



MICHIGAN OFFICE OF SERVICES TO THE AGING

Operating Standards For Area Agencies on Aging

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A. INTRODUCTION

The following standards and appendices comprise the operating guidelines to be followed by Area Agencies on Aging in Michigan. This manual is intended for use by the Office of Services to the Aging (OSA) and Area Agencies on Aging (AAA). Statewide operating standards are adopted by the Michigan Commission on Services to the Aging (CSA) following extensive input, review, and comment by the stakeholders of the Michigan Aging Network.

Background

The Older Americans Act (OAA) provides that each state is to be divided into planning and service areas (PSAs) and that an AAA is to be designated within each PSA. Area agencies are a major component of the network of agencies intended to implement the provisions of Title III of the Older Americans Act, Grants for State and Community Programs on Aging. The general purpose is to concentrate resources in order to develop greater capacity and foster the development and implementation of comprehensive and coordinated service systems to serve older individuals. The Older Americans Act specifies several administrative, planning, and program development activities to be performed by area agencies and instructs that they shall, “serve as the advocate and focal point for the elderly within the community....”

Instructions

Each standard is given a separate name and number, related to the respective operating category. A statement of each standard is also presented along with its intent. The major reference authority for each standard is identified as a statute, regulation, rule, or CSA policy. Indicators of compliance are required components of area agency operations unless written to be optional or recommended. All standards and compliance indicators remain in effect unless a specific waiver has been approved. Waivers will not be granted where a specific requirement is mandated by federal statute, regulation, P.A. 180, or an Administrative Rule.

Interpretations of the applicability of any standard or compliance indicator shall be made by the Director of OSA in response to a formal inquiry. Amendments and/or revisions of any standard or compliance indicator shall be made only by the Michigan CSA.



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B. ORGANIZATION

<u>Standard Name</u>	Area Agency Structure
<u>Standard Number</u>	B-1
<u>Authority Reference</u>	45 CFR Section 1321; Public Law 89-73, Section 305(c); CSA
<u>Operating Category</u>	Organization
<u>Intent of Standard</u>	To ensure agencies designated as AAAs have the administration of programs for older persons as a primary concern.
<u>Statement of Standard</u>	The AAA must be either a single purpose agency created to plan, administer, and advocate programs for older persons or a designated component unit of a multi-purpose agency with the authority and capacity to administer human service programs.

Indicators of Compliance

1. The agency must be one of the following types:
 - a. An established office on aging.
 - b. An office or agency of a unit of general purpose local government that is proposed by the chief elected officials of that unit.
 - c. Any office or agency proposed by the chief elected officials of a combination of units of general purpose local government.
 - d. Any other public or private non-profit agency, except any regional or local agency of the state. (CFR, PL 89-73)
2. Articles of Incorporation must indicate purpose consistent with statement of this standard. (CSA)
3. Multi-purpose agencies must have an approved waiver from the CSA which:
 - a. Was submitted as part of its current area plan or as a plan amendment.
 - b. Describes the methods to be used for carrying out its functions and responsibilities.
 - c. Designates a component unit of the agency as the AAA to plan and develop all policy for programs for older persons under the Older Americans Act and the State Plan, and to provide a visible focal point for advocacy, coordination, monitoring, and evaluation of programs for older persons in the PSA.



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- i. The multi-purpose agency board should pass a resolution granting the aging unit full authority and responsibility to administer aging programs under the OAA.
- ii. The aging unit must have a separate advisory council to advise continuously on all matters relating to the identification of needs and development of the area plan.
- iii. The aging unit must have its own letterhead stationery and telephone number. However, the central phone number may be maintained only if the "AAA" is also clearly identified on each incoming call. (CSA)



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<u>Standard Name</u>	Area Agency Contract Management Procedures and Policies
<u>Standard Number</u>	B-2
<u>Authority Reference</u>	Rules for State and Local Programs on Aging (R400.20106)
<u>Operating Category</u>	Organization
<u>Intent of Standard</u>	To ensure consistency of AAA operations throughout Michigan and to foster public input into and awareness of the administrative requirements for programs developed to serve older persons.
<u>Statement of Standard</u>	The AAA must have and follow written procedures for carrying out contract management operations and functions, as required by OSA.

Indicators of Compliance

1. That the AAA has written procedures governing the following functions:
 - a. Conducting public hearings for area plan development, and/or amendment.
 - b. Request for proposal (RFP) for purposes of making grant awards (see Standard C.3 for specific RFP requirements).
 - c. For appeals by applicants and/or subcontractors of any of the following:
 - i. Probation, suspension, or termination of a contract.
 - ii. Denial of a proposal for funding.
 - iii. An administrative action that imposes requirements on the contractor or service provider.

The area agency's contract and administrative appeal procedures must comply with all provisions of the Rules for State and Local Programs on Aging and conform to provisions of the OSA Appeal Procedure and Criteria for AAA Appeal Procedures.

- d. Contracting with service provider organizations (see Standard C-4 for contract requirements).
- e. Fiscal administration (see Standard C-9 for specific requirements).
- f. Assessment of subcontractors (see Standard C-5 for specific assessment requirements).
- g. Taking corrective action with subcontractors including probation/suspension/termination (see Standard C-4 for specific requirements).



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- h. Providing technical assistance to service providers and other organizations.
 - i. For waiving policy requirements not related to law or regulation. (CSA)
 2. That all written contract management policies have been officially adopted by action of the area agency policy board. (Rules)
 3. That an opportunity for review and comment on all proposed contract management policies was afforded to local governmental units, subcontractors, the OSA, and other affected agencies at least 14 days prior to adoption with notice of opportunity for comment being either published in a newspaper of general circulation or by direct mailing to affected parties. (Rules)



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<u>Standard Name</u>	Area Agency Staffing
<u>Standard Number</u>	B-3
<u>Authority Reference</u>	45 CFR, Part 1321; CFR Part 900, Subpart F; CSA
<u>Operating Category</u>	Organization
<u>Intent of Standard</u>	To maintain consistent employment practices in Area Agencies on Aging.
<u>Statement of Standard</u>	The Area Agency on Aging shall, in keeping with Equal Employment Opportunities Practices, maintain a staff capable of carrying out its functions and responsibilities.

Indicators of Compliance

1. That written personnel policies have been adopted by the policy board and include, at a minimum:
 - a. Requirements for written annual performance evaluations of all staff.
 - b. Grievance procedure, as applicable.
 - c. A section outlining unacceptable political activities.
 - d. A drug free work place policy.
 - e. A workplace harassment policy.
 - f. Meal reimbursement schedule not to exceed standardized state allowances as established by the Department of Technology Management and Budget, Vehicle and Travel Services, and published by the Civil Service Commission.
 - g. Completion of a formal conflict of interest disclosure statement annually. (Not required for SCSEP enrollees)
 - h. A written code of ethics consistent with The Older Michigianians Act
 - i. General conditions of employment. (CSA)
2. That the area agency operates under principles of affirmative action and is non-discriminatory in it's employment practices. (CSA)
3. That when the area agency is a local unit of government, it operates under Standards for a Merit System of Personnel Administration. (CFR, CSA)
4. That the area agency employs a full-time director whose performance is evaluated, by the policy board or its designee, against written criteria at least annually.



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5. That the area agency employs sufficient qualified staff to carry out its responsibilities. Where area agency performance indicates the lack of critical skills, the state agency may require an area agency to obtain specifically qualified personnel professional services. (CSA)
6. That the area agency ensures the availability of a registered dietitian or nutritionist (as described within the Michigan Public Health Code), as an employee, a contractor, or as a volunteer, to support the nutrition programs operating in the PSA. The licensed dietitian or nutritionist may work at either the area agency or provider level. (CSA)
7. Each area agency must conduct a criminal background review through the Michigan State Police for all paid and/or volunteer staff persons. An individual with a record of a felony conviction may be considered for employment at the discretion of the area agency. (CSA)



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<u>Standard Name</u>	Area Agency Policy Board
<u>Standard Number</u>	B-4
<u>Authority Reference</u>	CSA; P.A. 162 of 1982; P.A. 267 of 1976
<u>Operating Category</u>	Organization
<u>Intent of Standard</u>	To emphasize the entity responsible to OSA and the Commission for fulfilling the mandates and obligations of area agency on aging designation.
<u>Statement of Standard</u>	The Area Agency on Aging shall have a policy board with the authority and responsibility to conduct the business of the agency.

