



REGION VII AREA AGENCY ON AGING

Service Provider Policy Manual

Volume II

General Administrative Procedures

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VOLUME II:	General Administrative Procedures
POLICY NAME	Client Population
PURPOSE:	This section outlines client eligibility information, targeting, and definitions of greatest economic and social need, minimum intake requirements, and termination and appeals provisions.
AUTHORITY:	Bureau of Aging, Community Living, and Supports (ACLS Bureau) Operating Standards for Service Programs, General Requirements for All Service Programs; Older Americans Act of 1965, As Amended by Public Law.

I. Eligibility

- A. Generally, persons 60 years of age or older shall be eligible for service supported in whole or in part by State and Federal funds awarded by the Region VII AAA.
- B. Some service programs do have additional eligibility criteria, which are included in the individual service program policy sections.
- C. Priority shall be given to meeting the needs of persons with the greatest economic and social needs with preference to serving low-income, minority elderly.

II. Targeting Native Americans

- A. Elderly members of Native American tribes and organizations in greatest economic and social need within the program service area are to receive services comparable to those received by non-native American elderly residents.
- B. Service providers proposing to provide a service within a geographic area in which a reservation is located must demonstrate substantial emphasis on serving Native American elderly from that area.
- C. Substantial emphasis is considered as an effort to serve a greater percentage of older persons with economic and/or social needs than their relative percentage of the total elderly population within the geographic service area.

D. Targeting

- 1. Applicants proposing to provide a service must demonstrate substantial emphasis on serving older persons with the greatest economic and/or social needs with particular attention to low income minority individuals.

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2. Federal regulations of the Older Americans Act definition of economic and social need.
 - a. Greatest economic need is the need resulting from an income level at or below the poverty threshold approved by the State.
 - b. Greatest Social Need is the need caused by non-economic factors, which include physical and mental disabilities, language barriers, and cultural, social, or geographical isolation including that caused by racial or ethnic status. This may restrict an individual's ability to perform normal daily tasks or which threatens such individual's capacity to live independently.

E. Handicapped Persons

1. Handicapped person means any person who has a physical or mental impairment that substantially limits one or more major activities, has a record of such impairment, or is regarded as having such impairment.

F. Persons with a Disability

1. Disability means a disability attributable to mental or physical impairment or a combination of mental and physical impairments that results in substantial functional limitations in one or more of the following areas of major life activity:
 - a. self-care
 - b. receptive and expressive language
 - c. learning
 - d. mobility
 - e. self-direction
 - f. capacity for independent living
 - g. economic self-sufficiency
 - h. cognitive functioning
 - i. emotional adjustment

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G. Definition of Severely Disabled Persons

1. Severe disability means a severe, chronic disability attributable to mental or physical impairment or a combination of mental and physical impairments, that:
 - a. is likely to continue indefinitely
 - b. results in substantial functional limitation in 3 or more of the major life activities specified in above section E. 1. (a.) through (i.)

III. Client Intake

- A. Each service provider shall gather from prospective clients their name, address, phone, gender, age/birthdate, a preliminary identification of need, and emergency contact person if applicable.
 1. Intake information will be used to determine clients with the greatest economic and social need.
 2. This information shall be standard for each service and, whenever possible, one standard intake tool should be used to obtain the same client information for multiple services and a central client file should be used to maintain services information.
 3. Service providers who administer a Case Coordination and Support Program shall consolidate the intake/assessment function for each individual services unit, with the exception of intakes for Congregate Nutrition, Senior Center Staffing, Senior Center Operations, Transportation, and Legal Assistance.
- B. Clients may not be reported on the Region VII AAA quarterly and monthly reports unless an intake form has been completed and is on file for the program.
 1. Clients who refuse to provide all information requested may be reported, but staff should note that all information could not be obtained.

IV. Prioritizing Service

- A. Each service program will utilize a means of prioritizing services so as to target isolated older persons and/or persons in greatest economic and social need.
- B. Eligible participants shall not be denied or limited services because of income or financial resources.

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- C. Where program resources are insufficient to meet the demand for services, the service providers will develop guidelines for prioritizing clients to be served, taking into account indicators of need.
- D. The use of guidelines for prioritizing Congregate Nutrition, Senior Center Staffing, Senior Center Operations, Legal Assistance, Case Coordination & Support, Long Term Care Ombudsman, and Outreach may be designed at the discretion of the service provider when there is demand and limited resources.
 - 1. A priority system may be implemented after approval is received from the service provider's governing body and the Region VII AAA.
 - 2. When a priority system is used, clients must be fully informed of the criteria/guidelines and the reason for the use during the intake/ assessment process.
 - 3. Clients who rank highest will receive priority consideration for services with Region VII AAA's funds.
 - 4. Clients who cannot be served or who are put on a waiting list will be referred to other providers for assistance.
- E. For the Personal Care, Homemaker, In-Home Respite Care, Home Delivered Meals, Chore, and Home Repair programs, the following criteria must be used:
 - 1. A ranking system must be developed for all clientele based upon functional, social, environmental, and income / asset level. These four areas shall be weighed equally within the ranking system.
 - 2. The ranking system shall be submitted to the Region VII AAA for approval and to the service provider governing body.
 - 3. Clients will be informed of the ranking system and the reason for its use. Clients who rank highest will receive services funded by the Region VII AAA.
 - 4. Other clients will be informed that they are eligible but limited funds may prevent them from receiving services immediately under the Region VII AAA funded programs.
- F. Clients who cannot be immediately enrolled under the Region VII AAA funded program may be referred to other services or providers who may be able to assist them.

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- G. Clients who are terminated due to enrollment of higher need clients as determined by a score used in the ranking system shall be notified of their change in status and may be placed on a waiting list. These persons may also be referred to other services or providers who may be able to assist them.

V. Complaint Resolution

A. Client Grievance System

- 1. Each program must have written complaint resolution procedures for use by service recipients.
- 2. Recipients of services must be notified of their right to file a complaint and/or appeal service decisions. Such notice may be given by posting written materials at locations where services are provided or through individual instruction.

VI. Termination

- A. Persons denied or terminated from service must be notified of their right to appeal and the procedure they can follow for appealing.
- B. Clients may be terminated due to changes in program eligibility status, including repeated failure to be present when services are scheduled or delivered.
- C. Termination decisions shall be made only by staff authorized by the service provider executive director.
 - 1. It would be appropriate to authorize case coordinators to make termination decisions, in conjunction with their responsibilities for client assessment and service plan development.
- D. Terminations must be issued verbally, and in writing, to the affected client with notice of the right to appeal.
 - 1. When a client no longer requires service due to institutionalization, relocation out of the service area, or death, termination letters will not be sent to the client and family.
- E. Closed client files must indicate the reason for termination. Termination letters and related correspondence shall be maintained in the client file.

VII. Appeals

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- A. Each service provider must have written appeals procedures for individuals determined to be ineligible for services or for recipients who have services terminated.

VIII. Civil Rights

- A. Posted notices and written terminations must include a provision which advises clients that complaints of discrimination may be filed with the Region VII AAA, the U.S. Department of Health and Human Services, Office of Civil Rights, or the Michigan Department of Civil Rights.

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POLICY NAME: Service Provider Governing Body

PURPOSE: This policy outlines the responsibilities of the service provider's governing body for adherence to local rules, policies, budgets, and control of the organization, including legal responsibility for safeguarding the assets of the service provider. Governing bodies as a group and members as individuals can be held liable for failing to exercise their responsibility, including those responsibilities delegated to staff.

AUTHORITY: Older Americans Act of 1965, As Amended and Act 162,
Michigan Non-Profit Corporation Act

I. Legal Status

- A. Evidence of legal status of an organization is required as a condition to the receipt of funds, and incorporation papers or other documents related to legal status must be attained and maintained during the life of the contract.
- B. Proposed contracts with a for-profit corporation must be submitted to the ACLS Bureau for approval prior to execution.

II. Fiduciary Responsibility

- A. The governing body of the service provider has fiduciary responsibility for the organization.
 - 1. The governing body must assure that:
 - a. The purpose of the grant is achieved
 - b. Funds are applied in accord with contract provisions
 - c. Property or other assets purchased with contract funds are managed in accord with contract provisions
 - d. Unused contract funds or funds used improperly are returned to the funding source
 - e. Written financial and program policies provide the framework for daily operations

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- f. Budgets are approved and expenditures are reviewed on a regular basis
 - B. Day-to-day fiscal activities are delegated to the service provider's director and fiscal staff.
- III. By-laws/Rules
- A. The governing body must have written by-laws and rules adopted by the membership which include at a minimum:
 - 1. Name of the organization or agency
 - 2. Purpose statement of role and function
 - 3. Composition of the membership
 - 4. Procedure for filling vacancies on the board
 - 5. Compliance with the Open Meetings Act
 - 6. Officers of the board and their duties
 - 7. Election of officers
 - 8. Board Committees
 - 9. Parliamentary procedures regarding amendments to the by-laws, voting procedures, and definition of quorum
 - 10. Conflict of interest statement
 - 11. Procedure for public input
 - 12. Minority Contractor Designation
 - B. Service providers who wish to be considered under the minority contractor requirement must maintain a majority of board members who are members of one or more minority groups: Black, Hispanic, Native American, or Asian/Pacific Islander.

