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| **2017-21 FISCAL / BUDGET STANDARDS** | | | |
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| **Program Requirements** means Title III program requirements found in the   * Older Americans Act (OAA) 42, (USC section 3001-3058) <http://www.aoa.gov/AoA_Programs/OAA/index.aspx>; * Older Californians Act <https://www.aging.ca.gov/AboutCDA/Older_CA_Act.aspx>; * Code of Federal Regulations (CFR) (45 CFR XIII, 1321); * Title 22, California Code of Regulations (22 CCR 7000 et seq). * California Department of Aging (CDA) Program Memoranda * CDA Title III Program Manual * San Mateo County Health System policies and procedures | | | |
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| 1. | Contractor shall expend all funds received hereunder in accordance with this Agreement. | | |
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| 2. | Contractor is responsible for covering the cost of all components of each program outlined above and shall be reimbursed for actual expenditures on the approved budget for each program. | | |
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| 3. | Federal funds shall not be used to pay for costs to meet cost sharing, or matching requirements of any other federally funded program, unless the program specifically allows for such activity. Contractor shall not submit claims or demands or otherwise collect from an additional funding source for a service where a “Comprehensive Basic Daily Rate” of reimbursement is being applied. | | |
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| 4. | Agreement funds must be traceable and original detailed invoices for all expenditures must be retained until audit findings are resolved or for a period of four (4) years, whichever is greater. | | |
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| 5. | **Reimbursement Calculation –** The total reimbursement amount is calculated based on the following formula: **Actual Expenditure** minus (-) **Total Revenue** (Matching and Non-Matching Contributions and Project Income) equals (=) **Total Reimbursement amount**. | | |
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|  | If the Contractor prefers to have the reimbursement amount equally spread throughout the contract year, this can be achieved by utilizing the reimbursement formula indicated above, as long as the total reimbursement amount does not exceed the total cost of the services rendered during the period indicated on the invoice; and | | |
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|  | Reimbursement for the nutrition programs will be according to the Reimbursement Calculation above not by service unit (meals). However, all Contractors agree to work toward meeting the service unit targets each month throughout the entire year; | | |
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| 6. | Any reimbursement for authorized travel and per diem shall be at the rates not to exceed those amounts paid by the State in accordance with the California Department of Human Resources” (CalHR) rules and regulations. | | |
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|  | * Mileage -   <http://www.calhr.ca.gov/employees/Pages/travel-personal-vehicle.aspx>   * Per Diem (meals and incidentals) -   <http://www.calhr.ca.gov/employees/Pages/travel-meals.aspx>   * Lodging -   <http://www.calhr.ca.gov/employees/Pages/travel-lodging-reimbursement.aspx> | | |
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|  | This is not to be construed as limiting the Contractor from paying any differences in costs, from funds other than those provided by the County, between the Department of Personnel Administration rates and any rates the Contractor is obligated to pay under other contractual agreements. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the County. [2 CCR 599.615 et seq.]. | | |
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| 7. | The Contractor agrees to include these requirements in all contracts it enters into with subcontractors to provider services pursuant to this Agreement. | | |
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| 8. | AAS reserves the right to refuse payment to the Contractor or disallow costs for any expenditure, as determined by AAS to be: out of compliance with this Agreement, unrelated or inappropriate to contract activities, when adequate supporting documentation is not present, or where prior approval was required but not requested nor granted; | | |
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| 9. | Contractor shall maintain accounting records for funds received under the terms and conditions of this Agreement. These records shall be separate from those for any other funds administered by the Contractor, and shall be maintained in accordance with Generally Accepted Accounting Principles and Procedures and the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; [2 CFR 200] [45 CFR 75]. | | |
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| 10. | The Contractor shall meet the following standards for its financial management systems, as stipulated in 2 CFR 200.302 and 45 CFR 75.302. | | |
|  | * Financial Reporting; * Accounting Records; * Complete Disclosure; * Source Documentation; * Internal Control; * Budgetary Control; * Cash Management (written procedures); * Allowable Costs (written procedures). | | |
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| 11. | **Actual Expenditures** means the allowable costs occurring during each month’s billing cycle. | | |
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| 12. | **Matching Contributions** mean local cash and/or in-kind contributions by the Contractor, subcontractor, or other local resources that qualify as match for the contract funding. Matching contributions are: | | |
|  | * Cash and/or in-kind contributions may count as match, if such contributions are used to meet program requirements; * Any matching contributions (cash or in-kind) must be verifiable from the records of the Contractor or subcontractor; and * Matching contributions must be used for allowable costs in accordance with the Office of Management and Budget (OMB) cost principles. | | |
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|  | a. | The required minimum program matching contributions for Title III B and III C is ten point fifty three percent (10.53%). | |
|  | b. | The required minimum matching contributions for Title III E is twenty-five percent (25%). | |
|  | c. | Minimum matching requirements are calculated on net costs, which are total costs less program income, non-matching contributions, County and State funds. | |