Indicators of Compliance

1. That the policy board has adopted and operates according to written bylaws that contain, at a minimum:
 - a. A statement of role and function.
 - b. Procedures for selection of members and filling vacancies.
 - c. Election of officers.
 - d. Terms of membership and office.
 - e. Frequency of meetings.
 - f. Voting procedures.
 - g. Quorum requirements.
 - h. A mechanism for establishing committees.
 - i. Number of members.
 - j. Provisions for amendment. (CSA)
2. That the policy board operates in compliance with the provisions of the Open Meetings Act.
3. That the policy board meets at least six times each year. (CSA)
4. That the policy board assures development, approves and oversees administration of the Multi-Year Area Plan (MYP) and Annual Implementation Plan (AIP) and conducts bi-annual reviews of progress in implementing the approved AIP. (CSA)
5. That the policy board determines the allocation of State and Federal funds within the PSA (PSA). (CSA)



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6. That the policy board enters into contracts and/or awards grants to implement all services identified in the area plan and/or AIP, unless granted a waiver by the Commission for the direct provision of service(s). (CSA)
7. That the policy board (or a standing committee reporting to the board) reviews the findings of all OSA assessments of area agency performance, area agency assessments of subcontractor performance, and audits of the area agency. The policy board chairperson, or another board member designated by the chairperson, must receive copies of all correspondence between the auditor and area agency related to the audit, and attend the audit exit interview. The policy board is responsible for approving any response to OSA and for ensuring that any required corrective actions are taken. (CSA)
8. That the policy board has adopted a written code of ethics, which covers both board members and area agency staff, consistent with the Older Michigianians Act. Each policy board member and area agency employee, except enrollees in the SCSEP, must complete a formal conflict of interest disclosure statement annually. (CSA)
9. That the policy board assures that all state and federal funds it receives from OSA are expended in accordance with federal and state laws and regulations and CSA/OSA rules, policies, procedures and standards. (CSA)
10. That the policy board reviews the fiscal status of the area agency at each meeting and projections of year-end balances of funds at least three times a year for at least the following categories:
 - a. Administration
 - b. Services
 - c. Program development
 - d. Interest and program income (CSA)
11. That the policy board serves as an effective and visible advocate by taking positions on issues affecting older persons and by receiving advice and counsel from the regional advisory council. (CSA)
12. That the policy board acquires and maintains "errors and omissions" insurance which covers their actions pertaining to area agency operations. (CSA)



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<u>Standard Name</u>	Area Agency Advisory Council
<u>Standard Number</u>	B-5
<u>Authority Reference</u>	Public Law 89-73, P.A. 180 of 1981, CSA
<u>Operating Category</u>	Organization
<u>Intent of Standard</u>	To ensure that those persons receiving benefits from programs for older persons, as well as representatives from the broader community at large, have an opportunity for direct involvement in the development of such programs.
<u>Statement of Standard</u>	The AAA shall have an advisory council to advise continuously on all matters relating to the identification of needs and development of the area plan.

Indicators of Compliance

1. That the advisory council operates according to written by-laws adopted by the policy board that contain, at a minimum:
 - a. A statement of role and function.
 - b. Number of members.
 - c. Procedures for selection of members and filling vacancies.
 - d. Terms of membership.
 - e. Frequency of meetings. (CSA)
2. That the advisory council meets at least six times a year. (CSA)
3. That the advisory council operates in compliance with the provisions of the Open Meetings Act.
4. That, at any time, the membership of the advisory council consists of more than fifty percent (50%) older individuals (age 60 or older) who are participants or who are eligible to participate in programs under the area plan. Additionally, the membership shall include representatives of older persons; representatives of health care organizations, including providers of veterans health care (if there is a veteran's health care facility in the region); a nutrition provider and other representative(s) of social service provider organizations; persons with leadership experience in the private and voluntary sectors; local elected officials; and the general public. (P.A. 180, CSA)



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5. That, at any time, some members of the advisory council will be persons in great social and economic need. The membership of the advisory council shall also include minority persons and representation from the various counties or units of local government and generally reflect the distribution of older persons within the PSA. (CSA)
6. The area plan and any substantive amendments shall be submitted to the advisory council for review and comment before it is submitted to OSA for approval.
7. That the advisory council operates under a board approved code of ethics consistent with of the Older Michigianians Act.



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C. FUNCTION

<u>Standard Name</u>	Area Agency on Aging Mission
<u>Standard Number</u>	C-1
<u>Authority Reference</u>	Public Law 89-73, P.A. 180 of 1981, Rules for state and Local Programs on Aging, 45 CFR Part 1321.
<u>Operating Category</u>	Function
<u>Intent of Standard</u>	To ensure that the Area Agency on Aging be the leader relative to all aging issues on behalf of all older persons in the planning and service area.
<u>Statement of Standard</u>	<p>The Area Agency on Aging shall proactively carry out, under the leadership and direction of OSA, a wide range of functions related to advocacy, planning, coordination, inter-agency linkages, resource and program development, information sharing, brokering, monitoring and evaluation designed to lead to the development of comprehensive and coordinated systems in, or serving each community in the PSA. These systems shall be designed to assist older persons in leading independent, meaningful and dignified lives in their own homes and communities as long as possible.</p> <p>All activities undertaken by the AAA must be consistent with the mission, that is, the development or enhancement of coordinated and comprehensive delivery systems to older persons in the planning and service delivery area.</p>

Indicators of Compliance

1. The comprehensive and coordinated service delivery systems shall:
 - a. Have a visible focal point of contact where anyone can go or call for help or information and assistance on any aging issue.
 - b. Provide a range of service options.
 - c. Assure that these options are accessible to all older persons regardless of level of independence or level of income.
 - d. Include a commitment of public, private, voluntary, religious and fraternal organizations and older people in the community.



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- e. Involve collaborative decision-making among public, private, voluntary, religious and fraternal organizations and older people in the community.
 - f. Offer special help or targeted resources for the most vulnerable older persons, those in danger of losing their independence.
 - g. Provide effective referral from agency to agency to assure that information or assistance is received, no matter how or where contact is made in the community.
 - h. Evidence sufficient flexibility to respond with appropriate individualized assistance, especially for the vulnerable elderly.
 - i. Have a unique character that is tailored to the specific nature of the community.
 - j. Be directed by leaders in the community who have the respect, capacity and authority necessary to convene all interested persons, assess needs, design solutions, track overall success, stimulate change and plan community responses for the present and for the future.
2. In the development of comprehensive and coordinated service delivery systems, the AAA will enter into contracts and agreements with other organizations to deliver services. If a AAA determines a need to request a waiver for the AAA itself to deliver a service, the AAA must submit a waiver request to provide services directly as a component of the area plan. The waiver request must be a part of plan information that is made available to the public for comment through a public hearing.
 3. Where the AAA determines that an organization is not available or not competent to provide a specific service (through an RFP process), the area agency may assist in the development of a corporation to provide the service providing the following conditions are met:
 - a. That a majority of the governing members of the new corporation are not board members of the AAA.
 - b. That governing members of both bodies identify their conflict of interest and operate according to the AAA code of ethics.
 - c. That staff of the new corporation are distinct and separate from the staff of the AAA.
 - d. That administration of the corporation and the AAA are distinct and separate.
 - e. That the proposed incorporation papers and bylaws and amendments of the new organization be submitted to OSA for review to verify compliance with this standard prior to submission to the Department of Consumer and Industry Services. It is the area agency's responsibility to determine the appropriate tax status for any such corporation.

NOTE: In corporations where the above situation already exists, the AAA must seek a direct service waiver.

4. The area agency on aging may engage in entrepreneurial activity, if the activity is compatible with the agency's stated mission and supports development or enhancement of comprehensive service delivery systems within the planning and service area. The following conditions are applicable:



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- a. Entrepreneurial activity includes the manufacturing, processing, selling, distributing or advertising of goods or services for profit (including contracting with private corporations for eldercare services) but does not include activities that an AAA is authorized or required to perform pursuant to the Older Americans Act or the Older Michigianians Act (PA 180 of 1981).
- b. Profits generated from entrepreneurial activities are to be used to further extend services and opportunities for older persons, or to initiate services and opportunities for older persons in the planning and service area, providing that these services or opportunities are compatible with the AAA mission.
- c. All entrepreneurial activities must be reviewed by the AAA advisory council and approved by the policy board before implementation.
- d. Funds received through entrepreneurial activities, including those funds received from contracts with private corporations, shall be accounted separately and distinctly from other funding sources. Funds received as a result of such activities shall be monitored and accounted for according to generally accepted accounting and auditing practices, according to the nature of the activity. A report of such funds must be included in the annual report which will include a description of the year's fund-raising activities, resources spent and the source of those resources, amount raised per activity and the use of the funds raised. OSA will have the right to monitor accounting procedures and practices and review records for any funds raised by the AAA.
- e. The AAA shall ensure that any funds raised through entrepreneurial activities covers the full expense of providing that activity including the cost of providing the service or product, the administration and the overhead costs. Public funds may not be used to supplement third party payments by a private corporation under an eldercare contract.
- f. The AAA may not enter into an eldercare agreement or any other contract that demands exclusivity, inappropriate withholding of information or any other provision which may limit the ability of the AAA to judge or act in the public interest; or, which would restrict the ability of OSA to exercise appropriate oversight of the AAA.
- g. The AAA may only develop entrepreneurial activities for the planning and service area (PSA) that the Commission has designated as the area agency's service area for the development of a comprehensive and coordinated service delivery system. An area agency may engage in entrepreneurial activities beyond its respective PSA only after gaining concurrence from all other affected area agencies.
- h. The area agency shall include a description of planned entrepreneurial activities, including plans to provide corporate eldercare, as an appendix to the area plan.
- i. The undertaking of entrepreneurial activity by the AAA shall not conflict with any other operating standard, including confidentiality and targeting requirements.
- j. Such activities will be undertaken by the AAA only if the duties and responsibilities required of the AAA are consistently provided by the AAA in a capable manner.