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POLICY NAME: Personnel

PURPOSE: The purpose of this policy is to establish uniform procedures for general personnel administration.

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

I. Policies

- A. Each service provider shall have written policies which directly relate to personnel management within the organization.
- B. Written policies that govern personnel administration shall be incorporated into a single source document for ease of reference.

II. Recruitment

- A. Each service provider shall establish written policies for recruitment in accordance with existing state and federal laws.
 - 1. Service providers who are part of a larger organization, such as county or city government, must follow the established policies of the larger organization in completing the recruitment function.
- B. It is recommended that written recruitment policies address the following:
 - 1. Requirements for developing or updating position descriptions
 - 2. Procedures for establishing salary levels and salary increments
 - 3. Requirements for posting and/or advertising vacant positions
 - 4. Requirements for promotion opportunities within the organization
 - 5. Union requirements and procedures for compliance, where applicable, and requirements and responsibilities of the employer and contractual staff, wherever personal services contracts are utilized with independent contract staff

III. Standards for Selection

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- A. Service providers shall employ competent personnel sufficient to provide services pursuant to the contractual agreement.
- B. Education and prior experience should be commensurate with the duties and responsibilities assigned the prospective employee, volunteer, or contract worker.
- C. Each service provider must have a written affirmative action program plan which complies with the requirements of 900.607, Title 5, Code of Federal Regulations, Part 900, Subpart E, Standards for a Merit System of Personnel Administration.
- D. Each program must comply with equal employment opportunity principles in keeping with Executive Order 1979-4 and Civil Rights Compliance in state and federal contracts.
- E. Each program must not discriminate against any employee, applicant for employment or recipient of service pursuant to the Federal Civil Rights Act of 1964, the Elliot Larsen Civil Rights Act (P.A. 453 of 1976), the Michigan Handicappers Civil Rights Act (P.A. 2201 of 1976) and Section 504 of the Federal Rehabilitation Act of 1973.
 - 1. Each program must be covered by a completed form HHS 441 assuring compliance with the Civil Rights Act of 1964.
 - 2. Each program must clearly post signs at agency offices, and locations where services are provided, in English and other languages as may be appropriate, indicating nondiscrimination in hiring, employment practices, and provision of services.
- F. Application of Merit System Standards
 - 1. Merit System Standards (45 FR, Part 70) apply to local contracted service providers which are public agencies and have some or all of the responsibilities for planning, coordination, administration, and evaluation for services with the Region VII AAA.
 - 2. Compliance with Executive Order 11246, the Copeland Act, the Davis- Bacon Act, or Contract Work Hours and Safety Standards Act may also be required of these service providers.

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G. Preference

1. Subject to existing merit systems requirements and the intent of the policy established by the Michigan Commission on Services to the Aging, service providers will make every effort to recruit qualified elderly persons, preferably persons age 55 or older to fill vacancies in Region VII AAA funded programs.

IV. Director

A. Each service provider shall have a qualified director.

1. The duties and responsibilities of the director must be delineated in written form, either in the job description, personnel policy, or other written policies approved by the governing body.

B. At a minimum, the following requirements for the director must include:

1. Organizational structure, including established lines of authority for director and staff.
2. The role of the director in relation to the governing body and staff.
3. The role of the director as liaison to funding sources, local government, and the governing body.
4. The role of the director in channeling information to and from external and internal sources.
5. The role of the director and authority in relation to performance evaluations, staff salary levels, including adjustments and raises.
6. The role in staff/client complaints, staff recruitment, training, supervision, discipline, and termination.
7. The role of the director in appraising the governing body and funding sources of provider performance, including program and fiscal data.

V. General Administration of Staff

- A. Service providers must establish and maintain a uniform system for managing personnel matters.

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1. The management system must comply with applicable employment laws, and provide for standards, terms, and conditions of employment.

B. Job Descriptions

1. Written job descriptions must be utilized that clearly delineate the purpose of the position and the assigned duties.
2. Written job descriptions must list the minimum training or experience required.
3. New staff members must be given a copy of his or her job description and the written policies governing his or her employment within the organization.

C. Orientation Requirements

1. New program staff must receive orientation training, which includes at a minimum, introduction to the program, the aging network, maintenance of records and files as appropriate, the aging process, ethics, and emergency procedures.

VI. Training Requirement

- A. Service provider's program staff will participate in relevant ACLS Bureau or Region VII AAA sponsored or approved in-service training when appropriate or feasible.
 1. Staff will be required to attend any training mandated by the Region VII AAA or ACLS Bureau.
- B. Training records will include the dates of training and topics covered and are to be maintained in individual employee's personnel files.
- C. Training expenses are allowable costs in contract budgets.
 1. Each service provider may budget a reasonable amount to meet training requirements, unless training costs are already paid for by other funding sources.
- D. Both paid and volunteer staff shall receive periodic in-service training to enhance or refresh their skills in relation to assigned duties.

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VII. Volunteers

- A. Each program utilizing volunteers shall have a written procedure governing the recruiting, training, and supervising of volunteers.
- B. Volunteers shall receive a written position description, orientation training, and a yearly performance evaluation when appropriate.
- C. Volunteers shall not be used in key positions.
 - 1. Key positions are described as controlling or essential positions.

VIII. Identification

- A. Every program paid staff person, volunteer, or contracted person who enters participant's homes must display proper identification.
- B. The identification can be either an agency picture identification card or a Michigan driver's license.

IX. Supervision and Evaluation

- A. Organizational staff, contractual staff, and volunteers must be supervised by qualified supervisory personnel.
- B. All staff, including the Executive Director, must receive a written performance evaluation annually.

X. Travel

- A. Each Service Provider shall have a written travel policy.
- B. The travel policy must be approved by the governing body and must delineate the amounts authorized for travel, meals, fees, per diems, or other related expenses.
- C. The policy must outline the procedures and limitations for such reimbursement to employees, contractual staff, volunteers, board, committee, or council members.

XI. Right to Know Policy

- A. Each service provider organization must develop a Right to Know policy, in accordance with state requirements, taking into account the use of various substances in the workplace.

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XII. Prohibition on Second Subcontract

- A. Service providers may not subcontract with a second independent organization for the delivery of service.
- B. Personal service contracts with individuals are allowable, as are contractual agreements, for functional operations such as equipment repair contracts.

XIII. Other Conditions of Employment

A. Driver License

- 1. Staff & volunteers who are required to use their personal vehicle or other vehicles to serve clients under a Region VII AAA service provider contract must have a valid operator's license.

B. Vehicle Insurance

- 1. Staff & volunteers who are required to use their personal vehicle to serve clients under a Region VII AAA Service Provider contract must have current proof of vehicle insurance.
- 2. Service providers will maintain updated copies of drivers licenses and proof of vehicle insurance for all staff & volunteers who serve clients under a Region VII AAA service provider contract.

XIV. Criminal Background Checks and Reference Checks

- A. Each program must require all potential employees to include references with an application.

- 1. Each Program must thoroughly check references on all paid staff.

- B. Criminal background checks must be completed on all staff, paid or volunteer .

- C. Criminal background checks must be updated at least every three (3) years.

- D. The Provider must develop guidelines to review felony convictions that are identified during the required criminal background checks. The guidelines must describe the manner by which the provider will determine the appropriateness of employment or volunteer activities when a felony conviction is identified.

XV. Office of Inspector General

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- A. Each program must conduct an annual Office of Inspector General background check for every Region VII AAA funded staff person.

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POLICY NAME: Financial Management System

PURPOSE: The purpose of this section is to outline standards for Service Provider financial management system that will safeguard Region VII AAA funds used to provide services.

AUTHORITY: Office of Management and Budget 2 CFR Chapter I, Chapter II, Part 200, et al. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards Final Rule; ACLS Bureau Rules and the Older Americans Act of 1965, As Amended

I. Service Providers Financial Management System

- A. Service providers must use a financial management system, which provides accurate, current and complete disclosures of financial results for Region VII AAA funded programs.
- B. The financial management system must assure effective control and accountability of all Region VII AAA's funds, property, and other assets.
- C. Financial records and accounting systems must conform to generally accepted accounting principles of materiality, consistency and conservation.
- D. Service Provider governing bodies must develop financial management policies for activities which address internal control procedures, budgeting and monitoring of financial operations.

II. Cost Sharing and Matching Requirements of the ACL.

A. Program Costs

- 1. Program costs are allowable costs incurred by service providers and the value of in-kind contributions made by service providers or third parties when accomplishing the services in the contractual agreement.

B. Cost Sharing or Matching

- 1. Cost sharing or matching represent that portion of costs not provided by Region VII AAA or ACLS Bureau.

