award additional funds during a fiscal year and may deny award of a new contract for the following year if major compliance issues remain unresolved.

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**VOLUME I:** Contract Management

**POLICY NAME:** Probation Determination

**PURPOSE:** The Region VII AAA contract language outlines procedures to follow in placing a service provider on probation. The policy below outlines the reasons for such action to be taken.

**AUTHORITY:** These procedures conform to the requirements established by the ACLS Bureau Policies

**I. Conditions**

A. The following will constitute reasons for Region VII AAA to impose probationary status on a service provider:

1. Open or recurring assessment findings.
2. Failure to perform in accordance with the terms and conditions of the contract.
3. Mismanagement of funds, such as:
  - a. Late payments or nonpayment of bills
  - b. Payment of expenditures outside the approved Region VII AAA's budget
  - c. Failure to secure Board authorization for expenditures in accordance with service provider's policy
  - d. Other irregularities in fiscal operations

B. Region VII AAA will establish the length of the probationary period.

C. Region VII AAA will outline in writing the reasons for probation and the issue(s) that will be reevaluated at the end of the probationary period.

1. Region VII AAA may request additional data or corrective action plans.

**II. Reevaluation**

A. Region VII AAA will reevaluate the service provider's progress at the end of the probationary period.

B. Based on the performance, Region VII AAA may recommend one of the following:  
Probation Determination

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1. Termination of the probationary period
2. Extension of the probationary period
3. Suspension of the service provider, following steps outlined in the Region VII AAA contract language

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|              |   |
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| VOLUME I:    | Contract Management   |
| POLICY NAME: | Grievance Procedure   |
| PURPOSE:     | This procedure outlines opportunities for service providers to inform Region VII AAA of potential or existing problems. It establishes the framework for resolution of conflict to the satisfaction of all parties. |
| AUTHORITY:   | This procedure was initiated by the Region VII AAA Board of Directors.  |

**I. Informal Discussion**

- A. The service provider may request an informal meeting with the Region VII AAA Executive Director to resolve any dispute prior to filing a written complaint.
  - 1. If the dispute cannot be resolved during the informal meeting, a written complaint can be filed specifying the issues in detail.
- B. The service provider may initiate issues to be discussed with Region VII AAA on matters of concern that have not become formal grievance items.
  - 1. Discussion may be informal and directed toward resolution of problems by both parties.
  - 2. Such meetings will not have a bearing on the service provider's decision to file a formal grievance later if so warranted.
- C. The service provider will have the option of filing a formal grievance to comply with the due date and, at the same time, request an informal meeting to resolve the issues.
  - 1. If the resolution from informal meetings is unacceptable, the formal procedure to handle the grievance will be followed and face-to-face meetings will be scheduled.
- D. If the issues are resolved during the informal meeting, the Region VII AAA Executive Director will notify the parties involved in writing of the agreement.
- E. If the issues cannot be resolved in the informal setting, the service provider may initiate the formal grievance provided a written notice is submitted on time.
- F. The informal discussion on issues will not be considered relevant to the formal grievance proceedings.

**II. The Grievance**

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- A. A service provider's duly authorized representation may file a complaint in writing with the Executive Director of Region VII AAA.
  - 1. The complaint shall be received in this office within ten (10) calendar days of the incident.
- B. Content of the grievance must be in writing, dated, and signed by the director and chairperson of the service provider agency.
- C. Content of the grievance must focus on the issues in conflict and must not, in any form, involve personalities.
  - 1. Region VII AAA Executive Director reserves the right to dismiss a grievance when the grievance fails to clearly identify the issue.
  - 2. Region VII AAA Executive Director reserves the right to dismiss a grievance when it appears to be directed personally against any Region VII AAA staff member.
- D. The following information must be included:
  - 1. Date the incident occurred.
  - 2. Concise description of the incident.
  - 3. List of the negative effects of the incident that inhibit the service provider's ability to carry out its responsibilities in the interest of older persons.
  - 4. The statement must be clear, concise and must be supported with written evidence. Vague, unclear or broad statements having little or no substance will not be considered a genuine grievance.
- E. If the grievance is not supported with written evidence, the service provider must provide a rationale to justify its position.
- F. The grievance must be authorized by the governing body of the service provider in the form and content as it is submitted to the Region VII AAA.
- G. If the service provider cannot obtain authorization from its governing body within the due date of ten (10) calendar days, a preliminary grievance should be submitted with all the required information.
  - 1. No action on the preliminary grievance will be taken until the service provider forwards authorization from the governing body.

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2. Region VII AAA will require proof that the service providers governing body has approved the grievance.

III. Distribution of the Written Grievance

- A. The service provider must provide a copy of the grievance to the applicable county representative on the Region VII AAA Board of Directors.
- B. The grievance must be addressed to the Region VII AAA Executive Director.
  1. Upon receipt of the grievance, Region VII AAA will send a confirmation notice to the service provider indicating that the grievance has been received within the stated time.
  2. The service provider shall also be notified of whether the grievance complies with Region VII AAA's procedure or not.
- C. Region VII AAA will schedule a meeting with the service provider's representative to discuss the grievance and work toward its resolution.
  1. This meeting will be held with the Region VII AAA Executive Director and service provider representative.

IV. Action on the Grievance

- A. Region VII AAA shall arrange a personal meeting with the service provider within thirty (30) calendar days from the date of receipt of the grievance.
  1. The service provider shall be notified by the Region VII AAA, in writing, about the meeting date and place.
- B. Region VII AAA Executive Director will have the grievance proceeding recorded.
  1. Summaries of such proceedings will be distributed to the parties involved.
  2. Summaries and/or the decision of resolution shall be made available to the service provider within fifteen (15) calendar days from the date of the meeting.
  3. If necessary, additional meetings may be held to discuss and resolve the grievance.
- C. If the Service Provider is satisfied with the Region VII AAA Executive Director's decision, the Region VII AAA will send a letter indicating that the grievance has been closed.

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1. Copies of the decision shall be distributed to the service providers governing body and Region VII AAA applicable county board representative.
- D. If the service provider is not satisfied with Region VII AAA Executive Director's decision, an appeal may be filed.

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| <b>VOLUME I:</b>    | Contract Management   |
| <b>POLICY NAME:</b> | Discrimination Complaint Resolution   |
| <b>PURPOSE:</b>     | To establish guidelines for investigating and resolving complaints of alleged discrimination of individuals who receive benefits from programs for older persons. |
| <b>AUTHORITY:</b>   | These procedures conform to the requirements established by the ACLS Bureau Policies  |

**I. Filing Discrimination Complaint**

- A. If an individual who receives benefits from programs for older persons believes they have been discriminated against in any of the areas protected by law, he/she can file a complaint with Region VII AAA or directly with the nearest regional office of the Michigan Department of Civil Rights.
1. If an individual files a complaint, he/she will not be subject to recriminatory treatment by service provider personnel.
  2. Copies of material in complaint folders will only be given to authorized individuals.
    - a. An authorized individual is defined as an individual or individuals who have direct responsibility in the investigation and resolving of the complaint.
  3. Complaint files are kept for a period of seven (7) years.
  4. When a complaint is received by Region VII AAA, an investigation of the circumstances relating to the charge of alleged discrimination will be conducted.
  5. If satisfactory resolution has been achieved the investigation will terminate.
- B. If the resolution is unsatisfactory, the complainant can have the complaint sent to the Michigan Department of Civil Rights.
1. The complaint must be sent within one hundred eighty (185) days from the date of the alleged discrimination report.