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- k. Entrepreneurial activities shall present no appearance of conflict of interest to the community at large.
 - l. AAAs shall work cooperatively with community leaders, groups and organizations in order to participate in entrepreneurial activities.
5. The area agency may engage in fundraising activities if the activity is compatible with the stated mission of the area agency. Fund raising activities must be carried out in compliance with the Charitable Organizations and Solicitations Act.



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<u>Standard Name</u>	Area Plan Administration
<u>Standard Number</u>	C-2
<u>Authority Reference</u>	Public Law 89-73, P.A. 180 of 1981, Rules for state and Local Programs on Aging
<u>Operating Category</u>	Function
<u>Intent of Standard</u>	To ensure proper implementation of the mandates of the Older Americans Act and the Older Michigianians Act.
<u>Statement of Standard</u>	The AAA must operate under an MYP/AIP approved by the State Commission on Services to the Aging.

Indicators of Compliance

1. That the area agency has developed and presented to OSA an area plan that satisfies all approval criteria, and that all general and any specific conditions of approval have been, or are being addressed as specified. (CSA)
2. That the area plan provides for development of a comprehensive and coordinated service delivery system for supportive social services including adequate provision of information and assistance services, nutrition services and, where appropriate, for the establishment, maintenance or construction of multi-purpose senior centers within the PSA covered by the plan. Within the comprehensive and coordinated service delivery system, preference will be given to serving older persons in greatest social or economic need with particular attention given to low income minority elderly. At a minimum, targeted populations will be served at the same level as their percentage in the total population, and the AAA shall strive to increase the percentage of the targeted population actually served. The AAA will set specific objectives for providing services to older individuals with the greatest economic or social needs, include specific objectives for providing services to low-income minority individuals, and include proposed methods of carrying out the preference in the Area Plan. (PL 89-73)
3. As provided for in the approved plan, the area agency:
 - a. Develops, implements, and evaluates outreach efforts which identify individuals eligible for assistance under this Act and other programs, both public and private, and informs them and the caregivers of older individuals, when appropriate, of availability of assistance. Access to outreach must also be provided to the Native American population.



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Special emphasis must be placed on reaching older individuals:

- Residing in rural areas.
 - With the greatest economic need (with particular attention to low-income minority individuals)
 - With the greatest social need (with particular attention to low-income minority individuals)
 - With severe disabilities.
 - Who are Native Americans.
 - With limited English proficiency.
 - With Alzheimer's disease or related disorders with neurological and organic brain dysfunction, and the caregivers of such individuals.
- b. Conducts periodic evaluations of activities carried out under the area plan.
- c. Furnishes appropriate technical assistance to providers of services under the area plan.
- d. Takes into account, in connection with matters of general policy arising in the development and administration of the plan, the views of recipients of service under the plan.
- e. Serves as an advocate by monitoring, evaluating, and commenting upon policies, programs, hearings, levies, and community actions that will affect the elderly.
- f. Where possible, enters into arrangements with children's day care service providers so as to provide opportunities for older persons to volunteer assistance to the delivery of such services.
- g. Has developed and published the method(s) by which the priority of services to be provided is determined.
- h. Has established procedures for coordination between programs provided under the area plan and programs provided through the following:
- i. The Job Training Partnership Act.
 - ii. Title II of the Domestic Volunteer Service Act of 1973.
 - iii. Titles 18, 19 and 20 of the Social Security Act.
 - iv. Sections 231 and 232 of the National Housing Act.
 - v. The United States Housing Act of 1937.
 - vi. Section 202 of the Housing Act of 1959.
 - vii. Title I of the Housing and Community Development Act of 1974.
 - viii. Title I of the Higher Education Act of 1965, and the Adult Education and Family Literacy Act.
 - ix. Sections 3, 9, and 16 of the Urban Mass Transportation Act of 1964.
 - x. The Public Health Services Act, including block grants under Title 19.
 - xi. The Low-Income Home Energy Assistance Act of 1981.



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- xii. Part A of the Energy Conservation in Existing Buildings Act of 1976, relating to weatherization for low-income persons.
 - xiii. The Community Services Block Grant Act.
 - xiv. Demographic statistics and analysis programs conducted by the Bureau of the Census under title 13, USC.
 - xv. Parts II and III of title 38, USC.
 - xvi. The Rehabilitation Act of 1973.
 - xvii. The Developmental disabilities Assistance and Bill of Rights Act of 2000.
 - xviii. The Edward Byrne Memorial State and Local Law Enforcement Assistance Programs, established under Part E of title I of the Omnibus Crime Control and Safe Streets Act of 1968.
 - xix. Section 4 and 5 of the Assistive Technology Act of 1998.
-
- i. Conducts efforts to facilitate the coordination of community-based, long-term care services designed to retain individuals in their homes and to emphasize the development of client-centered case management systems as a component of such services.
 - j. Identifies the public and private non-profit entities involved in the prevention, identification and treatment of the abuse, neglect, and exploitation of older individuals and determine the extent of unmet need.
 - k. Facilitates the involvement of long-term care providers in the coordination of community-based long-term care services and works to ensure community awareness of and involvement in addressing the needs of residents of long-term care facilities.
 - l. Makes information available to elderly individuals about low or no cost opportunities for post secondary education.
 - m. Compiles and reports to OSA on the waiting list, maintained by service providers, of persons who seek service but cannot be served. Lists will be maintained for priority services (access, in-home and legal services).
-
- 4. That the AAA performs an analysis of the needs of older persons in the PSA prior to the development of each multi-year plan. (CSA)
 - 5. That the AAA maintains a system for ongoing data collection on activities provided under the area plan, including procedures to perform evaluation of unmet needs, which is able to provide information and/or reports as required by OSA, on a timely basis. (CSA)
 - 6. That the AAA regularly monitors activities under the area plan for compliance with OSA Operating Standards for Service Programs. (CSA)
 - 7. That the AAA has a mechanism for disseminating information about activities under the area plan which includes the issuance of an annual report on each fiscal year's activities. The annual report must contain information on expenditures for area agency operations (including interest income), expenditures for service programs and the numbers of units of service provided, individuals served for the respective fiscal year, a description of yearly



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- fundraising and entrepreneurial activities, resources spent and the source of these resources, amount raised per activity, and the use of the funds which were raised.
8. That the AAA coordinates its planning activities with other agencies and organizations, including voluntary organizations, and regional contractors in order to promote new or expanded benefits and opportunities for older persons. (PL 98-459, CSA)
 9. That the AAA maintains an inventory of services and organizations providing services to older persons within the PSA, which is updated annually and creates a mechanism by which service providers receiving funding under the AIP share in the resource information. (CSA)
 10. That, where possible and when beneficial, the area agency enters into written agreements for cooperation with local human service agencies, including county Human Services offices, community mental health centers, county health departments, local transit authorities, and others, as available and appropriate. (CSA)
 11. That the area agency submits an area plan amendment request to OSA for either substantive amendments or administrative revisions as follows:
 - a. Substantive Amendment. A proposed addition or deletion of any area plan objective must be presented for public comment within the PSA prior to submission to OSA. Substantive amendment requests will be accepted between February 1 and February 28, between June 1 and June 30, or at another time designated by OSA during each fiscal year. Amendments take effect upon approval by the Commission.
 - b. Administrative Revisions. A proposed reduction of unit or client levels of a service objective by ten percent or more, a proposed increase of unit or client levels of a service objective by 20% or more from levels in the approved area plan. Administrative amendment requests may be submitted between February 1 and July 31 of each fiscal year. Administrative revisions take effect upon written approval by OSA.
 12. That each activity undertaken by the area agency, including planning, advocacy, and systems development, includes a focus on the needs of low-income minority older persons.
 13. That the area agency implements activities under the AIP, as well as its own operations, in compliance with the Americans with Disabilities Act.



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<u>Standard Name</u>	Request for Proposal Process and Direct Purchase Bid Process
<u>Standard Number</u>	C-3
<u>Authority Reference</u>	Rules for state and Local Programs on Aging; 45 CFR Part 74 Subpart P, Appendix H; CSA.
<u>Operating Category</u>	Function
<u>Intent of Standard</u>	To ensure a fair and objective method is used for acquiring services for older persons with public funds administered by AAAs.
<u>Statement of Standard</u>	The AAA shall use an open and competitive request for proposal process in awarding funds to provide services under the area plan.