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2. Current cost sharing or matching requirements for federal grants provided under the Older Americans Act of 1965, As Amended, is 75 percent federal, 25 percent nonfederal meaning:
 - a. No more than 75 percent of the total costs for supportive services and nutrition services authorized by the Older Americans Act may be paid with federal funds.
 - b. The state pays 15 percent of the nonfederal share; therefore, service providers must pay a minimum of 10 percent of the total for supportive services and nutrition services funded through Region VII AAA and ACLS Bureau grants.
 - c. The nonfederal share shall be cash or in-kind contributions. Service providers unable to meet the matching requirements will have the amount of the Region VII AAA award reduced proportionately.
3. The formula used to calculate the 10 percent matching requirement:

Region VII AAA Grant is 90 percent of the Total Grant Award. The remaining 10 percent is the local matching requirement.

$$\frac{\text{Region VII AAA Grant}}{.9} = \text{TOTAL FUNDS (besides other resources)}$$

The TOTAL FUNDS less Region VII AAA Grant = Local MATCH

Example: Region VII AAA Grant is \$13,500

$$\$13,500 = 90\% \text{ TOTAL FUNDS}$$

$$\frac{13,500}{.9} = 15,000$$

$$15,000 - 13,500 = 1,500$$

- a. \$1,500 (local share) may be any combination of cash or in-kind contributions.
- b. State funds also have a 10 percent matching requirement.

C. Cash Match

1. Cash match represents the service providers' cash outlay including money contributed to service providers by nonfederal third parties.

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2. Cash match does not include client contributions or donations which are classified as program income.

D. In-Kind Match

1. In-kind match represents the value of noncash contributions provided by the service provider and nonfederal third parties.
2. In-kind contributions may be in the form of charges for real property and nonexpendable personal property and the value of goods and services directly benefiting the program.
3. Budgeted in-kind resources must meet the cash equivalency test and be directly related to an appropriate line item expenditure.
 - a. The cash equivalency test means that if in-kind resources were not available the program would be reduced proportionately until such time that additional local cash becomes available.

E. Cash and In-kind Match Criteria for Acceptability

1. Cash and In-kind Match must be reported in the service provider's records and recorded in the service provider's general ledger.
2. Cash and In-kind Match must be excluded as contributions for any other federally assisted program.
3. Cash and In-kind Match must be necessary and reasonable for proper and efficient accomplishment of the contract such as donated services performed by salaried staff that benefit clients rather than staff.
4. Cash and In-kind Match must be from nonfederal sources with the exception of federal revenue sharing.

F. Other Matching Cost

1. Matching may consist of charges incurred by service providers as project costs, even though some of these may not require cash outlays, such as depreciation and use charges for nonfederal or state owned buildings and equipment.

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2. Matching may consist of program costs financed with cash contributed or donated to service providers by other nonfederal public agencies, institutions, private organizations and individuals.
3. Matching may consist of program costs represented by services, real and personal property or use of donated items by other nonfederal public agencies and institutions and private organizations and individuals.

III. Budget Framework

A. Budget

1. The budget is a formal written statement of plans for the forthcoming fiscal year expressed in financial terms.
2. The budget must be based on a plan, which provides the framework for service delivery and assures that staff, governing body, and funding sources will understand the objectives and related actions of their program.
3. Service provider's budgets must contain all projected revenues, expenditures, and expenses for the future budget year, regardless of the funding source.
4. Budgets for Region VII AAA contracts shall be prepared in accord with budgets provided by the Region VII AAA.
5. Service provider's operating budgets and budget revisions must be approved by their local governing body prior to submission to the Region VII AAA.
6. Budgets must be approved by Region VII AAA before costs can be incurred under the budget.
7. If costs are not specified in the budget or there is no approved budget, the service provider shall obtain prior approval in writing from Region VII AAA for these costs.
8. Budget revisions must follow the Budget/Contract Modification Policy of this manual.

B. Revenue

1. Revenue is money, material, and service received by a service provider to carry out plans.

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2. Revenue usually comes from federal, state, and local government sources, tax levies, mileage reimbursement, client contribution, in-kind contribution, other gifts, volunteer time, and donations.
3. Accounting records must identify revenue by source, including the funding title with which each is associated, if applicable.
4. Revenue sources that may be used in budgets:
 - a. federal/state funds (by Title)
 - b. local matching funds
 - c. fees for services or third-party payments
 - d. client contributions/program income
 - e. donations
 - f. in-kind contributions
 - g. other resources
 - h. interest income
 - i. Nutrition Services Initiative Program Reimbursement

C. Expenditures

1. Expenditures are costs incurred under the approved budget to provide services.
2. Costs must be accounted for in a service provider's general ledgers.
3. In general, costs are allowable if they meet the following criteria:
 - a. are reasonable for the performance of the contract
 - b. conform to limitations or exclusions in the contractual agreement or state and federal regulations
 - c. are accounted for consistently
 - d. comply with generally accepted accounting principles

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- e. are not used to meet a cost-sharing or matching requirement for any other federally-funded program in the current or prior budget period
- f. are adequately documented

D. Monitoring Budgets

1. The Region VII AAA will monitor actual performance and expenditures with amounts budgeted.
2. Variances of two / five percent will be addressed in accord with the Reprogramming Policy in this manual.

E. Client Cost and Unit Rates

1. Region VII AAA client and unit costs will be computed using the following formula:

$$\frac{\text{Region VII AAA Share} + 10 \text{ percent Local Match}}{\text{Total Number of Clients}} = \text{Client Cost}$$

$$\frac{\text{Region VII AAA Share} + 10 \text{ percent Local Match}}{\text{Total Number of Units}} = \text{Unit Rate (Net)}$$

2. True cost will include all sources of revenue used to deliver the services.
 - a. All resources will be included in the service provider budget, such as Region VII AAA share, local match, Program Income, Nutrition Services Initiative Program, and Other Resource that would be needed to deliver the agreed upon service in the contract.

F. Other Resources

1. During the competitive bid process applicants make the decision to include or exclude Other Resources from their proposal for funding.
2. Other Resources may be either cash or in-kind and are completely separate from the required 10 percent match.
3. If included in the bid process, Other Resources must relate to the service program in which they are budgeted.
4. Other resources must expand services and reduce the client and unit rate.

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5. The inclusion of Other Resources enables applicants to propose a greater level of service at a reduced client and unit rate.
6. Service providers approved for funding that includes Other Resources in their application shall not categorically remove the Other Resources from the program after the contract is signed.
 - a. Such action would result in an increase in client and unit rates after contracts were finalized.
 - b. Based upon need, service providers can request from Region VII AAA authorization to move Other Resources from one service program to another within the contract.
 - c. Moving Other Resources must result in a proportionate increase in service levels within the service program category where funds are transferred.

IV. Internal Control

- A. Generally accepted accounting procedures shall be practiced to safeguard and account for and control assets in a service provider organization.
- B. At a minimum, the following internal control practices will be adhered to by service providers:
 1. Record all cash receipts immediately.
 - a. Two persons shall be involved in collecting, counting, and recording cash contributions from clients and other cash receipts.
 2. Client contributions shall be recorded on a locally devised daily participant contribution record.
 3. Cash receipts received in the mail shall be opened by one person; a second person will deposit the cash in the bank.
 4. All cash receipts shall be deposited intact daily when feasible.
 - a. Exceptions to this rule require prior written approval from the Region VII AAA.
 - b. Cash disbursements shall not be made out of the amounts collected.

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5. Checks received in the mail shall be marked "Deposit Only".
6. All payments shall be made on serially numbered checks, with the exception of small disbursements, which may be made from a petty cash fund.
7. Checks shall provide for a minimum of two signatures by persons not involved in processing or verifying invoices.
 - a. Persons authorized to sign checks must be designated and approved in writing by the governing board.
8. Checks will never be made payable to "cash" or "bearer."
9. Voided checks shall be clearly and distinctly marked void, torn so that the signature is destroyed, retained, and listed in the cash disbursements journal or book as void.
10. Bank statements shall be reconciled monthly on a timely basis and copies of the conciliation retained.
11. Trial balance accounts shall be recorded each month, following the close of the month.
12. All purchases of goods, services, and equipment shall be approved by a person or persons designated, in writing, by the governing body prior to requisition.
13. All purchase transactions should be made on serially numbered purchase orders, with the exception of items disbursed from petty cash.
14. All petty cash expenditures shall be supported by receipts and guidelines shall be established, including a maximum limit of \$100 per single purchase.
15. All petty cash expenses shall be charged to the proper accounts and recorded in the ledger.
16. Checks issued to vendors are signed and the supporting documents shall be cancelled by perforation or stamped "Paid" to prevent their submission for future payment.
17. All un-mailed signed checks and blank checks shall be stored in a locked secure location.

V. Contingency Funds or Reserves

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- A. Contributions of Region VII AAA contract resources to a contingency reserve or similar provision made for the possible occurrence of events which cannot be projected with certainty as to time, place, or intensity are unallowable.
 - 1. The term "contingency reserve" excludes self-insurance reserve for unemployment compensation or worker's compensation.
- B. Provisions for a reserve under a self-insurance program for unemployment coverage or workers' compensation are allowable to the extent that rates and premiums that would have been allowable had insurance been purchased represent reasonable estimates of the liabilities for such compensation and the types of coverage to cover the risks.
 - 1. Provisions for self-insurance liabilities which do not become payable for more than one year after the provision is made shall not exceed the present value of the liability.
- C. When an agency elects to provide for a reserve under self-insurance for unemployment compensation or workers compensation, it must follow a consistent policy of expensing actual payments to or on behalf of employees or former employees for unemployment compensation or workers compensation in the year of payment. The expenditures must be allocated to all activities of the organization.
 - 1. Region VII AAA approval must be obtained prior to establishing a contingency reserve for self-insurance.
- D. Region VII AAA will not approve contingency reserves in which the rates or premiums exceed those which would have been charged if the insurance had been purchased to cover the risks.
 - 1. The total amount of the reserve cannot exceed the actual amounts expected to be paid out or the present value of the liability in the current year.
- E. Agencies requesting the establishment of a contingency reserve must provide Region VII AAA with quotations from the Michigan Employment Security Commission or other insurance companies indicating the prospective rate per employee and the present value (estimated liability) of the reserve for all employees based on past performance data.
- F. Actual losses which exceed the present value of the reserve are unallowable and shall not be charged to Region VII AAA funded programs.