**II. Processing a Discrimination Complaint against a Service Provider**

**A. Step One**

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1. A written complaint will be completed by the individual or his/her representative

**B. Step Two**

1. Region VII AAA will investigate the complaint.

**C. Step Three**

1. Region VII AAA will summarize the investigation in a memorandum that indicates the results of the investigation and the investigators recommendations.

**D. Step Four**

1. Region VII AAA will meet with the complainant to achieve a resolution.

**E. Step Five**

1. Region VII AAA will file all available material in the complaint file.

**F. Step Six**

1. Region VII AAA will forward a copy of the entire investigation report to the Offices of Services to the Aging.

**III. Investigating Complaints of Alleged Discrimination**

**A. Staff approaches to the investigation.**

1. Region VII AAA investigators will start the investigation by reviewing all relevant documents to ascertain facts.
2. It is not the role of Region VII AAA investigators to take sides or express bias.
3. Region VII AAA investigators will keep a neutral attitude and proceed with the investigation in an informal and courteous manner. Region VII AAA investigators will conduct the investigation in a professional manner.

**B. Gathering the Facts**

1. Investigators will conduct the review of the complaint in accordance with the rules and regulations that apply to the complaint of alleged discrimination.

**C. Analysis of the Facts**

**Discrimination Complaint Resolution**

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1. In every case, the investigators will analyze the facts as they are gathered.
  - a. The purpose is to determine whether these facts will help prove or disprove the complainant's allegations.
2. When all relevant information has been obtained, a thorough analysis will disclose whether or not there is probable cause to believe discrimination occurred.

**D. Weighting the Evidence**

1. Evidence will be presented from both sides.
2. It is the duty of the investigators to weigh all evidence and determine which possible findings are supported by the greater weight of evidence.

**E. Impartiality**

1. The investigators are obligated to remain impartial through the investigation and act in an honest and fair manner in dealing with the complainant and the service provider.
2. Investigators must be alert to any evidence that will help Region VII AAA discharge its responsibilities regardless of whose position the evidence supports.

**F. Investigation Overview**

1. Analyze the complainant's allegations.
2. Consider the type of discrimination that is most likely to have occurred if in fact there has been discrimination.
  - a. Look for personal prejudice or differential treatment

(1) For example, were minorities required to meet more stringent standards, or where something appears to be neutral but isn't

3. Develop a plan that will outline the evidence.
4. Determine what documentation is available.
5. Request the appropriate records.
6. Conclude the investigation with an analysis of the evidence.

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**G. Interviews**

1. The investigator will interview the complainant before beginning the investigation.
2. After interviewing the complainant, the investigator should interview all concerned parties.
3. Information provided by these interviews may necessitate additional interviews with those already interviewed.

**H. Documents as evidence**

1. Documentary evidence consists of records that are usually the result of normal business activity.
2. Records may be employment applications, personnel records, payroll records, service ratings, etc.

**I. Non-Alleged Violations**

1. The principal focus of an investigation is on the complainant's allegations, but investigators should not ignore possible discrimination that is not alleged in the complaint.
  - a. For example, an investigation of a complaint of age discrimination might reveal possible racial discrimination as well
  - b. Both forms of possible discrimination should be investigated throughout the remainder of the investigation

**J. Interviewing as Evidence**

1. Interviews are a major means of obtaining evidence.
2. The skills of the investigators are important.
3. Investigators should prepare a line of questioning in advance.
4. Investigators should establish rapport in a friendly business-like manner.
5. Investigators should explain the jurisdiction and complaint investigation procedures.

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6. Investigators should make sure the questions and all parties understand answers.
7. Write down the interviewee's responses in as much detail as possible.
8. Follow-up on leads developed in the interviews.

**IV. The Investigation Report**

- A. The investigation report is the official record of the findings of the investigation. It should identify and deal with each major issue in the complaint.
  1. The information necessary to reach a determination on each issue should be included in the report.
- B. The report is compiled from careful detailed notes taken during the investigation and from documentation obtained during the investigation.
  1. The information should then be analyzed in light of the issues the investigators perceive in the case.

**C. The Investigation Report Format**

1. Introduction
2. Findings and Facts
3. Comments
4. Recommendations
5. Exhibits (documents)

**D. Introduction**

1. The introduction should include the date the complaint was received in the agency and by what method.
2. The introduction should include the name of the complainant, and a brief statement of the circumstances involved in the charge of alleged discrimination based on race, color, natural origin, sex, handicap, age or religion.

**D. Findings and Facts**

1. Findings and facts should be based on completed interviews.

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2. Findings and facts should be based on the documents used in the investigation.
3. A statement of fact must be an undisputed, objective statement, free from opinion and conclusion. It may be either of the following:
  - a. A statement of fact has to be verified by reliable and undisputed documentation
  - b. Verification should include information obtainable from all available sources such as complainant, witnesses, and records
4. A statement of fact can be any statement totally agreed upon by all parties.
5. Each statement of fact should include the source of the information.
6. Words that are judgmental should be avoided unless cited as a direct or indirect quotation.
7. The statements of facts should be presented in an organized fashion, preferably in chronological order.

**E. Comments**

1. This is the only section in which the investigators can express personal opinion on the complaint.
2. The comments in the report are the beliefs of the writer, based on the evidence.
3. The investigator should summarize the information in a few sentences and proceed to state the findings, which are supported by the majority of the credible evidence.

**F. The investigators must conclude one of the following:**

1. The evidence does not support a charge of alleged discrimination based on race, color, national origin, sex, age or religion.
2. The evidence indicates there is probable cause to believe the complainant was unfairly discriminated against because of race, color, national origin, sex, age or religion.

**G. Recommendations**

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1. If the evidence does not support the charge of alleged discrimination, the investigators should recommend that no action be taken.
2. If the evidence does indicate, there was probable cause to believe the complaint was unfairly discriminated against because of race, color, national origin, sex, age, or religion the investigator should so state and make recommendations for remedial action.
3. A copy of each pertinent document should be included in the report as an exhibit.
  - a. An exhibit is only as good as its use in the report
  - b. Anything of significance, which is contained in an exhibit, should be referred to in the report

V. Errors in Investigations

- A. Comments and recommendations that are not supported by statements of fact.
- B. Statements of fact that are not supported by evidence.
- C. Incomplete statements of fact.
- D. Selective omissions.
- E. Attributing a cause-and-effect relationship where none exists, such as:
  1. "The complainant was treated unfairly; therefore, she was discriminated against because of her race."
- F. Failure to correctly identify issues in the complaint.
- G. Superficial or incomplete investigation.

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**VOLUME I:** Contract Management

**POLICY NAME:** Appeals Procedure

**PURPOSE:** ACLS Bureau has issued Operating Standards of Area Agencies on Aging. These standards require Area Agencies on Aging to develop operating procedures, including procedures for appeals and appeal hearings. This policy shall be used to file an appeal for any of the following: contact probation, suspension, termination; denial of an application for funding; or certain administrative actions.

**AUTHORITY:** ACLS Bureau Operating Standards for Area Agencies on Aging

**I. Hearing Body**

A. The Committee of the Whole of the Region VII AAA Board of Directors shall act as the Hearing Body for all appeals.

1. The current Chairperson of the Region VII AAA Board of Directors shall act as Presiding Officer of the Hearing Body.
2. All decisions made by the Hearing Body will be determined by a simple majority vote.