Indicators of Compliance

1. That the AAA utilizes a formal advertising method that includes publication of the RFP in major, widely circulated newspapers within the PSA. (CSA)
2. That the AAA utilizes a standardized proposal format which clearly sets forth all requirements that a bidder/proposer must fulfill in order for their bid/proposal to be evaluated and includes, at a minimum:
 - a. All forms, budgets and assurances, etc., which must be used to prepare a complete proposal, including an acknowledgement by the bidder/proposer that they recognize and accept required contract provisions if their bid/proposal is successful.
 - b. Clear instructions for preparing all required forms, budgets, and assurances, etc., including specific acknowledgement of time frames for development and submission.
 - c. A requirement that all proposals include clear and accurate work statements for services to be provided addressing:
 - i. Service definitions.
 - ii. Geographical area to be served.
 - iii. Units and clients to be served.
 - iv. Plans to target service to older persons in greatest social or economic need with preference given to low income minority elderly; and,
 - v. Any standards, policies, regulations or state and federal laws that must be followed for each specific service category.



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- d. Identification of all criteria that will be used to review and evaluate the proposal.
 - e. For unit-rate reimbursement proposals:
 - i. A description of how unit-rates are to be established. The method used to establish the unit-rate must be based upon objective factors that do not reflect a bias towards any particular group or class of provider.
 - ii. Identification of any factor(s) which will allow or require reconsideration of the rate of reimbursement prior to the end of the contract period.
 - iii. Notice that the AAA must verify the accuracy of the program reporting system to be used to determine reimbursements, based on actual amounts of service provided.
 - f. A description of the procedures to be followed by the advisory council and policy board in reviewing the proposals.
 - g. A description of how both successful and unsuccessful proposers will be notified of action taken on their proposal.
 - h. Procedures to be followed in appealing the area agency's decision to deny funding of a proposal [which must be consistent with Part 1 (R400.20107) Rules, State and Local Programs on Aging].
 - i. A statement that awards shall be made to the responsible proposer/bidder whose proposal/bid is responsive to the RFP and is most advantageous to the area agency, with all factors, including cost, being considered and that all bids may be denied at the determination of the policy board. (CSA, Rules)
3. That the AAA requests proposals for only those services in the proposed area plan. (CSA)
 4. That the AAA retains documentation justifying its decisions on all proposal/bid selections including:
 - a. Standardized proposal format utilized.
 - b. Copies of all proposals submitted.
 - c. A copy of minutes of meetings where proposals were reviewed.
 - d. Copies of any materials prepared by reviewers for purposes of rating proposals against approved criteria.
 - e. A copy of the minutes of policy board meetings where awards were made.
 - f. Copies of the notices of award or denial sent to all proposers. (CSA)
 5. That, when the AAA issues a multi-year RFP, the following additional conditions are met:
 - a. The period covered does not exceed three years.
 - b. The period covered coincides with the three-year funding cycle under which the area plan was approved.
 - c. The RFP is issued pending the availability of funds.



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- d. All conditions for adjustments in a contract after the first year are clearly set forth in the RFP.
- e. All conditions under which a new RFP will be issued before the end of the original period are clearly set forth in the RFP, including the following:
 - i. Inadequate subcontractor performance.
 - ii. Subsequent amendments to the multi-year plan or AIP.
 - iii. Significant changes in the scope or nature of the service to be provided as related to state or federal requirements. (CSA)
6. That the AAA has established written procedures for negotiating changes in proposals from the time an award has been approved by the policy board until contracts are executed. (CSA)
7. That when an area agency's RFP results in a change in the service provider for any project area, the AAA must develop and submit to OSA for approval by September 1, a transition plan which ensures continuation of services. The transition plan must include at a minimum:
 - a. A detailed work plan for closeout of the current provider which addresses transfers of equipment, supplies, records and personnel, an audit, termination of equipment and facility leases and other applicable agreements, and all other items pertinent to the particular circumstances.
 - b. A detailed work plan for start-up of the new provider which assures compliance with applicable Operating Standards for Service Programs.
 - c. Provision for extending the contract of the current provider as necessary, or as required by appeal activities, for a period not to exceed 90 days.

The transition plan must cover, at a minimum, the thirty (30) day period just prior to the beginning of the fiscal year.

8. An area agency may establish a pool of service providers, used for the direct purchase of services for case coordination and support, and care management clients, through a competitive bidding process that includes at a minimum:
 - a. A formal bid document that identifies the proposed unit cost, the geographic area to be served (and any exclusions), capacity for service provision and type of corporation.
 - b. A statement that inclusion in the pool of providers does not indicate that the organization will be used to provide service or receive funding.
 - c. A statement that providers from the pool will be used only when services can not reasonably be acquired from any other source to implement a respective client's care plan.



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- d. A statement of assurance that the provider has and will maintain adequate liability insurance and that the provider acknowledges and agrees to operate in compliance with the operating standards for service programs.
- e. A bidding process to establish a service pool shall be exempt from indicators of compliance: C.3; 2.c,d; 2.f-i; 4.c,e,f; 5, 6, and 7 above.



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<u>Standard Name</u>	Contracting for Service Provision
<u>Standard Number</u>	C-4
<u>Authority Reference</u>	Public Law 89-73, P.A. 180 of 1981, Rules for State and Local Programs on Aging, CSA, 45 CFD Part 1321
<u>Operating Category</u>	Function
<u>Intent of Standard</u>	To ensure consistent and comprehensive contracting practices are followed by Area Agencies on Aging in administering state, federal and local funds under the approved area plan.
<u>Statement of Standard</u>	Area Agencies on Aging shall contract with service providers to deliver supportive and nutrition services under the provisions of the area plan.

Indicators of Compliance

1. That the AAA only contracts with a non-profit corporation, a for-profit corporation, or a unit of general purpose government or agency thereof. The legal status of each agency is to be identified for each contract. (CSA)
2. That the AAA must submit a copy of its contract boilerplate, for review by OSA, during the first year of each multi-year area plan cycle. The boilerplate will be reviewed for compliance against the Operating Standards for Area Agencies on Aging. The AAA must submit all proposed changes to the boilerplate to OSA for review. (CSA, CFR)
3. That execution of service contracts is made contingent upon final approval of the multi-year area plan and annual implementation plan and the availability of funding. (CSA)
4. That the AAA only contracts for services identified within the approved area plan and that each contract conforms to OSA Operating Standards for Service Programs. (OSA)
5. That the AAA provides to OSA all required financial and programmatic reports in accordance with established instructions and format. (CSA)
6. That the AAA obligates, through action of the policy board, all service funds to a specific service category within 120 days of the beginning of each fiscal year, or the date which a statement of grant award is received. A contract must be executed before expenses can be incurred. (CSA, CFR)



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7. That the AAA, to the extent feasible, enters into contracts with organizations owned and operated by minority individuals at least in proportion to the relative numbers of minority persons of all ages in the PSA. Use of minority businesses for the purchase of supplies or equipment by the AAA and/or service contractors is also encouraged and may be considered as assisting to meet this indicator. (CSA)
8. That the AAA assures preference will be given to providing services to older individuals with the greatest economic or social needs, with particular attention to low-income minority individuals. The AAA will include in each agreement made with a provider of any service, a requirement that the provider will:
 - a. Specify how they intend to satisfy the service needs of low-income minority individuals in the service area for contracted service(s) with identified service needs not part of the contract being referred to an appropriate provider in the area. Service needs which cannot be met or referred must be reported to the respective area agency.
 - b. To the maximum extent feasible, provide services to low-income minority individuals in accordance with their need for such services.
 - c. Meet specific objectives established by the AAA by providing services to low-income minority individuals within the PSA.
9. That the AAA utilizes a contract boilerplate which has been reviewed and approved by OSA and contains, at a minimum, the following provisions for:
 - a. Client Eligibility. Services shall be provided only to persons 60 years of age or older unless otherwise allowed under eligibility criteria for a specific program (such as a spouse under age 60 of a meal participant). Substantial emphasis must be given to serving eligible persons with greatest social and/or economic need with particular attention to low-income minority individuals. Substantial emphasis means an effort to serve a greater percentage of older persons with economic and/or social needs that's their relative percentage of the total elderly population with the geographic service area.

Each provider must specify how they satisfy the service needs of low-income minority individuals in the respective service area. To the maximum extent feasible, each provider must provide service to low-income minority individuals in accordance with their need for such services. Each provider must meet the specific objectives established by the AAA for services to low-income minority individuals.
 - b. Client Intake Procedures. Standard NAPIS intake procedures must be established and maintained at the contractor level. Each agency funded by the AAA must utilize the standard NAPIS intake procedure.
 - c. Confidentiality. The use or disclosure of information concerning services, applicants, or recipients obtained in connection with the performance of this contract shall be restricted to purposes directly connected with the program implemented by this contract. The contractor shall report client information to the AAA and the



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AAA shall have access to the files, as necessary, to administer programs. Information about or obtained from an individual and in possession of the contractor providing services to such an individual shall not be disclosed without the individual's informed written consent. Referrals to other agencies providing services must also have the individual's informed written consent.