|  | d. | Program matching contributions for Title III B and III C can be pooled to meet the minimum requirement of ten point fifty three percent (10.53%). | |
|  | e. | Matching contributions generated in excess of the minimum required are considered overmatch. | |
|  | f. | Program overmatch from Title III B or III C cannot be used to meet the program match requirement for Title III E. | |
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| 13. | **In-kind Contributions** mean the value of non-cash contributions donated to support the project or program (e.g. property, service, etc.). | | |
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| 14. | **Non-Matching Contributions** mean local funding that does not qualify as matching contributions and/or is not being budgeted as matching contributions. (e.g., federal funds, overmatch, etc.). | | |
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| 15. | **Program Income** means revenue generated by the Contractor from contract-supported activities. Program income includes income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced with contract funds; voluntary contributions received from a participant or responsible party as a result of services; income from usage or rental fees of real or personal property acquired with grant funds or funds provided under this Agreement, proceeds from sale of items fabricated under a contract agreement. Program income: | | |
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|  | a. | Must be reported and expended under the same terms and conditions as the program funds from which it is generated; | |
|  | b. | Must be used to pay for current allowable costs of the program in the same fiscal year that the income was earned (except as noted in d); | |
|  | c. | For Title III B, III C, III D, III E, VII Ombudsman, and VII Elder Abuse Prevention programs, Program Income must be spent before contract funds (except as noted in d) and may reduce the total amount of contract funds payable to the Contractor; | |
|  | d. | For Title III B, III C, III D, III E, VII Ombudsman, and VII Elder Abuse Prevention programs, if Program Income is earned in excess of the amount reported in the Area Plan Budget (CDA 122), the excess amount may be deferred for use in the first quarter of the following contract period, which is the last quarter of the federal fiscal year; | |
|  | e. | If Program Income is deferred for use it must be used by the last day of the federal fiscal year, and reported when used; | |
|  | f. | Program Income may not be used to meet the matching requirements of this Agreement; and | |
|  | g. | Must be used to expand baseline services. | |
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| 16. | **Indirect Costs** means costs incurred for a common or joint purpose benefiting more than one cost objective and not readily assignable to the cost objective specifically benefited, without effort disproportionate to the results achieved. | | |
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|  | a. | | The maximum reimbursement amount allowable for indirect costs is ten percent (10%) of the Contractor’s direct costs, excluding in-kind contributions and nonexpendable equipment. |
|  | b. | | Contractors requesting reimbursement for indirect costs shall retain on file an approved indirect cost rate or an allocation plan documenting the methodology used to determine the indirect costs. |
|  | c. | | Indirect costs exceeding the ten percent (10%) maximum may be budgeted as in-kind and used to meet the minimum matching requirements (Title III and Title VII only). |
|  | d. | | For major Institutes of Higher Education and major nonprofit organizations, indirect costs must be classified within two broad categories: “Facilities” and “Administration.” “Facilities is defined as depreciation on buildings, equipment and capital improvement, interest on debt associated with certain buildings, equipment and capital improvements, and operations and maintenance expenses. “Administration” is defined as general administration and general expenses such as the director’s office, accounting, personnel and all other types of expenditures not listed specifically under on one of the subcategories of “Facilities” (including cross allocations from other pools, where applicable). [2 CFR 200.414] [45 CFR 75.414] |

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| 17. | Contractors must submit client intake forms as appropriate, monthly program reports, and invoices by the tenth (10th) of each month. Upon notification from AAS, the Contractor must correct inaccurate invoices and corresponding reports in order to receive reimbursement. Invoices must reflect the provision of services and the usage of funds each month throughout the entire contract period. **Corrections must be made within five (5) working days.** Invoices submitted more than two months past the month of service may not be reimbursed. | | | | |
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| 18. | Offer services throughout the twelve-month contract period, unless prior written approval is received from AAS. | | | | |
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| 19. | Invoices must reflect the provision of services and the usage of funds each month throughout the entire contract period. | | | | |
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| 20. | Organizations must submit a closeout report with supporting documentation of expenses by a specified date identified in the contract. Following supporting documents are required for closeout report for each service program: | | | | |
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|  | a. | A closeout invoice shall be prepared, signed and mailed or sent electronically with closeout package; | | |
|  | b. | Relevant personnel payroll register and timesheets including benefits information for the entire contract period regardless of its funding source; | | |
|  | c. | General ledger for the entire contract period; | | |
|  | d. | If the general ledger covers multiple service programs and/or multiple agency records, allocation percentage for each item reported in the closeout and a reconciliation worksheet are required; and | | |
|  | e. | Property Inventory (CDA 32). | | |
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| 21. | The Contractor shall meet the following standards for its financial management systems, as stipulated in 2 CFR 200.302 and 45 CFR 75.302. | | |
|  | * Financial Reporting; * Accounting Records; * Complete Disclosure; * Source Documentation; * Internal Control; * Budgetary Control; * Cash Management (written procedures); and * Allowable Costs (written procedures). | | |