**II. Appeal Procedures for Contract Probation, Suspension, Termination and/or Denial of Funding Applications**

**A. Filing an Appeal**

1. Written notices regarding decisions made by the Region VII AAA will include a statement notifying the affected parties of the right to appeal.
  - a. Such notice will also state that information or criteria upon which Region VII AAA's decision was based is available for review by affected parties
  - b. Written notice of the right to appeal will be sent to the affected agency within seven (7) calendar days of the formal action
- B. Requests to appeal a decision of the Board of Directors or staff of Region VII AAA must be filed in writing with Region VII AAA within ten (10) calendar days following receipt of the notice of the decision upon which the appeal is based.
  1. Region VII AAA will issue a receipt indicating the request for appeal has been received.

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2. Region VII AAA will submit a copy of the request to appeal to the Director of the Offices of Services to the Aging within seven (7) calendar days of receipt.
- C. Requests for appeal must contain a copy of or reference to the specific decision upon which the appeal is based and a rationale for requesting the appeal.

**III. Termination of Requests for Appeal**

- A. The Appellate Body reserves the right to deny a request for appeal for failure to comply with Region VII AAA's established appeal procedures, including submission of a written appeal request within the period listed in this procedure.
- B. An appeal may be withdrawn by mutual consent of the Appellant and the Region VII AAA.
  1. The mutual consent of both parties must be in writing and signed by the director of the appellant and the Executive Director of the Region VII AAA.
  2. Withdrawal of the appeal by mutual consent affirms the decision of Region VII AAA on which the appeal was initiated.

**IV. Hearing Process**

- A. Region VII AAA will determine the location, date and time of an appeals hearing.
  1. The hearing will be held within thirty (30) calendar days of the date the appeal was received by Region VII AAA.
  2. Region VII AAA will notify the appellant of the location, date and time of the hearing within ten (10) calendar days of receipt of the request for appeal.
  3. The notification will be made at least ten (10) calendar days prior to the date the hearing is scheduled, unless other arrangements are mutually agreed upon.
- B. The appellant must be prepared to present testimony on the date and time prescribed by the Hearing Body, including the presentation of any documents that will be used on the appellant's behalf during the course of the hearing.
- C. If a designated representative will appear instead of the appellant, the Presiding Officer must be notified at least five (5) calendar days prior to the hearing.
- D. The hearing shall be open to the public.
  1. The Hearing Body reserves the right to limit the number of persons attending the hearing if space or seating capacity restrictions necessitates such action.

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2. Such limitations may apply to parties, their representatives and the public, as deemed appropriate by the Hearing Body.
- E. The Presiding Officer will chair hearings.
1. The agenda includes the following steps:
    - a. Presiding Officer reads the request for appeal and the decision upon which the request is based
    - b. Listen to appellant testimony
    - c. Listen to Region VII AAA testimony
    - d. Allow appellant rebuttal
    - e. Allow Region VII AAA rebuttal
    - f. Conduct Hearing Body deliberation
    - g. The Hearing Body reserves the right to question both parties
- F. At their discretion, the Hearing Body may establish limits on the amount of time allotted for steps of the agenda.
1. Time limits will be applied equally to both appellant and Region VII AAA.
- G. The appellant and Region VII AAA will provide copies of documents to be discussed during the hearing to the Hearing Body at least five (5) calendar days prior to the hearing.
- H. All hearings will be taped.
1. The hearing records will be maintained for one (1) year by Region VII AAA and will be available for review by the appellant at Region VII AAA's office during regular business hours.
  2. Tapes and other documents cannot be removed from Region VII AAA's office.
- I. The decision of the Hearing Body will be presented to the full Board of Directors of Region VII AAA for action no later than the second Board meeting following the date of the Hearing Body decision.

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1. The Board of Directors' decision will be forwarded in writing form by certified mail to the appellant.
  2. The full processing of an appeal from the date of notice to the applicant/provider agency of the right to appeal Region VII AAA decision to the mailing of the notification of the full Board of Directors' decision to the appellant shall not exceed sixty (60) calendar days.
- J. When the decision being appealed results in a change in providers for any project area, the appeal proceedings must be completed through final full Board decision, no later than thirty (30) days prior to the beginning of the fiscal year.
1. If completion of the local appeal is not accomplished within this period the contract of the existing provider will be extended until the appeal process through the state level has been completed.
  2. The Director of ACLS Bureau shall establish the exact length of the contract extension.

V. **Appealing Unresolved Hearing Issues**

- A. The appellant may appeal unresolved issues to arbitration or file an appeal to ACLS Bureau when dissatisfied with the Region VII AAA Board of Directors' decision.
- B. Appeals to ACLS Bureau must be filed with ACLS Bureau within ten (10) calendar days following the receipt of the Region VII AAA Board of Directors' decision on the appeal.
1. Notice of the right to appeal unresolved issues to ACLS Bureau will be provided to the appellant and will be reviewed and acted on according to the ACLS Bureau Appeals Procedure.
    - a. ACLS Bureau will describe any circumstance under which a request to an appeal hearing may be refused.
    - b. Such circumstances must be limited to failure to comply with the established appeals procedure or to lack of standing by the appellant.
- C. If the Appellant elects to appeal to binding arbitration such proceedings must be in accordance with the provisions of the American Arbitration Association or a similarly recognized professional arbitration organization.
1. The decision of the arbiter is binding and cannot be appealed to ACLS Bureau.
  2. The arbiter shall determine the distribution of costs between parties.

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**VI. Administrative Appeals Procedure**

- A. Appeal of an administrative action that requires a service provider to perform, produce or take an action in addition to or beyond the provisions of the executed contract, applicable statewide operating standards, the Rules for State and Local Programs on Aging, the Older Michigan's Act, or the Older Americans Act.
- B. Region VII AAA shall provide written notice to all contractors and service providers of the administrative appeals process.
  - 1. Written notice may include furnishing a copy of the Region VII AAA Policy Manual.
  - 2. Region VII AAA shall provide written notice that contractors or service providers may appeal administrative actions to the Region VII AAA Board of Directors.
    - a. The notice shall be given at the time such administrative action is formally taken.
- C. The contractor or service provider must file a written request to appeal such action to Region VII AAA within ten (10) calendar days following receipt of the formal notice.
- D. Region VII AAA shall submit a copy of the request to appeal within seven (7) calendar days of receipt of the written request to the Director of ACLS Bureau.
- E. Region VII AAA shall provide written notice to the appellant of the Region VII AAA Board of Directors' determination within thirty (30) calendar days of the date an appeal is filed.
  - 1. The said written notice must include a statement that the appellant may appeal the decision to ACLS Bureau within ten (10) days of receipt of the notice.

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**VOLUME I:** Contract Management

**POLICY NAME:** Closeout Procedure

**PURPOSE:** The purpose of this section is to outline the process by which Region VII AAA determines all applicable administrative action and all required work of the contract have been completed by the service provider

**AUTHORITY:** These procedures conform to the requirements established by ACLS Bureau Policies

**I. Closeout Contract Procedures**

- A. Each contract shall be closed out as promptly as feasible after expiration or termination.
- B. In closing out a Line Item and Cost Reimbursement contract the following will be observed:
  - 1. Service providers will use Region VII AAA's monthly financial reporting forms to submit final closeout reports.
  - 2. The final close out report will be a composite of the entire contractual period.
- C. Upon request, Region VII AAA shall promptly pay the service provider for any allowable reimbursable costs not covered by previous payments.
  - 1. Costs will be assigned in accordance with the percentages of various revenue sources in the approved budget.
  - 2. The service provider will pay any expenditure in excess of the approved budget.
- D. The service provider will immediately refund or otherwise dispose of in accordance with instructions from Region VII AAA any un-obligated balance of cash advanced to the service provider.
- E. Any allowable line-item variance in the budget must not change the amount of the allowable budget in total, i.e., for every increase of line item expenditure, there must be a corresponding decrease of the same amount in the remaining line items.
  - 1. Any expenditure for items not budgeted will automatically be disallowed.