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1. The excess losses could have been covered by permissible insurance coverage through another approved insurance program.

G. Interest earned on contingency reserve funds must be added to the reserve.

1. If reserve exceeds the pre-approved limits, the excess funds must be transferred back to the programs from which the payments were disbursed.

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VOLUME II: General Administrative Procedures

POLICY NAME: Program Income

PURPOSE: The purpose of this section is to outline standards for the generation, use, control, and accountability of program income.

AUTHORITY: 45 CFR 74, ACLS Bureau Rules and Federal Regulations and ACLS Bureau Operating Standards for Service Programs - General Requirements for all Programs.

I. Program Income

A. Program income is gross income earned by service providers from services or activities in which part or all of the cost is borne by the Region VII AAA contracts.

1. It includes but is not limited to:

- a. fees, contributions, and third party payments made for services or activities performed during the contract year
- b. proceeds from the sale of tangible personal or real property, usage or rental fees
- c. patent and copyright royalties
- d. interest income earned on Region VII AAA advances or Region VII AAA authorized contingency or reserve funds

B. Interest income is all interest earned on all funds advanced/awarded to service providers from the Region VII AAA.

1. Interest income earned on Region VII AAA's funds shall be retained by the service provider, but it must be budgeted and obligated during the same fiscal year in which it was generated.

2. Interest income earned on the Region VII AAA's funds must also be reported to the Region VII AAA on the financial report form.

II. Use and Disposition of Program Income

A. Program income will be retained by the service provider and used for allowable costs under the program and will be used to increase the services provided under the contract

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- B. Nutrition program regulations limit allowable use of nutrition program income.
 - 1. Nutrition programs may also accept Supplemental Nutrition Assistance Program (SNAP) benefits as contributions and are responsible for obtaining authorization to do so.
- C. Program income shall be budgeted and included in the contract budgets submitted to the Region VII AAA.
- D. Program income is a revenue and must be properly maintained and accounted for in the service provider's accounting system.
 - 1. For example, client contributions must be recorded in the cash receipts journal and subsequently posted to the appropriate ledger accounts.
- E. Service providers shall develop written procedures governing collection and use of program income.
- F. Service providers shall select methods which maximize program income and include control for accountability of funds.
 - 1. This may include use of a dual receipt system, lock boxes, or information to clients/participants about the value of services received.
- G. Program income earned with Region VII AAA's funds must be obligated in the contract year in which it was earned and may not be obligated to a subsequent fiscal year contract.
- H. Program income shall be expended for allowable costs to increase or expand the same service program in which it was generated.
- I. When program income generated is less than the amount budgeted steps will need to be taken to reduce contract expenditures in the same amount.
 - 1. When this is not done it will be incumbent upon the service provider to identify additional funds outside the contract to pay for the shortfall in program income.

III. Contributions Requirements

- A. Under the Older Americans Act, service providers shall provide their services to eligible clients at no charge but can accept contributions.

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- B. Contributions can be accepted but a means test or a fee may not be charged for services funded in whole or in part with state or federal funds awarded by the Region VII AAA.
- C. Service providers will not use a means test to deny or limit service to older persons unless specifically required by state law, policy, or federal regulation.
 - 1. When demand for services exceeds available resources, service providers may develop criteria and guidelines which assist the program in targeting services to those in greatest economic or social need.
 - a. Such criteria shall be approved by the Service Provider governing body and the Region VII AAA.
- D. Service Providers shall develop a system of collection which safeguards the confidentiality of the contribution offered by the individual.
- E. Region VII AAA endorses use of suggested contribution schedules, fare boxes, covered containers, press releases and other public information and promotion measures which outline the need for program income, the cost of service provision, and provide safeguards for accountability/confidentiality of contributions.
- F. Service providers will assure that older persons are not coerced into making contributions or paying fees.
- G. The provision of service shall be directly related to assessment of individual need and any approved service provider policy for prioritizing service delivery.
- H. The amount of client contribution and/or the willingness/ability of a client to contribute toward the cost of the service shall have no bearing on continued receipt of services.
- I. Except for program income, no paid or volunteer staff person of any service program may be allowed to solicit contributions from program participants, offer for sale any type of merchandise or service, or seek to encourage the acceptance of any particular belief or philosophy by any program participant.

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VOLUME II:	General Administrative Procedures
POLICY NAME:	Procurement and Disposition of Goods and Services
PURPOSE:	This section outlines procurement procedures bid processes, records requirements and disposition procedures.
AUTHORITY:	These procedures conform to the requirements of 45 CFR 74.160, Office of Management and Budget 2 CFR Chapter I, Chapter II, Part 200, et al. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards Final Rule, and generally accepted accounting principles.

I. Purchasing Procedures

A. Purchasing

1. Purchasing is the process by which goods and services are requested, ordered, received, and paid to enhance internal control. These functions are distributed among different personnel.
2. The primary purpose of purchasing procedures are to ensure that:
 - a. Ordered goods and services that are needed have been approved by designated authorities, are allowable and are provided for in the budget.
 - b. Vendor orders and other agreements to purchase goods or services meet quality and quantity standards and are obtained at the most advantageous price.
 - c. Ordered goods and services have been received in the quantities requested at the agreed upon price.
 - d. All single order goods and services requests with an aggregate estimated value exceeding \$10,000 shall only be initiated through the competitive bid/solicitations process and must be approved by the local governing body.

B. Purchase Requests

1. Requests for goods, raw food, supplies and equipment must be approved by the person or persons designated by the governing body and forwarded to the fiscal area for processing.

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2. Each request must contain the quantity, description and minimum quality of the items requested.

II. Bid Process for Goods and Services

A. Prohibitions on Subcontractors

1. Region VII AAA does not allow service providers to subcontract with other organizations for service delivery but can subcontract for nutrition services.

B. Nutrition service providers who propose to subcontract catering arrangement for a subsequent contract year must submit to the Region VII AAA for review and approval a copy of the request for proposal.

1. This must be sent to the Region VII AAA at least three weeks prior to the scheduled date for release of the request for proposal.
2. If there are no revisions in a previously approved sub-contract catering request for proposal, the service provider will be responsible for notifying the Region VII AAA prior to the issuance of the request for proposal.
3. The service provider will submit to the Region VII AAA as part of the annual application or contract renewal material, a written rationale statement justifying the cost efficiency of the proposed subcontract arrangement.
4. If the bid process is approved by Region VII AAA, the final selection of subcontract catering bidders is the sole responsibility of the service provider and its governing body.
5. Copies of signed subcontractor catering agreements are due at the Region VII AAA office within one month of signatures.
6. Under extenuating circumstances, service providers may request a waiver to allow for temporary service provision under subcontract catering contract.
7. Subcontract catering shall only be made with responsible agencies, businesses, or individuals who possess the potential ability to perform successfully under the terms and conditions specified.
8. Service providers will explain the process in writing and present to their governing body for approval.

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9. Region VII AAA must approve all proposed sole source catering contract proposals where the aggregate expenditure is expected to exceed \$5,000.
- C. Procurement records and files for purchases in excess of \$10,000 will be established and include the following:
1. Basis for contractor's selection
 2. Justification for lack of competition when competitive bids or offers are not obtained
 3. Basis for award, cost or price
 4. Contract/purchase order
 5. Correspondence pertaining to the procurement
- D. Formal contracts for goods and services must contain at a minimum, the following provisions:
1. Type and extent of services to be performed
 2. Service/material delivery schedule
 3. Period covered and date of contract completion
 4. Form and amount of compensation
 5. Payment schedule
 6. Other required conditions such as record keeping and reporting
 7. Termination clause
 8. Legal remedies
- III. Foods, Supplies and Equipment Records
- A. Inventory/Listing Requirements
1. An inventory of all consumable supplies programs such as Home Repair, Chore, and Nutrition Services - Raw Food will be completed at the end of the fiscal year.

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2. A listing of all nonexpendable equipment items costing \$5,000 or more shall be maintained.
 - a. A physical inventory of nonexpendable equipment items will be completed at least every two years.
3. The listings required for nonexpendable equipment items will contain the following information:
 - a. Description of the equipment
 - b. Location of the equipment
 - c. Acquisition date and unit cost
 - d. Funding source under which the equipment was purchased
 - e. Date of latest inventory
4. Property records for nonexpendable equipment items costing \$5,000 or more are maintained and shall contain the following:
 - a. A description of the equipment including manufacturer's model number, if any
 - b. An identification number, such as the manufacturer's serial number
 - c. Identification of the funding source under which the equipment was acquired
 - d. The Region VII AAA share of the equipment cost at time of equipment acquisition
 - e. All information on the ultimate transfer, replacement or disposition of the equipment
5. Service providers shall supply updated inventory records resulting from state approved equipment awards or Region VII AAA's funded equipment purchases within one month of equipment acquisition.