- d. Contributions for Services. The contract shall assure that contractors providing social and nutrition services under the area plan shall: (1) afford older persons the free and voluntary opportunity to contribute to all or part of the costs of the services provided; (2) protect the privacy of each older person with respect to his/her contribution; (3) establish procedures to safeguard and account for all contributions; and (4) provide that program income earned for each respective service is used to expand those services.

A provider may seek to implement the practice of cost sharing by requesting, in writing, approval from the respective AAA. All cost sharing practices must comply with the OSA cost sharing policy.

- e. Program Income. Program income is that income which is dependent upon the availability of funds from OSA. Income which is earned independent of the availability of funds from OSA is considered to be other resources. The contract shall assure that contractors use program income in accordance with the additive alternative, as described in the Code of Federal Regulations. Under this alternative, the income is to be used in addition to the grant funds awarded to the provider and is used for the purposes and under the conditions of the contract. Use of program income is approved by the respective area agency as a part of the budget process. (Note: Related requirements are identified under Standard C-9.)
- f. Means Tests. Each contract must provide that a means test shall not be used to determine the eligibility of an older person for any service. A contractor shall not use a means test to deny or limit a service to an older person unless specifically required by state law or federal regulation.
- g. Service Quality Review. Each provider must employ a mechanism for obtaining the views of service recipients about the quality of services received. The mechanism may include client surveys, review of assessment records of in-home service recipients, etc.
- h. Client Complaint System. All contractors must have a procedure in place to address complaints from individual recipients of services under the contract.
- i. Linkages with Other Services. The contract must direct contractors to establish linkages with other area service providers, including voluntary organizations, for continuity of services especially in order to address the comprehensive range of needs any recipient may present.
- j. Recipient Eligibility Requirements Given to Referral Agencies. Potential referring agencies must be given the minimum eligibility criteria utilized by the contractor.
- k. Publicizing Services.

- i. Services must be publicized to the population the service provider plans to reach by the means most effective in reaching the target population,



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- especially to those in greatest economic or social need with particular attention to low-income minority individuals.
- ii. Any promotional materials, including films, slides, books, reports, pamphlets, papers, or articles based on activities receiving support under the contract shall contain acknowledgement of OSA, AAA and funding through state appropriations or the OAA.
 - iii. The contract must reserve for the AAA, OSA, and the Administration on Aging (AoA) the option to receive, free of charge, up to three copies of any publication published as part of the contract.
 - iv. Where activities under the contract result in a book or other copyrighted material, the author is free to obtain a copyright but the contract must reserve the AoA, OSA, and AAA option to a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, all such material.
- l. Service Area. The geographic boundaries of the territory to be served, including the name and address of each facility in which the services shall be provided must be included in the contract, where feasible
 - m. Examination and Maintenance of Records. The contract shall permit the AoA, AAA, OSA, or any of their authorized agents access to any books, documents, papers or other records of the contractor that are pertinent to the contract. Access shall also be granted to the facilities being utilized at any reasonable time to observe the operation of the program. The contractor shall retain all books, records or other documents relevant to the contract for three years after final payment, at contractor's cost. Federal auditors and any persons duly authorized by the AAA shall have full access to and the right to examine and audit any of the material during this period. If an audit is initiated prior to the expiration of the three-year period, and extends past that period, all documents shall be maintained until the audit is closed.
 - n. Reporting. The contractor shall comply with all programmatic and fiscal reporting procedures required for NAPIS or otherwise established by the AAA. The AAA must verify the accuracy of both the program and fiscal reporting systems utilized by the provider.
 - o. Disclosure of Information. The contract shall require submission to the area agency all information which may be required by the AAA that discloses names of persons with an ownership or controlling interest in the contractor, and past business transactions. Further, the contract shall require disclosure of any persons with an ownership or controlling interest in the contractor who have been convicted of a criminal offense as related to their involvement in any programs under Titles III, XVIII, XIX, or XX of the Social Security Act since the inception of these programs. The AAA may, at its option, provide for immediate termination of the contract if the contractor does not comply with these requirements.
 - p. Insurance Coverage. The contract shall require the maintenance of liability insurance in amounts necessary to cover claims specific to the services being provided which may arise out of the contractor's operations under the terms of the contract and provide proof of such insurance coverage to the AAA prior to the



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- effective date of the contract. Unemployment compensation coverage and workers' compensation insurance shall be maintained in accordance with applicable federal and state laws and regulations. Failure to maintain continual insurance coverage for the term of the contract may be grounds for immediate termination of the contract.
- q. Hold Harmless. The contractor shall indemnify, save and hold harmless the AAA and OSA against any and all expense and liability of any kind which the AAA or OSA may sustain, incur or be required to pay arising out of the implementation of the contract, provided, however, that these provisions shall not apply to liabilities or expenses caused by or resulting from the willful or negligent acts or omissions of the AAA or OSA or any of its officers or employees. In the event the contractor becomes involved in or is threatened with litigation, the contractor shall immediately notify the AAA who in turn will immediately notify OSA.
 - r. Compliance With Civil Rights. The contract shall require that the contractor not discriminate against any employee or applicant for employment because of race, color, religion, national origin, age, sex, sexual orientation, height, weight, or marital status. Further, the contract shall require compliance with all pertinent civil rights laws, and specifically the Civil Rights Act of 1964.
 - s. Affirmative Action. The contract shall require contractors to comply with equal employment opportunity and affirmative action principles.
 - t. Elderly Members of Native American Tribes. The contract must assure that elderly members of Native American tribes and organizations in greatest economic or social need within the contractor's service area will receive Older Americans Act-funded services equivalent to the services to be received by non-Native American elderly residents.
 - u. Interpreter/Bilingual Support. The contract must require bilingual personnel (through staff positions, personal services contracts, or volunteer positions) to be available in service areas where non-English or limited-English speaking persons constitute five percent of the senior population or number 250 seniors, whichever is less.
 - v. Property. The contract must require conformance to applicable provisions of the OAA and the Code of Federal Regulations in the acquisition, transfer, replacement, or disposition of real property, equipment, or supplies.
 - w. Applicable Laws and Regulations. The contract shall require the contractor to comply with applicable provisions of the OAA and the regulations and policies pertaining thereto; to all other applicable federal laws and regulations, including applicable licensure requirements; to policies of the Administration on Aging; to policies of OSA; to policies, procedures and standards of the AAA; and to all other applicable state and local laws.
 - x. Subcontracts. The contract shall prohibit the assignment of responsibilities under the contract or the execution of subcontracts involving an additional party without prior written approval of the AAA. Assignees or subcontractors shall be subject to all conditions and provisions of the contract. The contractor shall be responsible for the performance of all assignees or subcontractors. However, the AAA must be able to monitor, assess, or otherwise determine performance.



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- y. Duration of Federal Support. The contract must specify a period of one to three years, which is compatible with the three-year funding cycle under which the area plan was approved. Multi-year contracts may be negotiated under the following conditions:
- i. Multi-year contracts may not exceed three years.
 - ii. Multi-year contracts must be compatible with the three-year funding cycle under which the area plan was approved.
 - iii. Any conditions in a multi-year contract that require an adjustment after the first and/or second year, such as a cost of living adjustment clause, must be spelled out in the contract.
 - iv. Continuation of a multi-year contract shall be based upon full compliance with contract terms and provisions.
 - v. A provision that substantial changes in program terms and provisions occurring after the first or second year that were not clearly set forth in the original RFP application may require a new RFP and contract.

Duration of support for activities under the contract must be dependent upon the needs of older persons, how well the project is meeting its stated objectives, assessment results, whether cost sharing meets the required ratio, and be subject to the availability of funds.

- z. Contract Revisions or Amendments. The contract must contain all terms and conditions agreed upon by the parties. No other understanding, oral or otherwise, regarding the subject matter of the contract shall be deemed to exist or bind any of the parties hereto.

Whenever there is any material change in the content or administration of an approved contract or in the operation of the agency affecting the contract, the contract document shall be appropriately revised. The nature and extent of the request for revision will determine the action to be taken by the AAA.

Revisions may be either a substantive amendment or an administrative revision.

- i. A substantive amendment is defined as any alteration in the contract that substantially affects the character of the contract such that it is essentially different from what was originally approved by the AAA. Amendments covering substantive changes shall be subject to the same process of approval that governs the original approval of the contract, including final action by the policy board. Substantive amendments shall include the following:
 - (a) Significant changes in the project objectives.
 - (b) Any addition of a new service category or deletion of an existing service category.
 - (c) A budget transfer of more than 20 percent or \$5,000, whichever is greater, from any single approved service category.
 - (d) A change in the minimum local match requirement.



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- (e) A change in the project period and/or budget duration dates.
 - (f) Supplemental awards.
 - (g) Other changes specified by AAA policy.
- ii. Administrative revisions are defined as changes in the contract which are made for the purpose of facilitating implementation of the project, but are minor in nature and do not change the essence of the project. Administrative changes should not require approval of the AAA, however, the AAA shall be notified of changes together with necessary documentation and justification. The area agency shall review and respond in writing to the changes within a time period specified by its policies.