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- F. The service provider shall submit within sixty (60) days of the date of expiration or termination, all financial, performance and other reports required by the terms of the contract.
  - 1. The reports must be accurate and concise when the final reports are received.
  - 2. Computations will be considered firm based on accurate fiscal records and are not subject to revision unless otherwise directed by Region VII AAA to correct ACLS Bureau, Region VII AAA, and independent audit assessment findings that reveal inaccurate, false or improper expenditures.
- G. Region VII AAA shall make a settlement for any adjustment of the share of the cost to the extent called for by the terms of the contract after receipt of the final financial report.
  - 1. Service provider agencies will be notified of any funds withheld due to non-performance of the contractual obligations.
- H. When a contract is closed out without an audit, Region VII AAA retains the right to disallow and recover and appropriate amount after fully considering and recommending disallowances resulting from an audit, which may be conducted in the future.
  - 1. Any expenditure for items not budgeted will be automatically disallowed.
- I. The closeout of a contract does not affect the retention period for rights of access to contract records by Region VII AAA, the Federal Government, and the Comptroller General of the United States or any of their authorized representatives.
- J. The closeout of a contract does not affect the service provider's responsibilities with respect to property under the Federal Code of Regulations – Title 45, Subtitle A, and Subpart 0, Sections VII4.130 through VII4.145, inclusive.

**II. Closing Performance-Based Contracts**

- A. Final reimbursement will be made based upon the final vouchers submitted at fiscal year-end.
- B. Reimbursement is limited to Region VII AAA's share ninety (90) percent of the contracted rate.
  - 1. Total reimbursement will not exceed the total Region VII AAA award.
- C. Region VII reserves the right to verify the performance in relation to the compensation provided during the assessment and/or fiscal audit.

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1. Any disallowed costs shall be deducted from the current contract to settle the previous year's contract.

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|--------------|--|
| VOLUME I:    | Contract Management  |
| POLICY NAME: | Fiscal Audit Criteria  |
| PURPOSE:     | The purpose of this section is to prescribe a financial audit policy to conform to criteria prescribed by the State of Michigan and ACLS Bureau. |
| AUTHORITY:   | These procedures conform to the requirements established by ACLS Bureau Policies   |

I. Audits required, Scope and Function

A. Required Audits

1. Service providers who receive Federal or State funds from Region VII AAA are subject to audit to evaluate the accountability of their financial practices and compliance with related financial requirements.

B. Frequency of Audits

1. Audits of programs must be performed at least once every two years.
2. Region VII AAA may elect to have audits performed on an annual basis.

C. Function of the Audit

1. The audit provides a single financial and compliance audit of the Region VII AAA and selected service providers for all fiscal sources.
2. The objective is to provide a single audit document performed in accordance with uniform established standards.
  - a. Program by program audits are not required for each individual service provider.
3. The single audit fulfills the requirements of:
  - a. ACLS Bureau and other state agency funding sources.
  - b. Various federal agencies, including Administration for Community Living (ACL) that provide financial assistance grants either directly or indirectly.
  - c. Local government or local organizations that provide cash or in-kind match to Region VII AAA or the service provider.

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- d. Applicable uniform federal audit requirements and guidelines specified by OMS Circular A-I02, Attachment P.

**D. Scope of the Audit**

- 1. The scope of the audit is to be agency-wide to encompass all programs of Region VII AAA.
- 2. The agency-wide audit is to encompass fiscal and finance compliance features to assure that:
  - a. Financial data is reliable
  - b. Systems for controlling the receipt and expenditure of funds are maintained
  - c. Terms and provisions associated with financial awards were in compliance and that claims for funds were proper and supportable

**II. Conducting the Agency-Wide Audit**

**A. Audit Independence**

- 1. The single audit is to be performed by an auditor that meets definition criteria of the Institute of Certified Public Accountants Standards for Audits.

**B. Selection of the Independent Auditor**

- 1. Region VII AAA is responsible for retaining an independent auditor to conduct the agency wide audit.
- 2. Selection of the auditor must be based on the capacity of an auditing organization to perform this work in accordance with selection criteria, which includes:
  - a. Certification and credentials
  - b. Prior audit experience
  - c. A competitive process to establish a fixed or comparable cost on the basis of comparable criteria and standards from among several auditors invited to bid on the auditing project
- 3. There shall be a formal letter of engagement agreed upon between Region VII AAA and the auditor. The letter of engagement shall identify:

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- a. The cost of the audit to be undertaken
- b. The time period that is to be included in the audit
- c. The time frame for completing the audit
- d. A statement of scope of audit work to be undertaken
- e. Acknowledgment of applicable governmental auditing standards, criteria, and requirements to be used
- f. Other items of consideration including access to records, availability of workspace, and related support and cooperation

**C. Context of Audit**

- 1. The entire administrative operations of Region VII AAA organization.
- 2. A valid sampling of contracts with service providers engaged by Region VII AAA who directly provides services to older persons, nutrition services and/or supportive services.
- 3. The audit must contain a sufficient sampling to test the financial integrity of the contractual agreement in relation to State and Federal requirements applicable to the respective services.
  - a. Sampling of all contracts or independent audits of all service providers is not required.
  - b. Sufficient samplings should be made by the auditors to provide a valid test of service provider practices as part of Region VII AAA's operations overall.
- 4. A review of procedures used for securing service providers and a sampling of contract provisions to ensure that applications State and/or Federal requirements were followed.

**D. Expectations from the Auditor**

- 1. The auditor is expected to include in the audit report a statement of scope, opinion, and compliance as it relates to all Region VII AAA funding sources.
- 2. The auditor's work should test Region VII AAA's and the service provider's management practices in accordance with generally accepted auditing standards.

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3. The audit report should contain an expression of opinion as to whether the financial statements are fairly presented in accordance with generally accepted accounting principles.
  - a. If unqualified opinions cannot be expressed, the nature of the qualifications need to be clearly presented
4. Audit reports should contain comments on the adequacy of internal control and identify any weakness in or non-compliance with the system of internal control.
5. The audit report should contain statements regarding the accuracy and completeness of the financial reports and claims for advances or reimbursements submitted to Region VII AAA by the service provider.
6. Statements should also be included in the report concerning the extent to which operations of the service providers conform to compliance.
7. Requirements that could have a natural effect on the financial position of the Region VII AAA.
  - a. The reports must indicate the compliance items tested, the nature of the tests performed, the extent of the tests, and the results
  - b. The nature and impact of any noted instances of non-compliance with the terms of the grant agreements and those of State and Federal law that could have a material effect on the financial statements and reports shall be identified

III. Responsibilities of Region VII AAA for Audit Preparation, Review, and Reconciliation

- A. Completion of a constructive audit.
- B. Retention of an independent auditor through the execution of a letter of engagement that documents the terms agreed upon.
- C. Transmittal of a copy of the audit engagement letter to ACLS Bureau within seven (7) days upon retention of the auditor, to notify that an audit is being initiated.
- D. Review and response to auditor while the audit is in the draft or preliminary form.
  1. This entails an exit conference between the auditor and Region VII AAA representatives.
  2. Service providers included in the audit will be invited to the exit conference.