B. Accounting Records

1. Supplies and equipment purchases will be expensed in the accounting records at the time they are paid for.

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2. The total value, in real terms such as fair market value of all nonexpendable equipment valued at \$5,000 or more must be indicated in the appropriate general ledger balance sheet account.
3. All items of equipment valued at \$5,000 or more will be identified by fund codes and identification numbers marked on the property.
4. If the aggregate value of year-end inventory of consumable supplies exceeds \$500, the accounting records will be adjusted to reflect the value of this inventory and carried forward into the new fiscal year.
5. The amount expensed in the appropriate ledger accounts for the current year will be adjusted accordingly.

IV. Equipment, Furniture, Vehicles Acquisition and Disposition

A. Authorization

1. Equipment, items that have a purchase price of \$5,000 or more must be budgeted in the equipment category.
2. The budget must be approved by the service provider's governing body and the Region VII AAA.
3. After approval of the budget, the service provider may proceed in purchasing needed goods.

B. Lease Requirements

1. For permanent installation of equipment there must be a ten-year lease agreement for use of the facility for Older Americans Act and state funded programs.

C. Vehicles

1. ACLS Bureau prohibits purchase of vehicles with Older Americans Act or state funds.

D. Disposing of equipment or furniture purchased using Region VII AAA's funds.

1. A letter shall be sent to the Region VII AAA that contains the following information:

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- a. Trade-in for different piece of equipment
 - b. Date of original purchase and purchase price
 - c. Rationale for trade-in, and terms of trade
 - d. Source of additional funding to be used to acquire different piece of equipment
 2. Obsolete equipment.
 - a. Date of purchase and original purchase price
 - b. Explanation of present condition of equipment
 3. Sale of equipment or future.
 - a. Date of purchase and original purchase price
 - b. Rationale for sale of equipment/furniture
 - c. Proposed sale price
 4. The buyer acquiring the equipment will be responsible for pick-up and transportation of the equipment.
 5. The agency buying the equipment will pay the purchase price directly to the agency selling the equipment.
- E. Service providers will follow their established policies relative to the sale of the equipment.
1. If there is no policy in place, the agency will make an effort to obtain the best possible price for the equipment and will maintain records of the sale.
- F. All cash acquired by the service provider through the sale of equipment will be used to replenish other equipment needs.
1. Other equipment should be purchased within the same contract year as the sale of the original piece of equipment.
 2. Other use of the funds will require prior written approval from the Region VII AAA.

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3. Amounts would be added to the service provider's budget through the regular budget/contract modification process.

G. Letters may be submitted to the Region VII AAA at any time.

1. Written response will be sent by the Region VII AAA within thirty (30) days.

V. Renovation

A. Requests for Region VII AAA's funds for renovation must be presented in writing.

1. Region VII AAA will review the request during the AIP development.
2. Renovation requests cannot be approved if not included as an allowable activity under the AIP.

B. Approved requests must outline costs in the budget and be approved by the service provider's governing body and Region VII AAA.

C. Renovation may not be completed using Region VII AAA funds for facilities that are not owned by the service provider unless there is a 10-year lease.

D. Region VII AAA must be notified of any proposed changes in rent, utility, or other fees to be charged to a Region VII AAA's contract.

E. Region VII AAA's policy prohibits charging more than \$1,000 to the contract for any individual site rental/utility reimbursement.

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VOLUME II:	General Administrative Procedures
POLICY NAME:	Records Maintenance
PURPOSE:	The purpose of this section is to outline procedures and requirements for maintenance of program, personnel, and fiscal records.
AUTHORITY:	ACLS Bureau Operating Standards for Service Programs, Region VII AAA contractual Agreement, and 45 CFR 74, Subpart D.

I. Confidentiality

- A. Each service provider must have procedures to protect the confidentiality of information about older clients and program participants.
 - 1. The procedures must ensure that no information about an older person or obtained from an older person is disclosed in a form that identifies the person without the informed consent of that person or of his or her legal representative.
 - 2. Referrals to other agencies providing services must also have the individuals informed written consent.
- B. Releases of information shall be obtained during the initial assessment.
 - 1. The information must be time-limited in duration, not to exceed 1 year from the signature date.
 - 2. The information must be specific as to both the information being released and the purpose for which the information is being released.
 - 3. Each release of information shall be signed by the client, the client's guardian or designated representative.
 - 4. All releases of information documents must be maintained in the client's file.
- C. Client records must be maintained in controlled access files.
 - 1. Under no circumstances will records be stored in a worker's home.
- D. Disclosure of client information may be allowed by court order or for program monitoring when authorized by federal, state or local regulations.

II. Required Records

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- A. Service providers will maintain all copies of client information, intake information, assessments, and service or care plans for each service.
 - 1. Client records must be retained for 10 years following the client's termination date.
- B. Client records containing emergency medical information must be kept on-site to assure access in case of emergency.
- C. Service providers will maintain all monthly records of expenses and income, including collected donations, which are directly, related to service contract budgets.
- D. Service providers will maintain all bills, receipts, and other pertinent information which document expenses and income directly related to service contract budgets.
- E. Service providers will maintain personnel records and policies.
 - 1. Employee records for persons no longer working for the service provider shall be retained for 3 years following the official departure date.

III. Period of Retention for Financial and Programmatic Records

- A. Financial and programmatic records, supporting documents, statistical records and all other records pertaining to contractual agreements shall be retained for 3 years.
 - 1. If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigation involving the records have been resolved.
- B. Records for nonexpendable property acquired with state and federal funds shall be retained for 3 years after its final disposition.
- C. The retention period for records starts from the date of the submission of final expenditure reports.

IV. Access

- A. The ACL, the Comptroller General, General Accounting Office, Federal and State Office of Management and Budget officials, ACLS Bureau, Region VII AAA and contracted independent audit agencies will have access to any pertinent books, documents, papers and records of service providers and their subcontractors for the purpose of audits, assessments, examinations, excerpts, and transcript.

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VOLUME II:	General Administrative Procedures
POLICY NAME:	Safety and Prevention
PURPOSE:	This policy outlines requirements and standards for the prevention of liability, loss, injury or damage that may be sustained in conjunction with service provider operations.
AUTHORITY:	State fire and safety codes, ACLS Bureau Operating Standards for Service Programs

I. Assignment of Responsibility for Fire and Safety

- A. All service providers will have an ongoing safety-training program, a monitoring system for safety that includes equipment maintenance, and procedures for reporting fires and accidents.
- B. All facilities utilized by service providers for operations or activities shall meet or exceed all local, state, and federal fire safety and health codes.
 - 1. Service providers shall assure that fire, safety, and health procedures are in place.
- C. The responsibilities listed below may be included under written agreements with building owners or may be assigned to staff in writing.
 - 1. Responsible for conducting and documenting annual fire drills
 - a. The drill need not include setting off the building alarm or the actual evacuation of a building during cold or hot weather.
 - 2. Responsible for obtaining and documenting annual inspections by local fire, sanitation, and building code inspectors
 - 3. Responsible for reporting and correcting any violations cited
 - 4. Responsible for evacuation and safety of personnel in the event of disasters such as fires, tornadoes, blizzards, floods, loss of electricity, water, sewage systems, and heat
 - 5. Procedures for obtaining emergency firefighting and medical treatment. Emergency phone numbers must be posted and clearly visible at all telephone locations.

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6. Responsible for the location, security, and storage of flammable liquid
7. Responsible for disseminating information, documenting, and training senior center and meal site personnel annually
8. Responsible for posting the mandatory Heimlich Maneuver in a clearly visible location in all meal sites and senior centers
9. Responsible for clearing sidewalks, entrances, exits, and parking lots of snow and ice
10. Responsible for maintaining and training operators in the proper use and cleaning of cooking and other pieces of dangerous equipment
11. Responsible to ensure that meal site personnel receive adequate training in safety practices, fire procedures, including use of fire extinguishers and effective safety monitoring requirements

II. Fire Inspections

- A. Fire inspections must be conducted for each senior center and nutrition site every three years.

1. If certified volunteers cannot be obtained to complete the inspection, Region VII AAA's contract funds may be used to pay for the ~~annual~~ inspection.

- B. The following steps are to be followed in securing the inspections.

1. Contact the local fire authority and request an inspection of the facilities.
2. When a local fire official is unavailable, after a formal written request, a program may conduct a fire safety assessments of its meal sites.
3. Written records of fire inspection requests, results and corrective actions shall be retained on file with the service provider.

III. Client Safety and Assistance

- A. Service providers will develop written procedures outlining appropriate responsibilities and courses of action that insure the safety of clients.

- B. Safety Procedures

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1. Service providers will use client intake information to follow-up on a client that does not attend an activity as anticipated or has health problems requiring immediate attention.
2. Service providers will instruct drivers and staff on what to do if a client does not respond to a home call for service delivery.
3. Staff will be instructed on what to do if a senior is in physical distress while staff is in the home.
4. Case Coordination & Support service must maintain a updated listing of isolated and handicapped seniors that can be used during a disaster.
5. Service providers will instruct staff regarding fire or safety hazards identified in the client's home.
6. Service providers will instruct staff to give a client notice regarding anticipated absence or delay due to inclement weather conditions or illness.
7. Service providers will develop an emergency preparedness plan for the continuation of essential services during or after a disaster.