Requests for budget line item transfers within a service category or a budget transfer of less than 20 percent or \$5,000, whichever is greater, in a service category should be viewed as an administrative revision and the AAA should be notified.

If, for any cause, alterations or changes take place in the rules, regulations, laws or policies to which the AAA must comply, or if there is any termination or reduction in the allocation or allotment of funds provided to the AAA, the AAA shall have the right to terminate or reduce the amount paid to the contractor. Termination or reduction in the amount to be paid shall take effect immediately upon receipt of written notice to the contractor, unless a different effective date is specified in the notice. A copy of policy, law, rule, and regulation changes shall be provided to contractors upon request.

The AAA may approve a request for a contract amendment at any time unless otherwise limited by its own policy. The notification of the amendment supercedes all other notifications relating to the budget year. The contract shall only be amended by the written consent of all parties.

- aa. Payment of Funds. The contract should specify that payment of funds by the AAA to a contractor will be either in the form of an advancement or a reimbursement. A monthly payment system should be developed and followed by the AAA. The contract should also specify that the AAA will evaluate the contractor's cash requirements and cash balance-on-hand. Advance payments shall be limited to the contractor's cash requirements for the month as opposed to making twelve equal payments during the budget year.
- bb. Assessment of Performance. The contract should specify that assessments will be conducted by the AAA and indicate the responsibilities of the contractor with regard to providing information and responding in a timely manner to the area agency.
- cc. Probation. The contract must contain provisions for placing the contractor on probation. These provisions must include, at a minimum:



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- i. That when a contractor has failed to comply with the terms of a contract, the AAA may place the contractor on probation, in whole or in part.
 - ii. That the AAA may commence probation upon the contractor's receipt of written notice of violations cited by the AAA.
 - iii. That the notice of probation shall contain reasons for probation, any corrective action required of the contractor, the effective date, and must note the right of the contractor to appeal the decision.
 - iv. That during the probationary period, the contractor will receive reimbursement for expenses incurred as part of the contract.
 - v. That if, during the probationary timeframe, the contractor does not comply with the corrective actions, suspension and termination procedures may be initiated.
- dd. Suspension. The contract must contain provisions for suspending operations of the contractor. These provisions must include, at a minimum:
- i. That when a contractor has failed to comply with the terms of a contract, the AAA may suspend support for contractor operations in whole or in part. Support for any part shall automatically be terminated when it has been suspended for more than 90 days.
 - ii. That to suspend contractor operations, the AAA must notify the contractor in writing of the action being taken, the reason(s) for such action, the effective date, and the conditions of the suspension. This notice must be given at least ten days prior to the effective date of the suspension and must note the right of the contractor to appeal the decision.
 - iii. That under extreme conditions (gross negligence, placing program participants at risk, cessation of program operations without notice, failure to maintain insurance coverage, etc.), immediate notice of suspension may be given.
 - iv. That new obligations incurred by the contractor during the suspension period will not be allowed unless the AAA expressly authorizes them in the notice of suspension or an amendment to it. Necessary and otherwise allowable costs that the contractor could not reasonably avoid during the suspension period will be allowed if they result from obligations properly incurred by the contractor before the effective date of the suspension and not in anticipation of suspension or termination.
 - v. That in suspending contract operations, the AAA shall determine the amount of unearned funds the contractor has on hand, anticipated length of suspension, the extent of operations suspended, and the amount of the fund balance on hand to determine whether the AAA should require the balance to be returned.
 - vi. That the AAA may reinstate the suspended contract operations if it determines conditions warrant such action. Such reinstatement shall be made by issuance of a new statement of award.



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- vii. That AAA financial participation in reinstated contract operations may resume immediately upon reinstatement, but not for any costs incurred for operations while under suspension. The obligational authority unearned at the time of suspension may again become available for earning at the previously established matching ratio, unless the AAA reduces the amount of the contract.
- ee. Termination. The contract must contain provisions for terminating the contract. These provisions must include, at a minimum:
 - i. That for adequate cause, the AAA may terminate support for a contract prior to the end of an approved budget year. Examples of cause for which the AAA may wish to terminate support are:
 - (a) Availability of funds.
 - (b) The contractor violates conditions under which the contract was approved.
 - (c) Program performance is inadequate as documented through monitoring visits.
 - (d) Other resources are unavailable.
 - (e) Assessment findings are inadequate for two semi-annual assessments.
 - (f) Suspension for more than three consecutive months.
 - ii. That to terminate funding of a contract, the AAA must notify the contractor in writing at least 30 days prior to the effective date of termination and the reasons for such action. This notice must specify any reports to be completed, the right of the contractor to appeal, and the procedures to be followed for the appeal.
 - iii. That under extreme conditions, immediate termination procedures may be initiated. Examples of extreme conditions include gross negligence, misappropriation of funds, loss of fiscal integrity, placing program participants at risk, cessation of program operations without notice, failure to maintain insurance coverage, etc.
 - iv. That when financial support of a contract terminates on completion of the approved contract period or earlier, the contractor shall complete and submit a final project and financial report to the AAA by the date established by the AAA pursuant to the contract.
 - v. That when a contract is terminated or completed, equipment and supplies purchased with federal funds must be disposed of in conformance to applicable provisions of the Code of Federal Regulations (CFR).
 - vi. That the contractor may terminate the contract upon 30 days written notice to the AAA at any time prior to the completion of the contract, for adequate cause.
- ff. Closeout. When concluded or terminated, the contract shall provide that within 60 days after conclusion or termination, all financial, performance and other reports will be submitted to the AAA. The area agency shall make payments to the contractor for allowable reimbursable costs not covered by previous payments.



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- The contractor shall immediately refund to the AAA any payments or funds advanced to the contractor in excess of allowable reimbursable expenditures.
- gg. Disputes. The contract shall require formal notification of the AAA of the contractor's intent to pursue a claim against the AAA for breach of any terms of the contract and that no suit may be commenced by the contractor for breach of the contract prior to 60 days from the date of such notification. Within this 60 day period, the contractor, at the request of the AAA, must meet with the director of the AAA for the purpose of attempting resolution of the dispute.
- hh. Opportunity for Hearings. The contract must provide the opportunity for a hearing in the event of probation, suspension or termination of the contract. The hearing procedures should conform with OSA's Appeals Procedure.
- ii. Reprogramming and Redistribution of Funds. The contract must provide for reducing funds awarded in order to reprogram or redistribute them. Such an occurrence should be based upon projections of under spending of at least ten percent. (CSA)
10. That the area agency shall send a simultaneous copy of all notices to contractors of probation, suspension and termination to the director of OSA.
11. That when unit-rate reimbursement contracts are utilized by an area agency, the contract must also contain the following provisions:
- Identification of the rate at which services are to be provided.
 - The maximum amount of reimbursement possible under the contract.
 - That reimbursement may only be for actual units of service provided.
 - A statement that reimbursement may only be at the agreed upon rate with identification of what circumstances, if any, will allow or cause a revision in the rate during the contract period. After the end of the contract period, the rate of reimbursement may not be changed.
 - A statement that program income collected by the contractor must be used to either reduce the amount of reimbursement or increase the number of units of service called for in the contract. If anticipated program income is a component of the established unit rate, any amount received above the contracted rate must be used to either reduce the amount of reimbursement or increase the number of contracted units of service. If anticipated program income is not a component of the unit-rate, all program income received must be used to either reduce the amount of reimbursement or increase the number of contracted units of service.
 - And, when the provider is a nonprofit organization, a statement that any funds received in excess of expenditures under the contract must be re-budgeted by the program with the respective area agency's approval. Such funds may be used to either expand the number of units of service to be provided or enhance the provider's ability to operate under the contract. Final reimbursement for any fiscal year may be reduced to ensure compliance with this requirement. This provision is to support the intent of the Older Americans Act and the Michigan Nonprofit Corporation Act to have grant funds and program income be used for expansion of service operations. A nonprofit organization may earn profit under such a contract. However, revenue



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in excess of expenditures must be used by the organization to maintain or expand the service program.



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<u>Standard Name</u>	Service Provision with Direct Purchase Agreements
<u>Standard Number</u>	C-4.A
<u>Authority Reference</u>	Public Law 89-73, P.A. 180 of 1981, Rules for state and Local Programs on Aging, CSA, 45 CFR Part 1321
<u>Operating Category</u>	Function
<u>Intent of Standard</u>	To ensure consistent practices are followed by area agencies on aging in the direct purchase of support services for care management and case coordination and support clients under the approved area plan.
<u>Statement of Standard</u>	Area Agencies on Aging may utilize direct purchase agreements with service providers to deliver supportive services to care management and case coordination and support clients.