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3. This review and response provides an opportunity to answer any questions that can be resolved prior to issuance of the final audit report.
- E. A presentation of the audit for a meeting of the Region VII AAA Board of Directors and affected service providers for information, review, and responses.
- F. Formulation of an audit resolution plan to correct or rectify any negative findings or management comments identified in the audit.
  1. The plan of resolution shall be in writing and contain financial and administrative measures to be incorporated into the ongoing administrative measures of Region VII AAA and/or service providers to remedy audit findings.
- G. Submittal of three copies of each of the following by Region VII AAA Executive Director to the attention of the Director, Administrative Services Division, and ACLS Bureau.
  1. The final audit document.
  2. The written audit resolution plan.
  3. Any accompanying statements, comments, or financial concerns.
- H. Follow up as may be necessary with any service provider to resolve outstanding financial obligations that may have been disclosed during the audit period in question.
  1. Financial disallowances will be recaptured by Region VII AAA through:
    - a. A reduction in current reimbursements to the service provider

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| <b>VOLUME I:</b>    | Contract Management   |
| <b>POLICY NAME:</b> | Performance-Based Contracting   |
| <b>PURPOSE:</b>     | The purpose of this section is to set forth the policy and guidelines under which the Region VII AAA will approve and contract for the provision of services on a unit rate reimbursement method. |
| <b>AUTHORITY:</b>   | Guidelines contained herein conform to the requirements of the ACLS Bureau Minimum Standards for Contracting  |

**I. Performance-Based Contracting**

- A. Performance-based contracting is a unit rate contracting method by which the Region VII AAA pays the service provider a specified price for a specific number of units of service.
1. Reimbursement is made based on a firm, fixed price for each unit of service that is provided.
  2. Payment is not based on the level of service. The rate of reimbursement is negotiated and fixed in the contract.
- B. The unit rate refers to a net unit cost comprised of the Region VII AAA allocation (90 percent) and the local match requirement (10 percent), the sum of which is divided by the total proposed number of units.
- C. The reimbursable unit rate is comprised of the Region VII AAA share of the unit rate only.
1. The reimbursable unit rate backs out all other revenues that are budgeted for the provision of the services, including 10 percent local match, program income, other resources and NSIP.
- D. Unit cost refers to the actual cost of providing a unit of service.
1. Unit cost pays service providers an established price for each unit of service to an eligible participant.
  2. It is comprised of the sum of resources budgeted for the provision of service, including other resources, NSIP, program income, the Region VII AAA allocation, and the 10 percent local match divided by the total proposed number of units.
  3. Costs include sources of revenues and other concerns, and the rate agreeable to Region VII AAA must be established prior to implementation of a contract.

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**II. Applicability and Eligibility**

- A. Unit rate contracting is feasible when the service to be provided is definite and specific.
  - 1. Generally, a dollar cap or maximum number of units are provided in the contract.
  - 2. Purchase of Services Contracts are firm, fixed rate contracts.
- B. The unit rate option is applicable only to Service Providers who have a minimum of three (3) years of experience in the provision of the service.
  - 1. The Region VII AAA Executive Director may waive this requirement for existing service providers that want to initiate a new service and have a minimum of two years of experience in the provision of the service.
- C. The intent of the eligibility condition is to safeguard against contract termination due to the service provider's inability to deliver the contracted units at the fixed rate.
- D. A unit rate contracting option may be negotiated for any or all of the services that the service provider is designated to provide.
- E. Services that are approved for unit rate reimbursement will be made a part of the service provider's contract with Region VII AAA.
  - 1. The contract will include a separate addendum specifying the terms and conditions of the unit rate reimbursement.
  - 2. The addendum may be updated annually in the case of multi-year contracts to reflect adjustments in the unit rate and/or the addition or deletion of service reimbursed on a unit rate.

**III. Procedures for Negotiating a Performance-Based Contract**

- A. All prospective service providers must submit a detailed line-item budget as part of initial application for funding.
  - 1. The purpose of the line-item budget is to provide a rationale for the proposed unit rate for the service.
  - 2. The line-item budget will undergo review in accordance with the general guidelines set forth in the RFP and will be made a part of the service provider's contract.

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3. Region VII AAA staff review will include a recommendation on the feasibility of a unit rate contract for each service.
  4. The line-item budget must include the required 10 percent cash or in-kind match.
  5. The line-item budget must include an accurate projection of program income for service categories considered for unit rate reimbursement.
  6. The line-item budget for the service under consideration for a performance-based contract may include other resources.
    - a. Other resources will influence the net unit rate for the service and consequently the rate at which Region VII AAA reimbursement will be made. The amount of budgeted other resources will represent a fixed level for the fiscal year.
- B. The reimbursement unit rate will be finalized for approved service providers during the annual contract negotiations.

IV. Adjustments in the Unit Rate

- A. Region VII AAA will approve performance-based contracts at a firm, fixed unit rate.
- B. It will be the responsibility of the service provider to manage resources and cash flow to ensure that contracted service levels are met.
- C. Once the unit rate is approved by Region VII AAA, it will not be subject to revision during the fiscal year.
- D. Additional funds awarded to a service provider during the fiscal year for services contracted on a unit rate basis may be used to provide additional units of services at the fixed negotiated rate.

V. Reporting Requirements for Performance-Based Contracts

- A. Service providers approved for performance-based contracting must submit a Unit Rate Reimbursement Voucher.
  1. This voucher must report:
    - a. the number of contracted service units actually delivered during the preceding month
    - b. the amount of program income generated

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- c. the amount of local match for each unit
    - d. in the case of Congregate and Home Delivered Meals, the amount of NSIP reimbursement for each eligible meal served
  - 2. Cumulative service levels, amounts for each of the revenue sources identified above, and a client count must also be included.
- B. The Unit Rate Reimbursement Voucher must be submitted in lieu of the Region VII AAA monthly fiscal report for services on a performance-based contract.
  - 1. Service providers must continue to submit the Region VII AAA financial report for services contracted on the line item, cost reimbursement basis.
  - 2. All service providers will be required to submit the Region VII AAA Quarterly Report.
- C. Reimbursement will be made only for Region VII AAA's share (90 percent) of the net cost per unit, based upon the actual units provided up to the maximum number specified in the contract addendum.
  - 1. Under no circumstances will Region VII AAA reimburse the service provider for losses incurred in the provision of services under the contract.
- D. Program income will not be deducted from Region VII AAA reimbursement.
  - 1. The deductive method for the application of program income is built into the unit rate and based on the line-item budget.
  - 2. Program income in excess of the amount projected in the budget shall be used to expand or increase services.
- E. Any funds received in excess of expenditures under the contract must be re-budgeted by the program.
  - 1. Such funds are used to expand the number of units to be provided or to enhance the provider's ability under the contract.
  - 2. Final reimbursement for the fiscal year may be reduced to ensure compliance with this requirement.

**VI. Monitoring and Assessment**

- A. Region VII AAA will periodically monitor the delivery of services on a performance-based contract to assure continuity in the level of service through the end of the fiscal year and accuracy of the reported data.