IV. Insurance

- A. Each Service provider shall carry insurance to indemnify loss of federal, state or local resources due to casualty or fraud.
 1. All buildings, equipment, supplies and other property purchased in whole or part with funds awarded by the Region VII AAA or ACLS Bureau are to be covered with sufficient insurance that will reimburse the program for the fair market value of the assets at the time of loss.
 2. Required insurances
 - a. Workers' compensation
 - b. Unemployment insurance
 - c. Property and theft coverage
 - d. Fidelity bonding for persons handling cash
 - e. Facility insurance for facilities purchased with federal and/or state funds

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- f. No-fault vehicle insurance for agency owned vehicles
- g. Insurance for illness or injuries occurring on or caused by agency property, product or service, equipment or personnel

B. Bonding

- 1. Service providers shall carry adequate fidelity bond coverage to prevent an unacceptable risk.
- 2. A fidelity bond is required to indemnify the agency against losses resulting from the fraud or lack of integrity, honesty, or fidelity of one or more of the employees.
- 3. At a minimum, blanket bond coverage must amount to one-twelfth (1/12) of the total state and federal grant funds awarded to the respective agency.
- 4. A blanket bond policy shall indemnify all members of the governing body, paid and volunteer staff of the agency.

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VOLUME II:	General Administrative Procedures
POLICY NAME:	Accessibility
PURPOSE:	The purpose of this section is to outline minimum expectations for program accessibility requirements.
AUTHORITY:	Michigan Executive Order 11914, Public Act No. 220, 1976; Section 504 of the Rehabilitation Act; Michigan Executive Directive 1987-1.

I. Definitions

A. Program Accessibility

1. Program accessibility refers to adaptations to prevent nonparticipation of handicapped persons in programs due to architectural and related barriers.
2. Assuring accessibility does not require that existing facilities be completely barrier-free.
 - a. Structural modifications of existing facilities should be undertaken only when other adaptations are inadequate to facilitate utilization of the program by handicapped persons.
3. New facilities are to be designed and constructed so as to be physically accessible to handicapped persons.

B. Persons with a disability

1. Any person with a physical or mental impairment that substantially limits one or more major life activities.

II. Standards for Accessibility

A. Any new or relocated facilities approved as a site or location for Region VII AAA's funded services shall be readily accessible to and usable by handicapped persons.

1. Service providers shall assure that responsible efforts will be made to adapt or alter existing facilities to the maximum extent feasible.
2. Handicapped persons shall be able to enter and exit the facility and use the restroom facilities without assistance.

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B. Minimum requirements for new and/or relocated facilities.

1. Adequate parking area with designated handicapped spaces
2. Sidewalks in good repair.
3. Availability of ramp when needed
4. Entryway that permits the passage of a wheelchair-bound person without assistance
5. Restrooms that accommodate a wheelchair-bound person without assistance
6. Any new facilities constructed for the purpose of providing services must be barrier-free designs

III. Practices to Assure Program Accessibility

A. Efforts will be made to locate services in facilities that comply with barrier-free designs.

1. Questions concerning barrier-free design should be directed to the local building inspector.

B. Facilities that cannot be modified to make programs accessible for handicapped persons must provide alternatives.

1. Posting notices that include the location, hours, and services available at facilities within the project area that are accessible to handicapped persons.
 - a. Information should be posted in locations of program facilities that are most accessible to handicapped persons.
 - b. Service will provide transportation to and from facilities whenever possible.
2. Educate staff on measures for making programs accessible to handicapped persons.

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VOLUME II:	General Administrative Procedures
POLICY NAME:	Publicity
PURPOSE:	This section outlines the minimum expectations for publicity of service programs supported with Region VII AAA's funds.
AUTHORITY:	ACLS Bureau Operating standards for Service Programs General Section

I. Publicity Requirements

- A. Each service provider shall publicize services quarterly through the use of the media and public organizations serving the elderly.
 - 1. Service providers will display posters in public buildings, business places, senior centers, and nutrition sites.
 - 2. Service providers will distribute cards or gummed stickers bearing the address and telephone number for the service.
 - 3. Promotional or publicity materials receiving support under the contract will contain acknowledgement of the Region VII AAA, ACLS Bureau, ACL and Older Americans Act.
 - 4. Promotional or publicity materials will include a statement that it complies with the Civil Rights Act.
- B. Service providers shall utilize whatever means is most effective in reaching those in greatest economic or social need with particular attention to low-income elderly and minority.
- C. Region VII AAA and ACLS Bureau have the option of receiving free of charge up to three copies of any publications published through the support of the funding award.
- D. Where the service provider's activities results in a book or other copyrighted material, the author is free to obtain a copyright.
 - 1. The contract must reserve ACLS Bureau and Region VII AAA have the option to a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use all such material.

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POLICY NAME: Service Coordination

PURPOSE: This section outlines minimum expectations for service coordination.

AUTHORITY: ACLS Bureau Operating Standards of Service Programs

I. Referrals

- A. Each service provider shall establish contact with other service agencies and networks and implement a system for cross-referrals to facilitate entry of new clients into the aging services network and to refer clients with unmet needs to agencies capable of meeting those needs.

II. Resource Coordination

- A. Each service provider shall have coordination arrangements with agencies providing services.
- B. Service providers must be able to demonstrate linkages with agencies providing access services within the program area.

III. Procedures to Assure Resource Coordination

A. Written Agreements

- 1. Service providers shall obtain written agreements with other agencies and organizations whenever third party payment is available to expand services funded under the AIP.
- 2. At a minimum, when required, service providers will develop written agreements for third party reimbursement through the local Michigan Department of Human Services and Community Mental Health Boards.
- 3. The Case Coordination and Support Service will direct referrals to the programs that identify and access available resources.

B. Linking of Resources Through Case Coordination and Support

- 1. Service providers that use Older Americans Act funds for the Case Coordination and Support service must assure that caseworkers have knowledge of the referral sources and guidelines.

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2. Case workers must be provided with the following information:

- a. housing assistance
- b. chore services
- c. mental health, including substance abuse
- d. health and vision screening
- e. legal services
- f. weatherization programs
- g. minor home repair
- h. local Departments of Human Services
- i. outreach
- j. counseling
- k. case management
- l. educational programs
- m. information and referral
- n. congregate and home delivered meals programs
- o. skilled nursing
- p. home health care
- q. personal care
- r. homemaker
- s. hospital discharge planning units
- t. senior centers
- u. transportation/escort

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3. Service providers that receive state and federal funding for Case Coordination and Support will instruct staff to channel referrals and requests for information to the Case Coordination and Support program.
4. Service providers that have an identifiable information and referral program may also direct staff to channel referrals through the information and referral program.

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POLICY NAME: Program Evaluation

PURPOSE: This section outlines minimum expectations for service providers to follow in completing evaluations for programs supported by Region VII AAA's funds.

AUTHORITY: ACLS Bureau Operating Standards for Service Programs - General Requirements for all Service Programs

I. Minimum Requirements for Program Evaluation

A. At a minimum, each service provider must have a mechanism for obtaining the views of service recipients about the quality and operation of services.

II. Minimum Requirements for Program Monitoring

A. Service providers will monitor their service programs to assure that the services are meeting objectives outlined in the contract.

B. Required monitoring objectives.

1. Review of expenses, as compared to the budget
2. Client and unit levels, in relation to current contract
3. Results of targeting efforts to direct services to those in greatest economic and social need and low-income minority
4. Results of the service provider's plan to make services available in all parts of the service area
5. Program record documentation to assure information is accurate and up to date

III. Region VII AAA's Assessment

A. Region VII AAA conducts periodic assessments of all service providers to review adherence to rules, regulations, policies, guidelines and standards.

B. Service providers can use the Region VII AAA's assessment tool to conduct periodic self-assessments of programs.

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POLICY NAME: Cost Sharing Procedure

PURPOSE: The purpose of this policy is to establish a uniform procedure that will serve as a guide for developing cost sharing fees.

AUTHORITY: ACLS Bureau Cost Sharing Policy

I. Cost Sharing

- A. Cost sharing provides the opportunity for service recipients to share a portion of the cost and growth of programs and gives service providers the opportunity to identify additional resources for paying for services.
- B. All contributions will be used to expand the service at the service provider level. Payments from cost sharing must be used to expand the specific service from which the revenue was generated.

II. Cost Sharing Practice

- A. Service providers that support service programs with federal and state funds cannot establish cost sharing policies for services provided in the following categories.
 - 1. Outreach
 - 2. Case Management
 - 3. Case Coordination and Support
 - 4. Congregate Meals
 - 5. Home Delivered Meals
 - 6. Ombudsman
 - 7. Information and Assistance
 - 8. Benefits Counseling
 - 9. Elder Abuse Prevention Programs
 - 10. Consumer Protection Services

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11. Services Provided by Tribal Organizations

12. Legal Assistance

B. Cost sharing practices will be approved for the following supportive services if such services are supported in whole or part by Older Americans Act funds:

1. Personal Care
2. Homemaker
3. Chore Services
4. Home Repair
5. Disease Prevention / Health Promotion
6. Care Management
7. Respite Care
8. Adult Day Service
9. Transportation

C. Region VII AAA Care Management clients that receive federal reimbursement through participation in the Medicaid Targeted Case Management Program are required to cost share following locally established fee scales.