Indicators of Compliance

1. That when a pool of service providers is established by the area agency for the direct purchase of services for clients, the following requirements are met:
 - a. All bid document materials submitted in response to the RFP must be maintained for the length of the agreement with the provider.
 - b. The formal agreement with the provider incorporates the provisions of Standard C-4 (11-a, c, d) for unit rate reimbursement.
 - c. Services to be directly purchased from pool providers must be appropriately identified on the services summary of the respective annual implementation plan (AIP).
 - d. The AAA must maintain a master list of service providers in the pool which identifies approved reimbursement rates by service category. The AAA must establish a written process for providers to follow in order to amend reimbursement rates or service categories provided. The master list is a public document.
2. The AAA shall conduct assessments annually of a minimum of ten percent of those direct purchase service providers that served at least ten clients. Assessments are to be on a rotating basis with different providers being assessed each fiscal year, restarting the cycle after all providers servicing at least ten clients have been assessed.

Areas of program operation to be covered during assessments must include at a minimum:

- a. Compliance with respective minimum operating standards.
- b. Delivery of service according to written service order(s).



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- c. Adequate staffing levels, training plans and supervision.
 - d. Completeness of client records.
 - e. Verification that units are billed as provided, per review of documentation in client case record, for a minimum sample of ten clients for providers with up to 200 clients and a minimum five percent sample of clients for providers with over 200 clients.
3. That the area agency shall only enter into direct purchase agreements with a nonprofit corporation, or a for-profit corporation, or a unit of general purpose government, or agency thereof. The legal status of each agency is to be identified for each agreement.
 4. That the area agency must submit a copy of its direct purchase agreement boilerplate for review by OSA during the first year of each multi-year area plan cycle. The boilerplate will be reviewed for compliance against the Operating Standards for Area Agencies on Aging. The area agency must submit all proposed changes to the boilerplate to OSA for review.
 5. That execution of purchase of service agreements is made contingent upon final approval of the multi-year area plan and annual implementation plan and the availability of funding. A direct purchase agreement must be executed before expenses can be incurred.
 6. That the AAA only contracts for services identified within the approved area plan and that all services provided conform to OSA's Operating Standards for Service Programs.
 7. That the AAA provides to OSA a financial summary profile report annually, in accordance with established instructions and format.
 8. That the AAA obligates, through action of the policy board, service funds for direct purchase of services for case coordination and support and care management clients within 120 days of the beginning of each fiscal year, or the date which a statement of grant award is received.
 9. That the AAA, to the extent feasible, enters into agreements with minority owned and/or operated organizations.



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<u>Standard Name</u>	Assessment of Contractors
<u>Standard Number</u>	C-5
<u>Authority Reference</u>	CSA
<u>Operating Category</u>	Function
<u>Intent of Standard</u>	To insure that service programs for older persons are being operated in accordance with service contracts, in compliance with OSA <u>Operating Standards for Service Programs</u> , and that the intended benefits are being realized by older persons. Assessments also provide an opportunity for collaborative efforts to improve the quality of and to expand the capacity of service programs.
<u>Statement of Standard</u>	<p>AAAs must conduct a formal on-site assessment of each contractor's programmatic and fiscal performance each fiscal year. Fiscal assessments are not intended to duplicate or replace a financial audit. The programmatic and fiscal components may be addressed in a single on-site assessment visit or in two separate on-site visits.</p> <p>A second assessment during the fiscal year shall be required for any contractor that is found to be out of compliance with the OSA <u>Operating Standards for Service Programs</u> and/or AAA policies. The nature of the second assessment shall be determined by the AAA. A second assessment is not required in follow-up to recommendations made by the AAA.</p>

Indicators of Compliance

1. That the AAA develops an assessment schedule for each fiscal year and submits it to OSA by December 1 of that fiscal year. (CSA)
2. That the assessments conducted by the AAA address both program operations and fiscal administration of contractors. Not all activities need to be covered by each assessment as long as they are covered sometime during the fiscal year. The AAA shall provide written notice to the contractor, prior to the assessment, which identifies the fiscal year or other time period and scope of operations to be covered by the assessment. (CSA)



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3. That the assessment tools used by the AAA address at a minimum:
 - a. Compliance with contract specifications.
 - b. Compliance with approved service definitions.
 - c. Compliance with generally accepted accounting principles.
 - d. Compliance with pertinent OSA Operating Standards for Service Programs.
 - e. Compliance with applicable licensure requirements.
 - f. Compliance with pertinent federal and state statutes.
 - g. Compliance with pertinent area agency policies.
 - h. Progress on resolving corrective actions required by prior assessments. (CSA)
4. That the assessment tools used by the AAA must have been submitted to OSA for review prior to use or prior to implementing revisions. (CSA)
5. That the AAA provides a written feedback report to each contractor within 60 days of every assessment that includes at a minimum:
 - a. An indication of findings that clearly specify if a contractor is out of compliance.
 - b. Clear recommendations for improving performance.
 - c. A concise statement of required corrective actions if the contractor is out of compliance, including due dates, submission of a corrective action plan (if appropriate) to indicate how and when corrections or improvements will be made, and an indication that, should due dates extend beyond the contract period, completion of the corrective action will become a condition of future awards.
 - d. A requirement that the contractor respond in writing to the AAA assessment feedback report in order to acknowledge the intent to resolve compliance items. A response to recommendations for improving operations need not be required.
 - e. An indication of perceived technical assistance needs and identification of resources available from the AAA and other sources for use in developing a plan to address those needs. (CSA)
6. Although annual fiscal and programmatic assessments must be conducted, an area agency may designate a provider as low-risk for non-compliance and streamline the assessment process accordingly. The area agency must establish a policy to identify the factors upon which low-risk status will be considered. Providers designated as low-risk must receive a formal on-site assessment at least once during the respective multi-year area plan cycle under which the provider is funded.



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<u>Standard Name</u>	Advocacy Activities
<u>Standard Number</u>	C-6
<u>Authority Reference</u>	Public Law 89-73, CSA P.A. 180 of 1981
<u>Operating Category</u>	Function
<u>Intent of Standard</u>	That the AAA represents the interest of older persons to public officials, public and private agencies or organizations that impact on the lives of older persons.
<u>Statement of Standard</u>	The AAAs must serve as an effective and visible advocate for older persons in the PSA.

Indicators of Compliance

1. That the AAA monitors, evaluates, and comments on policies, programs, hearings, levies and community actions which significantly affect older persons. (PL 89-73)
2. That the AAA conducts public hearings or forums on the needs of older persons. (CSA)
3. That the AAA supports state-administered advocacy programs as possible within the PSA. (CSA)
4. That the AAA undertakes efforts to attract or redirect other community resources to assist in providing partial or total support for programs serving older persons. (CSA)
5. That the AAA undertakes efforts to assist older people to secure equal opportunity to the full and free enjoyment of the objectives of Title I of the Older Americans Act, with an emphasis placed on supporting older persons to advocate on their own behalf. (PL 89-73, CSA)
6. That the AAA undertakes activities to concentrate resources in order to develop greater capacity for and to foster the development and implementation of comprehensive and coordinated service systems to serve older individuals with the intent to:
 - a. Secure and maintain maximum independence and dignity in the home environment for individuals capable of self-care with appropriate supportive services.
 - b. Remove individual and social barriers to economic and personal independence for older individuals.
 - c. Provide a continuum of care for the vulnerable elderly.



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<u>Standard Name</u>	Civil Rights Compliance
<u>Standard Number</u>	C-7
<u>Authority Reference</u>	P.A. 453 of 1976; P.A. 220 of 1976; P.L. 93-112; CSA; Title VI of the Civil Rights Act of 1964
<u>Operating Category</u>	Function
<u>Intent of Standard</u>	To ensure compliance with federal and state statutes which protect the civil rights of individuals who receive benefits from or employment through programs for older persons.
<u>Statement of Standard</u>	AAA operations and area plan administration must be accomplished in a manner, which protects the civil rights of employees, recipients of services, and the public at large.

Indicators of Compliance

1. That the AAA operates in compliance with the Federal Civil Rights Act, the Elliott-Larsen Civil Rights Act (P.A. 453 of 1976), the Michigan Handicappers Civil Rights Act (P.A. 220 of 1976), the Rehabilitation Act of 1973 (P.L. 93-112), and any other federal or state law, local ordinance, rule, regulation, or standard that may apply to an individual's civil rights.
2. That the AAA policy board has developed and adopted a procedure to be used by individuals who feel they have been unfairly treated or denied services as provided under an area plan. (CSA)
3. That the AAA clearly posts signs at the agency offices, in English and other languages as may be appropriate, indicating non-discrimination in hiring, employment practices and provision of services. (CSA)
4. That the AAA annually monitors the compliance of each contract agency with civil rights requirements and ensures appropriate signs are placed and maintained at locations where services are provided under the area plan. The annual monitoring must include validation of subcontractor quarterly reports of minority persons served. (CSA)
5. That the AAA completes and submits with each AIP a completed form assuring compliance with the Federal Civil Rights Act of 1964. (CSA)
6. That the area agency's policies and practices ensure that individuals who are limited English proficient (LEP) have meaningful access to programs and services provided under the area plan.