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B. Service providers approved for performance-based contracts will be assessed for compliance with all applicable administrative and service requirements in accordance with procedures outlined in the Region VII AAA Policy Manual.

1. A verifiable audit trail for the units claimed for reimbursement must be established and maintained.

**VII. Audit**

- A. Service providers must maintain fiscal records that adequately identify the source and application of funds for services under the terms of the performance-based contract.
- B. An annual audit may be required to determine the effectiveness of the service provider's financial management systems and to verify the accuracy of monthly cost reports.
- C. It is the responsibility of the service provider to maintain program and fiscal accounting records and to "close out" fiscal accounts at the end of the fiscal year in accordance with generally accepted accounting principles.

**VIII. Contract Renewal**

**A. Multi-Year Contracts**

1. Service providers operating under a multi-year contract may request approval of the unit rate for the following year.
2. If the service provider proposes to increase the unit rate, a justification must be provided.
  - a. Region VII AAA will review the justification to evaluate the proposed increase

**B. Single Year Contracts**

1. Service providers with a single year unit rate contract will be required to submit a complete application for the following year in accordance with Region VII AAA's approved Request for Proposal Guidelines.

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| <b>VOLUME I:</b>    | Contract Management   |
| <b>POLICY NAME:</b> | Emergency Preparedness Policy   |
| <b>PURPOSE:</b>     | The purpose of emergency preparedness is to ensure safety by preparing for possible disasters, responding quickly to minimize damage when they occur, and limiting exposures to any hazardous material or other dangers associated with an event. Keeping emergency plans up-to-date and regularly testing them is crucial. Emergency preparedness is essential to preparing for, responding to, and recovering from natural disasters or other catastrophes. |
| <b>AUTHORITY:</b>   | ACLS Bureau mandates that Area Agencies on Aging be prepared to respond in the event of an emergency and to assist older persons, particularly those who are home bound or in the recovery from a disaster.   |

**I. Objectives**

- A. Undertake activities that will assist older persons during an emergency or after the President or Governor declares an event either a disaster or a state of emergency.
- B. Assure educational programs for the elderly regarding emergency preparedness are available
- C. Assist in identifying, in advance, those individuals at high risk who require assistance.
- D. To be prepared to meet the immediate needs of the elderly during an emergency or disaster.
- E. Communicate with other departments and agencies to assure coordination of status reports, available resources, and need for assistance.
- F. Ensure that older victims of a disaster are aware of assistance from the Federal Emergency Management Administration, the State or Federal programs, including arranging for in-home assessments and special assistance in completing forms.
- G. Assist in bringing back the senior services that were disrupted during the emergency.
- H. Sustaining services that assist individuals in re-establishing their lives after the emergency or disaster has occurred.
- I. Provide outreach and advocacy to assist older adults in accessing services to address immediate, short, and long-range needs.

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- J. Follow-up with older persons to encourage individuals to take advantage of available support services.

II. Standards

- A. Region VII AAA will develop a partnership with the Aging Services Network prior to the occurrence of a disaster. The Aging Services Network includes:
  - 1. Administration for Community Living (ACL)
  - 2. ACLS Bureau
  - 3. Region VII AAA
  - 4. Service Providers
- B. Region VII AAA will designate a Lead Emergency Coordinator that will develop and implement an emergency preparedness plan.
- C. Outreach, Care Coordination and Support, MI-Choice Waiver, and Care Management staff will distribute the 72-hour Emergency Preparedness kit information to their clients and maintain documentation of this effort.
- D. All Care Management and MI-Choice Waiver clients in the Region VII AAA planning and service area will have a written back-up plan that is updated at each reassessment and kept in the client file.

III. Region VII AAA Emergency Response Staff

- A. Emergency Coordinator, Senior Facilities Manager (Back-up Chief Pharmacist):
  - 1. The Emergency Coordinator will notify ACLS Bureau's Emergency Coordinator that arrangements have been made to provide assistance to older persons at disaster centers and/or shelters.
  - 2. The Emergency Coordinator will arrange for Region VII AAA's Emergency Operations plan to be implemented as appropriate.
  - 3. The Emergency Coordinator will maintain an updated staff emergency contact list that will be provided to the ACLS Bureau.
  - 4. The Emergency Coordinator will assume overall leadership and decision-making during emergencies.

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5. The Emergency Coordinator will coordinate response efforts, delegate tasks, and ensure a cohesive approach. They play a vital role in assessing a mitigating potential hazard.
6. The Emergency Coordinator will monitor safety protocols, ensure compliance, and provide guidance on protective measures.
7. The Emergency Coordinator will implement emergency evacuation plans, conduct drills and provide trainings for evacuation procedures.
8. The Emergency Coordinator will ensure orderly and efficient evacuation, accounting of all personnel and addressing any possible barriers or challenges.
9. The Emergency Coordinator will coordinate logistical support and resources during an emergency.
10. Region VII Area Agency on Aging reviews the Emergency Preparedness Plan on an annual basis and make adjustments as needed.

**B. Communications and Operations Coordinator: Chief Operating Officer (Back-up Chief Executive Officer)**

1. The Communication and Operations Coordinator will manage internal and external communications during emergencies.
2. They liaise with emergency services and employees providing updates and instructions.
3. This role ensures effective communication channels are established, and information is disseminated in a timely manner, promoting calm and mitigating panic.
4. They will coordinate logistical support and resources during an emergency.
5. They ensure critical operations continue smoothly and facilitate the resumption of normal business activities.

**C. Medical First Response Coordinator: Waiver Director (Back-up RN, Waiver Manager)**

1. The Medical First Response Coordinator will provide immediate assistance and first aid to those who experience a medical emergency.
2. They also will coordinate with emergency medical services, ensuring prompt

**D. Documentation Specialist: Chief Human Resources Officer (Back-up HR Director)**

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1. Documentation Specialist will record incident details and maintains documentation related to emergencies.
2. They will conduct after incident reviews, aiding in continuous improvement.

**E. Responsibility of Personnel**

1. Prevent and avoid incidents and dangers.
2. Know evacuation plans and designated areas for each emergency.
3. Be familiar with emergency codes.
4. Familiarize themselves with evacuation routes and locations of all fire extinguishers.
5. Know the location of the nearest emergency exits in all areas.
6. Know the action plans contained in this manual and follow them when initiated.
7. Assist those in need during the emergency.

**F. State of Alert**

1. When there is an emergency or disaster in the region, ACLS Bureau's emergency management coordinator will notify Region VII AAA.
2. Region VII AAA will notify service providers that are either directly or indirectly involved in the emergency, disaster, or declaration of an emergency.
3. Together, ACLS Bureau and Region VII AAA representatives may be required to make decisions to commit resources and implement actions.
4. The Emergency Coordinator will make information on the local situation available to ACLS Bureau.
5. If only one provider is involved in a disaster, the ACLS Bureau and Region VII AAA may agree to have the ACLS Bureau work directly with that agency staff.

**G. Response**

1. Stabilize the Emergency Situation

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2. Region VII AAA representative will meet with the appropriate local service providers to assess specific needs of older victims and the local service provider's ability to meet those needs while maintaining on-going services.
3. Region VII AAA will assure that the following requirements are confirmed with ACLS Bureau:
  - a. Appropriate accounting of costs incurred by either the Region VII AAA or a service provider has been established because of the disaster
  - b. Assure that essential services to existing clients not directly affected by the disaster are maintained
  - c. Suspend non-essential services (if needed) so resources can be redirected for essential activities in the affected area
  - d. Assure that all older victims are aware of, and will have the opportunity to apply for, disaster assistance from available service organizations

**H. Information and Assistance Service**

1. When Region VII AAA's Information and Assistance service is not accessible, a recorded message will provide incoming callers alternate sites and telephone numbers.
2. Callers will be advised to listen to local radio or television and call 911 if needed.