D. Cost sharing will be required for adult day care and/or respite care services that are fully subsidized with Escheat funds and Merit Award funds.

III. Cost Sharing Requirements

A. Region VII AAA cost sharing policies for the planning and service area must be approved by ACLS Bureau prior to implementation.

B. Service providers who implement the practice of cost sharing for any program must obtain approval in writing from Region VII AAA.

1. Region VII AAA may grant approval when it determines the provider has the capacity to effectively manage such a practice and that it will enhance the provider's ability to maintain and/or expand services in the project area.

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- C. Income from cost sharing will be reported in whole as a part of donation income not by individual client.
- D. Complaints regarding cost sharing will be resolved at the local level when possible and referred to the Region VII AAA when necessary.
- E. Cost sharing information that is distributed must reflect the language and reading abilities of older individuals.
- F. The total service cost upon which the service recipient's share is to be determined shall be comprised of all grant funds, matching funds, program income, and other resources used to operate the program.

IV. Determining Cost Sharing for Services

- A. Total income from all sources of the individual recipient receiving service will be used to determine the recipients share in the cost of services received.
- B. Total income shall be determined by written confidential self-declaration of each eligible individual service recipient or a primary caregiver recipient. No verification of income is required.
 - 1. If any recipient receiving services supported in whole or part by Older Americans Act funds do not wish to disclose their income they should automatically be given information that explains the importance and cost of the program.
- C. Calculation of income will not include assets, savings or other property owned by service recipients.
- D. No cost share shall be assigned for individuals below 185 percent of the poverty level.
 - 1. Service recipients below 185 percent of the poverty level should be encouraged to contribute toward the cost of services received.
 - 2. Service recipients below 185 percent of the poverty level who do not contribute to cost sharing for services may not be denied service.
- E. No cost sharing will be required for service recipients covered by Medicaid.

V. Cost Sharing above Poverty Level

- A. All recipients receiving service whose self-declaration of total income is at or above 185 percent of the poverty income guidelines established by the Federal Health & Human

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Services Administration will be required to cost share following a fee scale based on an annual individual income level.

1. The scale must be submitted to Region VII AAA for written approval and will not be implemented until approved.
- B. Region VII AAA will provide the poverty income guidelines established by the Federal Health & Human Services Administration.

VI. Voluntary Contributions

- A. Any service recipient or caregiver may volunteer to share in the cost of service in an amount above that required by the approved sliding fee scale.
- B. A service recipient or caregiver who refuses to voluntarily contribute to the cost of the service provided or participate in approved cost sharing program may not be denied service based on no contribution.
- C. A cost sharing program establishing a voluntary contribution system shall not include any method of solicitation that would be coercive.
- D. Region VII AAA will consult with service providers and older individuals about the best method for accepting voluntary contributions.

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VOLUME II: General Administrative Procedures

POLICY NAME: Limited English Proficiency (LEP)

PURPOSE: To ensure compliance with federal and state statutes which protect the civil rights of individuals who receive services through programs for older persons.

AUTHORITY: Title VI of the Civil Rights Act of 1964

I. Policy:

- A. Region VII AAA's agents and contractual agencies shall provide needed accommodations, accurate and timely language assistance and effective communication to persons with LEP, communication challenges, visual impairments, mobility impairments, and/or similar impairments to ensure them equal access to services.
- B. The procedures outlined below will ensure that services are accessible and information is communicated by staff that have demonstrated competence in cultural sensitivity, to all persons in their language of choice, and at no cost to the client.

II. Definitions

A. Accommodations

- 1. Internal or external resources needed to ensure the client is afforded meaningful access to services such as interpreter/translation services, ramps, or Braille.

B. Client

- 1. Current and prospective clients, family, and other interested persons.

C. Cultural Competence

- 1. A set of congruent behaviors, attitudes, beliefs, practices and procedures that come together in a system, agency, or among professionals to enable that system, agency, or those professionals to work effectively in cross- cultural situations.
- 2. The word culture implies the integrated patterns of human behavior that include thoughts, communications, actions, customs, beliefs, values, and institutions of racial, ethnic, religious, or social groups.

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3. The word competence implies having the capacity to function within the context of culturally integrated patterns of human behavior defined by the group.

D. Limited English Proficiency

1. The inability to speak, read, write, or understand English at a level that permits effective interaction with health care providers.
2. LEP is the responsibility of providers of health and human services who receive federal financial assistance from the U.S. Department of Health and Human Services.

III. Procedure

A. Assessment

1. Service providers will identify the non-English languages that are most commonly encountered in each county served by estimating the number of LEP persons that are eligible for services and that are likely to be directly affected by its programs.
2. This assessment will be completed by reviewing census data, consumer data from client files, and data from community agencies and organizations.
3. The language needs of each client will be recorded in the client file.
4. The points of contact in the program or activity where language assistance is likely to be needed will be identified as well as the resources that will be needed to provide effective language assistance, the location and availability of these resources, and the arrangements that must be made to access these resources in a timely fashion.

B. Procedure

1. Whenever an interpreter is needed for ongoing clinical services, the contract agency is responsible for contacting an identified interpreter or interpretation agency and ensuring that confidentiality is preserved.
2. Physical access to services will be guided by the specifications set forth by the Americans with Disabilities Act.

C. Use of Family and Friends

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1. Family members or friends of the LEP person shall not be used as interpreters unless specifically requested by that individual after an offer of an interpreter has been made by the contract agency.
 - a. Such an offer and the response of the individual to that offer must be documented. Each individual offer must be documented in the client file.
2. Whenever an LEP person refuses the offer of an interpreter supplied by a service provider and prefers to use a family member or friend, the documentation must include the name, relationship, and confirmation that the individual is not a minor.
3. Documentation must include a brief statement of what the interpreter helped to communicate.
4. If a LEP person elects to use a family member or friend, but the service provider suspects that the use of this family member or friend could compromise the effectiveness of services or violate the LEP person's confidentiality, it may be suggested that a trained interpreter sit in on the encounter to ensure accurate interpretation.
5. A service provider will ensure that all volunteer interpreters, staff or otherwise, are competent to provide interpretative services.
6. Under no circumstances can a service provider ask a person to bring their own interpreter or use another client to interpret.

D. Written Materials

1. Written materials will be translated for each LEP group of 10 percent or 3000, whichever is less of the eligible population such as application forms, enrollment forms, letters or notices about eligibility or any change in benefits, medical or discharge information.
2. For each language group with fewer than 100 persons, a service provider will provide written notice of the right to receive oral interpretation of written materials in the primary language of the group.
3. Service providers will maintain responsibility for the determination of the necessity for written materials based on studies of the eligible LEP population in their service area.

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4. Each service provider will be responsible for the dissemination and translation of these written materials.

IV. Availability of Interpreter Services and Materials Translated in Other Languages

- A. Region VII AAA will ensure that notices are posted in all entrances regarding the availability of interpreter services and available materials in large print and/or translated in other languages for LEP persons.
- B. The notice will clearly state that the service is available at no cost to the current or prospective client, family, and interested persons.
- C. Notices will inform persons that forms that are commonly utilized will be orally communicated to the current and prospective client, family, and interested persons in their preferred, native language, and will describe how to request an interpreter in each language most commonly encountered other than English.
- D. The agency will ensure that interpreters and bilingual staff can demonstrate bilingual proficiency.

V. Training and Compliance

- A. All new employees will be trained during orientation and all employees who have client contact will be trained on a regular basis regarding the LEP Accommodations and Cultural Competency policy and procedures.
- B. A training registry will record the names and dates of employees' training.
- C. Employee training should include, at a minimum, that the individual:
 1. Can comprehend and incorporate the cultural diversity of the service area.
 2. Appropriately records primary language and accommodation needs in the demographic record.
 3. Demonstrates a working knowledge of the variety of assistive technology, services and resources available to accommodate the needs of individuals.
 4. Seeks to assist persons with LEP or in need of accommodations in a respectful manner and treats assistive devices as an extension of the body of the person with the disability and maintains appropriate physical boundaries.
 5. Is knowledgeable regarding how to access translated materials, Braille documents, and/or other assistive devices available.

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6. Is knowledgeable regarding procedures for accessing interpretation services for non-English speaking and/or sign language persons.
7. Is able to identify clients who may have an unmet need for assistive technology and/or resources and is able to link them to appropriate services and supports with the consent of the client.

VI. Monitoring

A. Region VII AAA will monitor compliance by annually assessing:

1. Whether staff is knowledgeable about the LEP Accommodations and Cultural Competency policy and procedures and how to implement them.
2. The current LEP makeup of each service area.
3. The current communication needs of LEP applicants and clients.
4. Whether sources for assistance are still current and viable.
5. Whether existing assistance is meeting the needs of such persons.

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VOLUME II:	General Administrative Procedures
POLICY NAME:	Service Provider Emergency Preparedness Plan
PURPOSE:	To provide an action plan that will help keep the elderly safe when a disaster or personal crisis strikes and develop procedures for the delivery and coordination of services to the elderly during an emergency or disaster.
AUTHORITY:	Emergency Management Act 390 of 1976, State Fire and Safety codes, ACLS Bureau Operating Standards for Service Programs.