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| 22. | **Budget and Budget Revision.** The contractor shall be compensated for expenses only as itemized in the approved budget. All contractors must use the most current budget form. The budget shall be submitted on time as announced. Budget revisions shall be submitted within five (5) business days. Nutrition Education and Nutrition Counseling amounts must be clearly indicated on the budget form. A separate line is required for these two (2) funds. A percentage allocation, based on Full-Time Equivalence of paid personnel under the budget shall be provided. The contractor’s budget shall include as applicable the following items: | | |
|  | a. | | Personnel Costs – monthly, weekly, or hourly rates, as appropriate and personnel classifications together with the percentage of time to be charged to the contract; |
|  | b. | | Fringe Benefits; |
|  | c. | | Contractual Costs – subcontract and consultant cost detail; |
|  | d. | | Indirect Costs; |
|  | e. | | Rent – specify square footage and rate; |
|  | f. | | Supplies; |
|  | g. | | Equipment – detailed descriptions and unit costs; |
|  | h. | | In State Travel - mileage reimbursement rate, lodging, per diem and other costs; and |
|  | i. | | Other Costs – a detailed list of other operating expenses. |
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| 23. | The final date to submit a budget revision is April 15 of the contract period unless otherwise specified by the County; | | |
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| 24. | A mid-year review, scheduled for January 2017, will require a reconciliation of year-to-date outcomes. Based on these outcomes, a budget revision may be required. | | |
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| 25. | **Fiscal Site Visit.** A site visit will be conducted with each contractor at least every other year. The purpose of the visit is to examine accounting records and internal control procedures and make sure they are in compliance with the Generally Accepted Accounting Principles and Industry Standards. Upon request, contractors shall supply all the documents needed. Any follow-up questions or findings resulting from the site visit shall be addressed within five (5) business days. Contractors may receive more frequent fiscal site visits as determined by AAS. | | |
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| 26. | **Submission of Audited Financial Statements.** | | |
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|  | a. | Contractors that expend $750,000 or more in federal awards shall arrange for an audit to be performed as required by the Single Audit Act of 1984, Public Law 98-502, Single Audit Act Amendments of 1996, Public Law 104-156, and 2 CFR 200.501 to 200.521, and 45 CFR75.501 to 75.521. | |
|  | b. | A copy of audited financial statements shall be submitted to AAS within the earlier of thirty (30) days after receipt of the auditor’s report or nine (9) months after the end of the audit period, whichever occurs first, or unless a longer period is agreed to in advance by the cognizant or oversight agency. | |
|  | b. | The Contractor shall ensure that State-Funded expenditures are displayed discretely along with the related federal expenditures in the single audit report’s “Schedule of Expenditures of Federal Awards” (SEFA) under the Catalog of Federal Domestic Assistance (CFDA) numbers. | |
|  | c. | For contracts that do not have CFDA numbers, the contractor shall ensure that the State-funded expenditures are discretely identified in the SEFA by the appropriate program name, identifying grant/contract number and as passed through County of San Mateo. | |
|  | d. | If for any reason, AAS requests any other documentation, such as working papers and reconciliations from contractor, such requests shall be accommodated in a timely manner. | |
|  |  | The Contractor shall perform a reconciliation of the “Financial Closeout Report” to the audited financial statements, single audit, and general ledgers. The reconciliation shall be maintained and made available for AAS/CDA review. | |
|  | e. | For any findings revealed in the audit report or single audit report that AAS feels it is necessary to be addressed, such request must be taken care of immediately. A corrective action plan shall be provided upon request. | |
|  | f. | For providers that are not subject to single audit requirement, an alternative procedure may be performed by AAS. The alternative procedure will require an independent review report or compilation report, if available. Other accounting records, such as invoices, receipts and reconciliation working papers will also be required for submission if necessary. | |
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| 27. | Contractor shall ensure single audit reports meet 2 CFR 200, Subpart F – Audit Requirement and 45 CRF 75, Subpart F – Audit Requirements: | | |
|  | a. | | Performed timely - not less frequently than annually and a report submitted timely. The audit is required to be submitted to the County within 30 days after Contractor’s receipt of the auditor’s report or nine months after the end of the audit period, whichever occurs first; [2 CFR 200.512] [45 CFR 75.512] |
|  | b. | | Property procured – use procurement standards for auditor selection; [2 CFR 200.509] [45 CFR 75.509] |
|  | c. | | Performed in accordance with General Accepted Government Auditing Standards; [CFR 200.514] [45 CFR 75.514] |
|  | d. | | All inclusive – includes an opinion (or disclaimer of opinion) of the financial statements; a report on internal control related to the financial statements and major programs; an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts; and the schedule of findings and questioned costs; [2 CFR 200.515] [45 CFR 75.515] and |
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| 28. | One-Time-Only Funds | | |
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|  | a. | | Titles III and VII federal funds allocated to the AAA in a State fiscal year that are not expended or encumbered for services and administration provided by June 30 of that fiscal year as reported to the California Department of Aging (CDA) in the Area Plan Financial Closeout Report. [22 CCR 7314(a)(6)] |
|  | b. | | Title III and VII federal funds recovered from an AAA as a result of a fiscal audit determination and resolution by CDA. [22 CCR 7314(a)(7)] |
|  | c. | | Supplemental Title III and Title VII program funds allocated by the Administration on Aging to CDA as a result of the federal reallotment process. [22 CCR 7314(a)(8)] |