**I. Assessment**

1. An assessment will be made to collect sufficient information to determine the type, scope, and location of Region VII AAA disaster needs.
2. Region VII AAA will collect information on the number of affected senior citizens.
  - a. Location and population of nursing homes
  - b. The types of services needed
  - c. The need and disruption of transportation
  - d. The geographic scope of the disaster

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- e. The amount of damage inflicted on seniors, including what type of seniors such as frail or low-income victims who were impacted and determine their short and long-term needs
- f. Report to ACLS Bureau as soon as possible with either phone or fax the results of the assessment.

J. Recovery

- 1. Immediately following an actual emergency or disaster, Region VII AAA will assure those at-risk clients will be contacted by service providers to determine their status and provide early intervention.
- 2. Region VII AAA will attempt to secure other Federal Emergency Management Act disaster dollars.

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| <b>VOLUME I:</b>    | Contract Management  |
| <b>POLICY NAME:</b> | Request for Proposal Process   |
| <b>PURPOSE</b>      | To ensure a fair and objective method is used for acquiring services for older persons with public funds administered by Area Agencies on Aging. |
| <b>AUTHORITY:</b>   | ACLS Bureau and Region VII AAA   |

**I. Indicators of Compliance**

- A. Region VII AAA will use an open and competitive Request for Proposal process in awarding funds.
- B. Region VII AAA will utilize an advertising method that includes publication of the Request for Proposals opportunity in major, widely circulated newspapers within the Planning & Service Area.
- C. A standardized Request for Proposal format will be used which clearly states all requirements that will be used to evaluate an applicant.
- D. Region VII AAA will announce the availability of funds for services in the following methods:
  - 1. Classified legal notices section of major daily newspapers.
  - 2. A direct mailing to service providers.
  - 3. Posting on Region VII AAA's website.

**II. Letter Of Intent**

- A. An organization interested in providing services for Region VII AAA must submit a Letter of Intent.
- B. Letters of Intent must include the following:
  - 1. Letters of Intent will address the contracted services listed on the Allocation Plan that are available for competitive proposals.
  - 2. Services must be proposed for a complete service area unless approved by a 2/3 vote of the Region VII AAA Board of Directors allowing to the break-up of a designated service area into distinct and separate service jurisdictions.
  - 3. The deadline for submittal of a Request for Proposal.

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4. Special requirements and conditions will be explained in the Letter of Intent.
- C. An organization that fails to submit a Letter of Intent on the prescribed form on or before the deadline will be ineligible to participate in the Request for Proposal process.
- D. A Letter of Intent will be requested from parties who formally requested to be placed on the Region VII AAA's Request for Proposal mailing list.
- E. The Letter of Intent will specify the geographic area served, the general types of services to be funded, and instructions and deadlines for obtaining and filing the forms.
- F. If Region VII AAA fails to receive an acceptable Letter of Intent for each designated service within a service area, a second call for Letters of Intent will be issued.
  1. If a second round fails to generate applicants, Region VII AAA's Board of Directors will determine further action.

**III. Application Process**

**A. Proposals**

1. Applicants that want to be considered for funding awards must submit a proposal to Region VII AAA.
2. Proposals must be prepared using the prescribed Region VII AAA forms and must adhere to the guidelines outlined in this policy.
3. An applicant can submit a proposal only for services and service areas as indicated in their Letter of Intent
4. One original proposal with original signatures and three copies must be submitted by the due date set by Region VII AAA.
  - a. An organization that fails to submit a Request for Proposal on or before a prescribed deadline will be ineligible to participate in the process
  - b. Under extenuating circumstances, the Region VII AAA Executive Director may grant an extension of up to two working days from the due date for submission of the complete proposal.
5. Region VII AAA retains the right to reject late and/or incomplete proposals or proposals not submitted on the prescribed forms.

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**B. County Board Summary**

1. Each applicant must submit a three-page narrative application summary and copies of budgets to each county board of commissioners governing the counties in the selected service area.
2. Organizations proposing to serve multiple counties must submit a copy of the application summary and budgets to each county board.

**C. Technical Assistance**

1. Each applicant is required to submit, in writing, to Region VII AAA any questions he or she may have regarding the Request for Proposal.
2. The scope of requested technical assistance would consist of a general review of the application package and the completion procedure.
3. Region VII AAA will not provide assistance in the development of the proposal and/or the preparation of the budget.

**IV. Proposal Review Criteria**

**A. Competitive Proposals**

1. Region VII AAA will utilize proposal review criteria for competing applications within each service area and will assign a numerical ranking for each proposal.
2. To be considered for funding, an applicant must receive 70 percent of the aggregate points and 60 percent of the maximum points assigned to each review criteria category.
3. Applicants will be notified in writing when proposals are determined not to be fundable.

**B. Non-Competitive Proposals**

1. When there is no competition for a particular service within a service area and the sole applicant has not previously held a subcontract with Region VII AAA, the applicant's proposal will undergo review and ranking as outlined above.
2. The applicant must establish minimum competency for a contract for services by scoring at least 60 percent of the aggregate points and 60 percent in each of the review categories to be considered for funding.

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3. When there is no competition for a particular service within a service area and the sole applicant for the service has previously held a subcontract with Region VII AAA, the applicant's proposal for that service may not be required to undergo a comprehensive proposal rating process.
4. All applications will be reviewed to determine if minimum requirements are met and for completeness, accuracy, and cost allow-ability.

V. Funding Decisions and Contract Negotiations

- A. Region VII AAA reserves the right to accept or reject any or all proposals received through this bid process.
- B. Awards shall be made to the most responsible and responsive bidder considering all factors as well as cost.
- C. All bids may be denied at the determination of Region VII AAA Board of Directors.
- D. Allocation For Contracted Services
  1. Federal and State funds awarded by Region VII AAA must be matched on a 90/10 basis.
    - a. 90 percent Region VII AAA Funds, 10 percent local match of in-kind, cash or a combination of both.
  2. Public, private for-profit, and private non-profit entities are eligible to apply for Federal and State funds for aging services.
- E. The major factors in determining funding awards will be the aggregate score attained through the proposal review and rating process.
  1. Other than the aggregate score, the Region VII AAA Board of Directors may consider any relevant factors in selecting contractors and awarding funds.
- F. Best and Final Offer
  1. The selection of a contractor or contractors may be made based on a "best and final" offer when two or more competitors attain aggregate scores within the range of consideration and in which the variances are minor.
  2. Under this provision, a separate negotiation session shall be scheduled by the review panel with each acceptable competitor.