I. Objectives

- A. Be prepared in advance to assist the elderly during a disaster or emergency situation.
- B. Prepare in advance the elderly, family members, and caregivers for disaster or emergency situations.
- C. To provide outreach and advocacy to assist older adults in accessing services and to address immediate short and long range needs.
- D. Identify potential emergency situations and disasters that could occur in the service area.
- E. Identify what community resources are available that might assist during a disaster or emergency.
- F. Develop an emergency preparedness plan in writing.
- G. Sustain services that assist elderly in re-establishing lives after an emergency.

II. State of Alert

- A. Region VII AAA will notify Service Providers that are either directly or indirectly involved in an emergency, disaster, or a declaration of an emergency.
- B. Together, ACLS Bureau and Region VII AAA representatives may be required to make decisions to commit resources and implement actions for the elderly.
- C. When only one provider is involved in a disaster, ACLS Bureau and Region VII AAA may agree to have ACLS Bureau work directly with that agency staff.

III. Service Providers Responsibilities

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1. 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.
2. Be prepared for any unplanned event or emergency that can cause death or significant injury to clients or the elderly public.
3. Develop an emergency preparedness plan for the continuation of essential services during or after a disaster.
4. Become familiar with the emergency service system used in the local community.
5. Develop procedures for assisting clients and elderly persons during a disaster.
6. Maintain an updated service provider staff emergency contact list that will be provided to the Region VII AAA.
7. Include emergency plan procedures for collaborating with Region VII AAA so as to ensure reimbursement if a disaster declaration is made.
8. Notify Region VII AAA immediately in an emergency or disaster situation.
9. Educate the elderly regarding emergency preparedness.
10. Identify ahead of time those individuals at high risk requiring special need and healthy elderly living independently who may need assistance.
11. Provide Region VII AAA a copy of their emergency preparedness plan for clients and the elderly public.
12. Insure that all older victims of a disaster are aware of funds and will have the opportunity to apply for disaster assistance.
13. Maintain an updated listing of isolated and handicapped seniors that can be used during a disaster.
 - a. This list shall be available to Region VII AAA and local emergency management organizations upon request.
14. Establish procedures for communicating with older adults with language and cultural differences.

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IV. Emergency Services

A. In-Home Services and Community Services

1. Identify and prioritize clients who may or will require critical in-home services during a disaster.
2. Develop a systematic method for contacting providers of critical in-home services during a disaster.
3. Develop a procedure for assisting providers of critical in-home services with transportation to and from locations during a disaster.
4. Identify and maintain an up-to-date list of the client's durable medical equipment and emergency equipment providers.
5. Contact all at-risk clients on a prioritized basis immediately following an actual emergency or disaster.

B. Nutrition Provider Requirements

1. Minimally, nutrition provider's emergency plans should include a provision to contact clients and notify them of cancellation or rescheduling of service and to verify that they have emergency resources and/or assistance if necessary.
2. Have a plan in place to serve clients in the event of a weather related emergency.
3. Inquire as to the health status of the clients.
4. Provide assistance for clients identified as having inadequate food and water supplies.
5. Make formal contact with Region VII AAA in cases where homebound meals cannot be delivered and in cases where congregate sites are closed.
6. Nutrition providers are encouraged to develop relationships with four-wheel drive owners and snow mobile clubs that can deliver meals in an emergency situation.
7. Nutrition providers are encouraged to maintain volunteers or other persons to act as backup staff in the event of a disaster where nutrition staff are victims of the disaster.

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8. Nutrition providers are to identify staff or volunteers at congregate nutrition sites who can be called upon in the event of an emergency to prepare meals for persons who may be displaced due to the emergency.
9. Open congregate nutrition sites for use as a shelter when necessary.
10. Nutrition providers must submit their emergency plan to Region VII AAA for approval.

C. Care Management and Medicaid Waiver Clients

1. Emergency back-up plans will be developed for each individual client.
2. The plan will be updated on an annual basis during reassessment.
3. A copy of the emergency back-up plan will be retained in each client's file.
4. Care Managers and Medicaid Waiver staff will contact all clients on their caseload on a prioritized basis immediately following a disaster.

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VOLUME II: General Administrative Procedures

POLICY NAME: Use of Electronic Signatures and Records

PURPOSE: This policy establishes when an electronic signature may replace a written signature and when an electronic record may replace a paper document in official Region VII activities.

This policy applies to all members of the Region VII Area Agency on Aging community, and governs all uses of electronic signatures and electronic records used to conduct the official business of the Region VII Area Agency on Aging. Such business shall include, but not be limited to electronic communications, transactions, contracts, grant applications and other official purposes.

I. Definitions

- A. An "electronic signature" is an electronic sound, symbol, or process, attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign a record.
- B. An "electronic record" is a record created, generated, sent, communicated, received, or stored by electronic means.
- C. A "record" is information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form. Financial and other documents or forms are records.
- D. An "electronic transaction" is a transaction conducted or performed, in whole or in part, by electronic means or electronic records.
- E. "Electronic" relates to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.
- F. An approved electronic signature method is one that has been approved by the director, in accordance with this policy and all applicable state and federal laws, and which specifies the form of the electronic signature, the systems and procedures used with the electronic signature, and the significance of the use of the electronic signature.
- G. A "certificate" is an electronic document used to identify an individual, server, a company, or some other entity and to associate that identity with a public key. A certificate provides generally recognized proof of a person's identity.

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- H. "Public-key" infrastructure (PKI) is a form of information encryption that uses certificates to prevent individuals from impersonating those who are authorized to electronically sign an electronic document. A "public key" is a value provided by some designated authority as a key that, combined with a "private key" derived from the public key, can be used to effectively encrypt messages and digital signatures.
 - I. A "private key" is an encryption/decryption key known only to the party or parties that exchange messages. In traditional private key cryptography, a key is shared by the communicators so that each can encrypt and decrypt messages.
- II. Policy
- A. Use of an Electronic Signature
 - 1. Provider must submit a request to Region VII AAA for approval to begin using electronic signatures. The request must include the signature of the responsible person.
 - 2. Where a Region VII AAA policy requires that a record have the signature of a responsible person, that requirement is met when the electronic record has associated with it an electronic signature using an approved electronic signature method.
 - 3. Where a Region VII AAA policy requires a written document, that requirement is met when an electronic record has associated with it an electronic signature using an approved electronic signature method.
- III. Signature required by law
- A. Where there is a legal requirement, beyond Region VII AAA policy, that a record have the signature of a responsible person, that signature requirement is met when the electronic record has associated with it an electronic signature using an approved electronic signature method which complies with Michigan state law or Federal law.
 - B. Where a legal requirement, beyond Region VII AAA policy, requires a written document, that requirement is met when an electronic record has associated with it an electronic signature using an approved electronic signature method, which complies with Michigan state law or Federal law.
 - C. The signing of a record using an approved electronic signature method does not mean that the record has been signed by a person authorized to sign or approve

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that record. Appropriate procedures must be used to confirm that the person signing the record has the appropriate authority.

- D. This policy applies only to transactions between parties each of which has agreed to conduct transactions by electronic means.
- E. If parties have agreed to conduct a transaction by electronic means and a law requires a person to provide, send, or deliver information in writing to another person, the requirement is satisfied if the information is provided, sent, or delivered, as the case may be, in an electronic record capable of retention by the recipient at the time of receipt. An electronic record is not capable of retention by the recipient if the sender or its information processing system inhibits the ability of the recipient to print or store the electronic record.

IV. Approval of Electronic Signature Methods by Director

- A. The final approval of any electronic signature method will be by the director. In determining whether to approve an electronic signature method, consideration will be given to the systems and procedures associated with using that electronic signature, and whether the use of the electronic signature is at least as reliable as the existing method being used. This determination will be made after a review of the electronic signature method by the Information Technology Specialist.
- B. If approved electronic signature methods require the use of encryption technology that uses public or private key infrastructure and/or certificates, the Information Technology Specialist will be responsible for the administration of such public or private keys and certificates.
- C. The approval of an electronic signature method can limit the use of that method to particular electronic records. An electronic signature used outside of its limitations will not be considered valid by Region VII AAA.
- D. In the event that it is determined that an approved electronic signature method is no longer trustworthy, Region VII AAA will revoke the approval of that electronic signature method. If there is continued significance for the electronic signatures, which used the revoked method, Region VII AAA will take steps to see that any valid records signed with the revoked electronic signature method are signed again with an approved electronic signature method.

V. Rules and Procedures

- A. Region VII AAA may make rules that:

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1. Identify specific transactions that Region VII AAA is willing to conduct by electronic means.
2. Identify specific transactions that Region VII AAA will never conduct by electronic means.
3. Specify the manner and format in which electronic records must be created, generated, sent, communicated, received, and stored, and the systems established for those purposes.
4. If law or rule requires that the electronic records must be signed by electronic means, specify the type of electronic signature required, the manner and format in which the electronic signature must be affixed to the electronic record, and the identity of, or criteria that must be met, by any third party used by a person filing a document to facilitate the process.
5. Specify control processes and procedures as appropriate to ensure adequate preservation, disposition, integrity, security, confidentiality, and auditability of electronic records.
6. Identify any other required attributes for electronic records that are specified for corresponding non-electronic records or that are reasonably necessary under the circumstances.