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<u>Standard Name</u>	Program Development Activities
<u>Standard Number</u>	C-8
<u>Authority Reference</u>	CSA, 45 CFR Part 1321
<u>Operating Category</u>	Function
<u>Intent of Standard</u>	To foster mobilization of untapped resources in order to address the unmet needs of older persons. Program development efforts are to be undertaken in a manner that strengthens the local aging network as a comprehensive, coordinated service delivery system.
<u>Statement of Standard</u>	Each AAA shall undertake activities designed to develop new and creative programs and/or close gaps in the service delivery network in response to the needs of older persons. The definition of need should take into account local prioritization.

Indicators of Compliance

1. That program development efforts undertaken in any fiscal year are consistent with the objectives in the approved AIP. Such objectives are designed to be reviewed within a 12 month period and lead toward completion of the multi-year area plan (MYP) objectives intended to be accomplished within three years. (CSA)
2. That program development efforts have a planned outcome that can be measured and/or verified. (CSA)
3. That no more than 20% of an area agency's Title III Part B award is spent for program development activities. (CSA)
4. That no funds be expended for program development in any fiscal year unless 100% of each AAA's allotment of federal funds for administration is also expended in that fiscal year. (CSA)
5. That no program development functions are subcontracted by the AAA. (CSA)
6. That resource development activities support those basic services that promote life long dignity, independence and choice. Basic needs that should be considered include:
 - Survival needs (food, shelter, clothing)



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- Health care needs (physical, mental)
- Functional needs, including activities of daily living (ADLs)
- Health promotion needs (wellness, prevention)
- Cultural, social and geographical isolation
- Recreational and diversion needs and,
- Local initiatives

It is expected that resource development efforts will take into consideration the availability of existing community resources and collaborative efforts already in place. Local prioritization may result in activities directed at a variety of basic needs.

7. That the AAA consults with providers of services to the elderly, under the area plan and otherwise, in the development of local priorities to be addressed through program development activities.



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<u>Standard Name</u>	Fiscal Management
<u>Standard Number</u>	C-9
<u>Authority Reference</u>	CSA; OMB Circular A-110; 45 CFR, Part 74
<u>Operating Category</u>	Function
<u>Intent of Standard</u>	To ensure the fiscal integrity of public funds used for administration and to provide services for older persons.
<u>Statement of Standard</u>	Each AAA shall maintain a financial management system that fully and accurately accounts for the use of all funds administered by the AAA.

Indicators of Compliance

1. That the AAA maintains a financial management system which provides for, at a minimum:
 - a. Reporting of the financial status of each grant/contract in accordance with OSA reporting requirements.
 - b. A system of records which identifies the source and application of funds for grant-supported activities and contains information pertaining to authorizations, obligations, un-obligated balances, assets, liabilities, outlays and income.
 - c. Effective control over and accountability for all grant/contract funds and real property acquired.
 - d. Comparison of actual expenditures with budgeted amounts for each grant/contract and for comparison of financial information with performance and/or productivity data.
 - e. Procedures to minimize the time between receipt of revenues from OSA and disbursement of payments to recipients of grants/contracts (the intent being to manage cash flow to ensure services can be provided without interruption).
 - f. The proper allocation of costs in accordance with applicable cost principles.
 - g. Adequate maintenance of source documentation in support of disbursements and expenditures.
 - h. Preparation of year-end closeout reports which are to be submitted to OSA within 80 days of the end of each fiscal year. (CSA)

2. That the AAA has established written equipment and supply procurement procedures which avoids the purchase of unnecessary or duplicative items. To foster economy and efficiency, area agencies shall, when feasible, enter into state and/or local intergovernmental agreements for procurements of equipment and supplies and attempt to utilize federal and state salvaged items whenever possible. (CSA)



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3. That the AAA has established written procedures to govern the receipt and use of grant-related income, including participant contributions, that contain, at a minimum:
 - a. Provisions to ensure that funds generated under program income are used in accordance with the additive alternative. Under this alternative, the income is to be used for allowable costs under the program through which it was generated to increase or expand the services offered.
 - b. Provisions for recipients of grants/contracts to budget, and revise as necessary, anticipated program income.
 - c. Provisions utilizing interest income in accordance with the cost-sharing alternative.
 - d. Provisions to ensure that accumulation of interest income will only be through traditional methods (using regulated institutions) with acknowledgement that any grant funds lost through poor investments will be replaced by the AAA from non-grant sources.
 - e. Written procedures that instruct recipients of grants/contracts on the safe collection and handling of program income, especially when received in the form of cash.
 - f. Written procedures regarding income from the sale of personal property and equipment that conforms to applicable provisions of the Federal Code of Regulations (CFR).
 - g. Provisions for budgeting interest income and reporting on its use in financial reports to OSA and in the AAA annual report. (CFR, CSA)
4. That the AAA operates according to a budget approved by OSA and that all requests for revising the budget are submitted prior to August 1 of any fiscal year. (CSA)
5. That the area agency expend a minimum of ten percent of its final annual allocation of Title III Part B funds for access services, ten percent for in-home services and six and one-half percent for legal services. (Final annual Title III-B allocation is defined as the amount of funds available prior to transfers between Parts B and C. Funds carried over from a previous year are not included). OSA may grant a waiver to the minimum percentage of Title III Part B funds to be expended for any category when the AAA demonstrates that such services are being furnished through other resources, in the respective PSA, in amounts greater than required by the respective minimum percentage. Services provided with other resources must meet the requirements of the Operating Standards for Service Programs for each respective service category.
6. That the area agency effectively utilizes all grant funds awarded so as to minimize the under spending of available resources. No more than five percent of each specific award amount of Federal OAA funding and state escheats funding may be carried forward into the succeeding fiscal year. Carry-over in excess of five percent for any specific grant allocation may only be permitted when expressly authorized by the Director of OSA. Any unexpended funds retained by OSA will be redistributed according to the Michigan intrastate funding formula.



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<u>Standard Name</u>	Audit
<u>Standard Number</u>	C-10
<u>Authority Reference</u>	Rules for State and Local Programs on Aging, CSA; OMB Circular A – 133
<u>Operating Category</u>	Function
<u>Intent of Standard</u>	To analyze the fiscal integrity of the AAA, it's financial transactions and the agency's compliance with applicable program and administrative requirements.
<u>Statement of Standard</u>	The AAA must cause an audit of its operations to be performed at least once every two years. If the audit is preformed every two years, it shall cover the transactions of the two-year period.

Indicators of Compliance

1. That audits of the AAA are conducted by a certified public accountant in compliance with the provisions of the Federal Office of Management and Budget, Circular A-133.
2. AAA audit reports must include a supplemental schedule that identifies the source of grant funds spent for each service category funded. The format of this schedule should be similar to the Support Services Detail (page 2 of 3) of the Area Plan Grant Budget.
3. AAA audits must be formally accepted by the policy board and submitted to OSA no later than June 30 of the year immediately following the fiscal year audited. The area agency must submit three copies of each audit report to OSA.
4. The AAA must retain all audit records for three years after submission of the final financial report for the fiscal year audited or until all audit issues are resolved and the audit is closed, whichever is later.



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<u>Standard Name</u>	Community Focal Point
<u>Standard Number</u>	C-11
<u>Authority Reference</u>	Public Law 89-73, 45 CFR Part 1321
<u>Operating Category</u>	Function
<u>Intent of Standard</u>	That the AAA assures sufficient access to information and services for older persons.
<u>Statement of Standard</u>	The community focal point shall encourage the maximum collocation and coordination of services for older individuals.

Indicators of Compliance

1. The AAA shall define communities through established procedures, including OSA approval of the definition.
 - a. Recognition will be given to social as well as geographic communities.
 - b. The definition of a community will be such to ensure that, at a minimum, one community focal point will be designated within each county.

2. The AAA shall establish procedures for designating community focal points.
 - a. The area agency must consider:
 - i. Communities with the greatest incidence of older persons with the greatest economic or social need.
 - ii. The delivery pattern of services.
 - iii. The location of multi-purpose senior centers and congregate nutrition sites.
 - iv. The geographic boundaries of communities and natural neighborhoods.
 - v. The location of facilities suitable for designation.

 - b. In designating a facility to be a community focal point in each community, the area agency shall:
 - i. Work with elected community officials in the selection process.
 - ii. Give special consideration to multi-purpose senior centers.
 - iii. Hold a public hearing.



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3. In developing a collocation of services, the area agency shall:
 - a. Establish guidelines for operating schedules at the focal point which are convenient for older persons in the community.
 - b. Assure the community focal points have direct access to existing information and referral and emergency services programs.
 - c. Encourage service providers to collocate their services.
4. The area agency shall list designated focal points in the area plan.
 - a. The list shall include the address, phone number and contact person for each focal point.
 - b. Focal points shall be subject to review by the area agency every three years, as a part of the MYP development.
5. The area agency shall be the regional focal point for access to services at the PSA level.