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3. Requirements will be clarified, and applicants will be given an opportunity to prepare a best and final offer based on a more informed understanding of the standards and expectations.
  4. Following the negotiation session, final recommendation and selection shall be made based on cost, organizational responsibility, and responsiveness to the service specifications.
  5. In this process, the scores shall not be made public until the negotiations are complete.
  6. At the completion of negotiations, the Region VII AAA Board of Directors will make an announcement and the selected contractor will be notified.
- G. Contract negotiation sessions will be scheduled for resolving outstanding contractual issues and concerns.
1. A schedule for contract negotiation sessions will be attached to the notice of funding.
  2. Negotiation agreements will be made concerning unresolved issues relating to service levels, client levels, and service delivery considerations prior to the start of the contract year.
- H. It is the responsibility of the service provider for arranging for authorized signatures for finalized contracts
- I. If corrected application material and duly authorized service provider signatures are not received by an established date, Region VII AAA reserves the right to re-bid the contract.
- J. All contract awards will be subject to the availability of Federal and State funds awarded to Region VII AAA.
- VI. Multi-Year Contract
- A. Region VII AAA may select service providers for a multi-year contract.
  - B. Under a multi-year contract, an agency will be designated as the service provider for more than one fiscal year.
  - C. The multi-year contract will be for all Region VII AAA funded services for which the service provider is approved.

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- D. The multi-year contract period will coincide with the three-year cycle under which the Region VII AAA Multi-Year Plan is approved and will not exceed a three-year period of service.
- E. Funds under a multi-year contract will be awarded on a year-to-year basis only.
  - 1. All Region VII AAA contractual obligations are subject to the availability of State and Federal funds.
- F. The Region VII AAA Board of Directors reserves the right to determine which applicant agencies will receive a multi-year contract.
- G. Considerations in designating service providers for multi-year contracts may include, but not be limited to the following:
  - 1. The applicant agency has been an approved Region VII AAA service provider for the past three years.
  - 2. The applicant has not been placed on probationary status during the past three years.
  - 3. The applicant has not had a major or multiple assessment or audit findings or has been cited more than once for the same finding during the past three years.
  - 4. The applicant has not had a history of difficulties during the past three years in service delivery and/or contract management as identified by funding agencies other than Region VII AAA.
- H. Region VII AAA reserves the right to re-issue the Request for Proposal in any or all geographic service areas and for any or all services if it is determined that a new Request for Proposal is in the best interest of Region VII AAA and/or the client population.
- I. Multi-Year Contract Renewal Materials
  - 1. Service providers who are approved for and operate under a multi-year contract must submit the required funding renewal materials by the established proposal deadline.
  - 2. All materials must be complete and accurate.
  - 3. The contract renewal materials may include, but not be limited to, the following:
    - a. Contract Face Sheet and Signature Page

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- b. Summary Description of Services
  - c. Staffing Plan
  - d. Staff Training and Action Plan
  - e. Budget
  - f. Budget Rationale
  - g. Nutrition Education Plan
  - h. Nutrition Site Form
  - i. Bid Proposals/Waiver Form for Nutrition Sites
- 4. Other contract materials will be carried forward.
  - 5. Any proposed changes in other contract materials are subject to Region VII AAA approval.

**J. Automatic Contract Renewal**

- 1. A service provider approved for and operating under a multi-year contract may be automatically renewed after the first year if the following conditions are satisfied:
  - a. The proposed unit cost for subsequent contract years is reduced or remains the same for each category
  - b. The proposed levels of service units for subsequent contract years are increased or remain the same for each service category
  - c. The proposed number of clients to be served in subsequent contract years is increased or remains the same for each service category
  - d. There is no significant change in the service provider's administrative or organizational structure or in the staffing pattern for each approved service category
  - e. The service provider has not had major or multiple audit or assessment findings during the fiscal year prior to the fiscal year for which new funds are requested

**K. Conditional Contract Renewal**

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1. To evaluate the continuation of the multi-year contract and any special conditions, one or more of the following conditions will require a conference session with Region VII AAA:
  - a. The service provider proposes an increase in the unit cost for approved service programs in a subsequent contract year. Proposed increases will be negotiated on a separate, case-by-case basis
  - b. The proposed service level units and/or client level is reduced from the first year
  - c. There are changes in the service provider's administrative or organizational structure
  - d. The service provider has outstanding audit or assessment findings

**VII. Re-Solicitation of Bids for a Multi-Year Contract**

- A. Region VII AAA will re-issue the Request for Proposal for any or all of the service categories approved for a multi-year contract under any one or more of the following conditions:
  1. The designated service provider demonstrates inadequate contract assessment findings, inability to attain program objectives with regard to service and client levels, and violation of generally accepted accounting procedures.
  2. There are irreconcilable differences between the service provider's proposed unit costs, service levels, and/or client levels and Region VII's AAA acceptable cost, service and client levels.
  3. There is a major change in the administrative authority or organizational structure of the designated service provider agency.
  4. Amendments to Region VII AAA's MYP or AIP that deletes or modifies the scope of fundable services within the region or re-designates service areas within the region.
  5. Significant changes in the scope or nature of the service to be provided as related to State or Federal requirements are clearly set forth in the Request for Proposal.

**VIII. Appeals**

- A. An applicant may appeal a decision by Region VII AAA to deny funding of a proposal.

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**B. Region VII AAA Appeals Procedure**

1. The appeal process will follow the Appeals Procedure Policy established in the Service Providers Policy Manual.
2. The Appeals Procedure Policy will be reviewed in the Request for Proposal workshop.
3. A copy of the Appeals Procedure Policy can be requested from Region VII AAA.

**IX. Funding For Minority Contracts**

**A. A minority organization must have at least 51 percent of its board members from the minority groups as defined by Federal and/or State rules.**

1. A minority organization must clearly define the target areas that have a concentration of minority and low-income minority persons.
2. Preference would be given to minority organizations, which are located in the areas where there is a concentration of minority/low-income population.
3. Non-minority organizations are not eligible to apply for funds set aside for minority population.

**B. Minority Funding Mandates**

1. Following the State and Federal mandates of the Older Americans Act, Region VII AAA Board of Directors shall reserve an appropriate amount of funds for minority contracts.
2. Funds will be awarded either through negotiation or by Request for Proposal to minority organizations.
  - a. Minority contracts shall be intended to enhance efforts to give particular emphasis to serving low-income minority persons

**C. The bidding process as outlined in the Request for Proposal Process does not apply to a negotiated contract.**

**D. The Region VII AAA Board of Directors reserves the right to negotiate a contract under the following conditions:**

1. When it is determined that a negotiated contract would be in the best interest of the targeted minority population of a service area.

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- a. An example would be a minority organization which may need extensive technical assistance from Region VII AAA in preparing the funding proposal and developing capacity for the approved services for its constituency

2. No competition exists among the minority organizations within the defined service area as determined through the Letter of Intent process.

**X. Additional Funding**

- A. If additional State and/or Federal funds are received by Region VII AAA during the fiscal year, efforts will be made to award the funds to service providers selected during the initial Request for Proposal process.

1. Region VII AAA reserves the right to initiate a second Request for Proposal process during the fiscal year for new services or for currently funded services should circumstances warrant such a decision.

**XI. Performance Bond**

- A. Region VII AAA reserves the right to require a performance bond from the applicant if it is determined necessary in the interest of service delivery to the client and the organization's ability to fulfill its contractual obligations.

- B. A required performance bond will be applicable under any or all of the following circumstances:

1. The applicant has been in existence for a period of two years or less from the date of submission of the funding application with Region VII AAA.
2. The applicant does not have an established record of two or more years in the delivery of the services for which funds are requested.
3. The applicant's information provided to Region VII AAA does not substantiate the agency's ability to deliver the proposed service levels, client levels, and/or meet the unit rates to the satisfaction of the Region VII AAA Board of Directors.